

3

Mobilising and managing a multigenerational workforce

Population ageing brings older workers more and more to the centre stage. Drawing talent from workers of all generations will be critical in meeting different business needs and skill priorities. Access to a large pool of skills and talent can also help firms to better cope and respond during difficult times. Yet many factors can stand in the way of acquiring and keeping the talent that is needed. This chapter discusses key barriers to fully age-inclusive workplaces, including ageism, and puts forward all-inclusive recruitment and retention policies to better integrate even more generations than in the past.

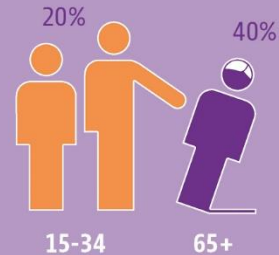
Infographic 3.1. Key facts: Attracting and retaining talent at all ages

Challenges in recruitment

Across the OECD, the hiring rate for older workers is half that for younger workers



Age discrimination remains common



Age is more often the reason for discrimination for older compared to younger discriminated workers.

Diversity and inclusion strategies



But only about 6% report concrete steps such as unbiased recruiting processes.

Training on management practices



Only 42% of employers offer managers training on management practices. Targeting line managers is more effective in reducing prejudice.

Retention policies

Retention can be a true cost-saver



Flexible work/retirement options increase retention



How age-inclusive are labour markets today?

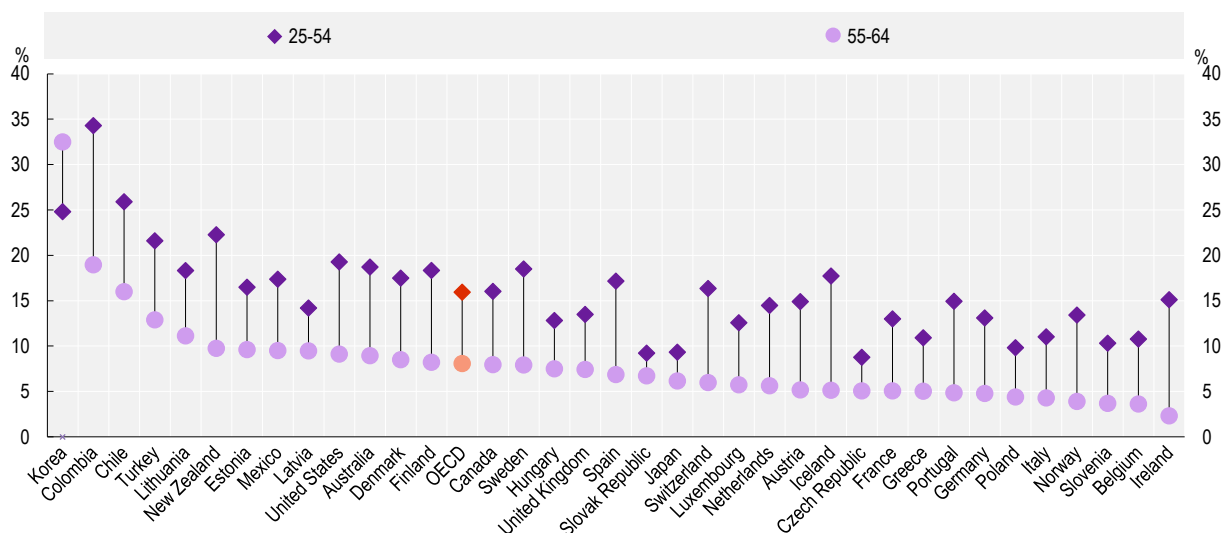
According to the 2015 Talent Management Study by the Boston College Center on Aging & Work, the estimated effort spent on recruitment practices by employers was greater than other dimensions of creation and management of a high-quality workforce, such as training and development or flexible work options.¹ In spite these efforts, many employers struggle to create an age-diverse workforce.

Large differences in hiring rates across age groups indicate that younger and older workers are often considered differently, even though employment prospects of older workers have improved significantly in recent years (as shown in Chapter 1). Across OECD countries, less than one in ten employees in the 55-64 age group are new hires. Hiring rates for workers aged 25-54 are much higher, averaging about one in six workers across the OECD (Figure 3.1). In other words, even employers with significant numbers of older workers among their workforce do not actively hire them.

Lower hiring rates beyond age 55 may reflect employers' reservations towards hiring older workers but may also reflect older workers' preferences for fewer job changes driven by settled family environment and stable life circumstances. The relatively low unemployment rates among older people seem to support the "preferences" view but should not be taken at face value. Older workers who lose their job often face considerable difficulties finding a new job. At 38%, the incidence of long-term unemployment (persons unemployed for one year or longer as a proportion of total unemployment) among 55-64 year-olds in 2019 was more than double of 15-24 year-olds. Moreover, older workers are more likely to leave the labour force altogether rather than remaining among the unemployed – and this is not always voluntary. In many countries, seniors make up a large share of discouraged jobseekers, i.e. people that are not actively searching for a job because of labour market reasons such as the past failure in finding a job (ILOSTAT, 2018^[1]).

Figure 3.1. Hiring rates decline with age across the OECD

Share of workers with job tenure of less than one year as a percentage of total employed, by age group in 2019



Note: OECD is an unweighted average and excludes Israel. Data refer to 2017 for Iceland Japan and to 2018 for the United States. Data for Korea and the United States cover employees only.

Source: OECD Job Tenure Database, https://stats.oecd.org/Index.aspx?DataSetCode=TENURE_FREQ.

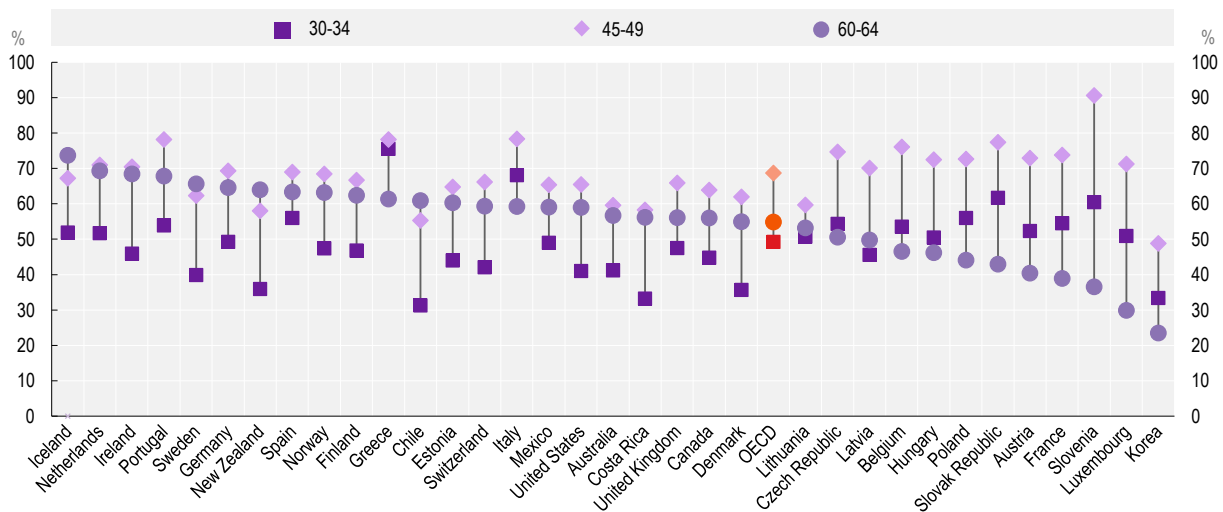
StatLink  <https://stat.link/04a5yx>

The capability to retain employees in the company is the other side of successful recruitment strategies. Acquiring company-specific skills is costly and takes time. Long-standing employees carry valuable company-specific human capital and can set the basis for integrating new hires. Therefore, older workers play a key role as they are far less likely to voluntarily move to other companies than their younger counterparts. Of course, long careers in the same company can also carry the risk that inefficient routines become deeply entrenched and work methodologies outdated. The first-best strategy to overcome this risk, however, is not higher turnover but effective employer policies to foster a life-long-learning culture as Chapter 5 of this report shows.

Despite low voluntary job change of older workers to other companies, the overall retention rate (as measured by the share of employees that remains more than five years in the same company) declines with age after reaching its peak at around 45-49 years old (Figure 3.2). On average, across the OECD, just over half of working 55-59 year-olds leave the workplace by the time they are 60-64. On one hand, early withdrawal from the labour market can be attributed to the use of early retirement schemes. Indeed, retention rates are the lowest in countries where disincentives in the welfare systems make it less worthwhile for older workers to continue in the labour market (e.g. Korea and Luxembourg). On the other hand, firms might fear low returns from training older workers, because of age-related stereotypes and shorter time to retirement thereby reducing their employability.


Figure 3.2. Retention of workers towards the end of their career is a major challenge

Share of workers in 2014 that remained with the same employer (or self-employed) in the five-year period afterwards (until 2019), by age group: 30-34, 45-49 and 60-64 years (2019)



Note: OECD is an unweighted average excluding Colombia, Israel, Japan and Turkey for which data are not available. Data refer to 2017 for Australia and to 2018 Greece, Latvia, Norway and the United States. Data cover employees only for Korea and the United States. Costa Rica is shown but is not yet a member country and hence, not included in the OECD average.

Source: OECD calculations based on *OECD Job Tenure Database*, <http://stats.oecd.org/Index.aspx?QueryId=9590>.

StatLink  <https://stat.link/1lgibt>

A range of other factors can also result in lower hiring and retention of older workers. In some countries, e.g. Korea and Japan, employment practices such as seniority pay schedules together with rigid labour market regulations can hinder recruitment of older workers (Box 3.1). Above all, stubborn and negative attitudes towards older workers remain a prime barrier. Overall, public policy interventions are critical to set the right incentives and framework for fostering age-inclusive workforces. However, most recruitment policies are in the hands of employers as discussed below.

Box 3.1. Did you know?

Seniority wages and government legislation can sometimes hinder hiring and retention at older ages

Public policies set the legal boundaries that employers have to respect in the recruitment process. But they can also set crucial incentives for prolonging working lives, changing jobs or (re-)entering the labour force at older ages.

In some countries, seniority wages are still a common approach to compensate employees, although this practice has decreased overall. In such schemes, a wage rises automatically with the length of tenure and unrelated to performance evaluations. Keeping an older employee may thus be an important cost-driver for employers, discouraging the retention of older workers. On average in the OECD, ten additional years of job tenure (i.e. length of time spent in the job with the same employer) increase wages by nearly 6% and in Germany, Japan, Turkey and Korea by even more than 10% (OECD, 2019^[2]).

Strong tenure-pay policies incentivise firms to set a mandatory retirement age upon which the employment contract automatically ends. The age often coincides with the statutory pension age. In a few cases, including Finland, France and Poland, ending the contract is also a legal precondition for claiming a full public pension. Upon termination, employers can then re-hire the same worker albeit on a new contract with substantially lower labour costs. In some cases, this may be in line with the employee's wish for reduced working hours close to retirement. However, in general, the process carries the risk that a new contract comes at the expense of poorer working conditions including lower pay, demotion and inefficient use of skills leading to deterioration of worker-well-being and productivity. Increasingly, countries are prohibiting mandatory retirement ages through anti-discrimination laws (OECD, 2019^[2]).

Age-specific employment protection legislation which sets the rules for hiring and firing workers in countries can also undermine employers' willingness to hire older workers and encourage them to make use of mandatory retirement and early retirement provisions as a means for ending long-term employment contracts that may be difficult to terminate. Today, very few OECD countries have explicit age-specific employment protection measures but in many, laying off older workers can be administratively more complex (e.g. because notice periods increase with tenure) or create significant additional costs for employers in the form of higher severance pay. Some country experience demonstrates that by avoiding overly strict employment protection legislation for permanent contracts whilst seeking to strengthening income and (re-)employment support for workers who do become unemployed can be effective ways to safeguard the interests of workers without hurting their employment prospects (OECD, 2014^[3]).

Age-inclusive recruitment processes for a multigenerational workforce

Ageism is a key barrier in creating an age-inclusive workforce

Discrimination and negative employer attitudes towards certain age groups of workers are obstacles to long and productive working lives. Older workers are often perceived as experienced and wise but also as less adaptive and having outdated skills. Younger workers are deemed dynamic and high skilled but are believed to lack leadership ability. Age-related stereotypes can thus be positive or negative but, in fact, negative stereotypes have much larger effects on behaviour than positive ones (Meisner, 2011^[4]). This is detrimental to productivity and economic growth by limiting the available pool of talent and experience in

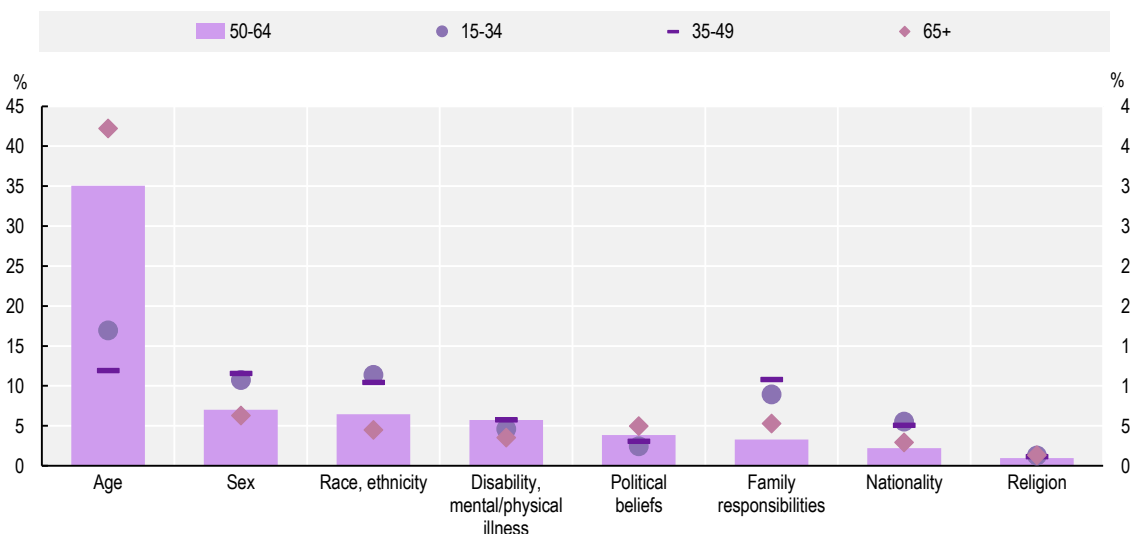
the workforce. For instance, according to a study by AARP, age discrimination against workers age 50 and older cost the US economy USD 850 billion in 2018 (AARP, 2020^[5]).

In nearly all OECD countries, employers are bound by legislation that prohibits explicit age discrimination in the form of firing or refraining from hiring someone due to age. But, the effectiveness of laws against age discrimination in the workplace is hampered by difficulties in proving that discrimination takes place, as well as cost and procedural barriers to bringing a case before courts (OECD, 2019^[2]). Hence, removing ageist provisions from legal and regulatory frameworks is insufficient to effectively tackle internalised ageist attitudes and practices in the labour market (UNECE, 2019^[6]).

Indeed, discrimination with regard to work is a considerable problem: according to International Survey of Social Survey Programme, 15% of respondents across 28 countries report to having been discriminated against with regard to their work within the last five years; for example when applying for a job or not being considered for a promotion. Among those feeling discriminated, age was by far the most common reason (Figure 3.3). Age discrimination is experienced by both younger and older workers but older workers are more likely to report complaints around ageism; 42% of those aged 65 and above compared to less than 20% for the age groups 15-34 and 35-49. Further evidence suggests that older workers are less likely to receive a job offer even if they have equal qualifications (Ahmed, Andersson and Hammarstedt, 2012^[7]). This may be a sign of discrimination and biases that inhibit the efficiency of the hiring process. Moreover, field experiments find that in the hiring process older women are more prone to be discriminated for their age than older men, on top of prevalent gender discrimination independent of age (Neumark, Burn and Button, 2019^[8]).

Figure 3.3. Age is the most common reason for work-related discrimination

People that report to be discriminated in relation to work by reason of discrimination as a share of all people reporting to be discriminated in relation to work within the last five years, by age group in 2015



Note: The countries included are: Australia, Austria, Belgium, Chile, the Czech Republic, Estonia, Finland, France, Germany, Hungary, Iceland, Israel, Japan, Latvia, Lithuania, Mexico, New Zealand, Norway, Poland, the Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States. One part of people reporting to be discriminated chose the response "other reason" as they were not able to categorise themselves in one of the other given response categories. These were 38%, 40%, 35% and 29% of people for the age groups 15-34, 35-49, 50-64 and 65+ respectively.

Source: OECD calculations based on data from International Social Survey Programme (Work Orientations Module) 2015.

StatLink  <https://stat.link/wvs1zj>

Most governments in OECD countries have launched a number of ad hoc pro-active initiatives to change employer attitudes and mindsets towards older workers and ageism in general (Box 3.2). These include legislation awareness campaigns, development of “tool kits”, promotion of best practices and consultation and co-operation with the social partners (Sonnet, Olsen and Manfredi, 2014^[9]). Among European OECD countries with available data, awareness of non-discrimination provisions has increased between 2007 and 2015, yet in the majority of countries more than half of the population would still not know their rights if they were to become a victim of discrimination or harassment (OECD, 2019^[2]).

Overall, even though considerable advances have been made to change mindsets, there remains considerable scope to implement more robust systems to prevent age bias in recruitment processes. According to (Perron, 2020^[10]) only 6% of employers in OECD countries have implemented concrete policies for unbiased recruitment.

Box 3.2. Public-private campaigns to fight age discrimination, stereotypes and biases

Many governments and international organisations launch public awareness campaigns to fight age discrimination and change employer attitudes about older workers. Campaigns like “Global Campaign to Combat Ageism” by the WHO in 2015 and “Still young or already old at work?” by the Belgium Federal Public Service for Employment, Labour and Social Dialogue in 2012 try to build public knowledge through research reports, TV spots, newspaper ads or websites. Other government programmes collaborate with or directly approach employers as illustrated by the following list of selected programmes

(<http://www.oecd.org/employment/ageingandemploymentpolicies.htm><http://www.oecd.org/employment/ageingandemploymentpolicies.htm> provides a more complete picture):

- **Vacancies for all ages** financed by the Dutch Government created a checklist for employers how to avoid discrimination in job ads. Since 2005, job ads placed in newspapers or internet are screened for age discrimination and responsible employers are contacted directly to inform about the discriminatory practice and equal treatment legislation. Unlawful ads have been declining over the past decade according to the Netherlands Institute for Human Rights (OECD, 2018^[11]).
- **Start-up 50+** is a programme by Aegon in the Netherlands and Poland in collaboration with the Leyden Academy on Vitality and Ageing, the Medical University of Lodz and EIT Health and co-financed by the European Commission. It targets people aged 50 or older to foster entrepreneurship in an eight-week training course with individual coaches. The course evaluation by participants was very positive: 96% were satisfied and 89% would recommend it to others.
- **YES (Youth Employment Service)** is a programme by Investec and other private-sector companies in collaboration with the South African Government. Since 2018, it offers opportunities for young workers to find a first job in an economy that suffers from high youth unemployment (57% for the age group 15-24 in 2019 according to the OECD Employment Database). By May 2020, 35 000 young adults found an initially temporary job of which 1 440 were at Investec where about 50% of jobs turned permanent after the end of the programme.

Diversity and inclusion practices need to move beyond “tokenism”

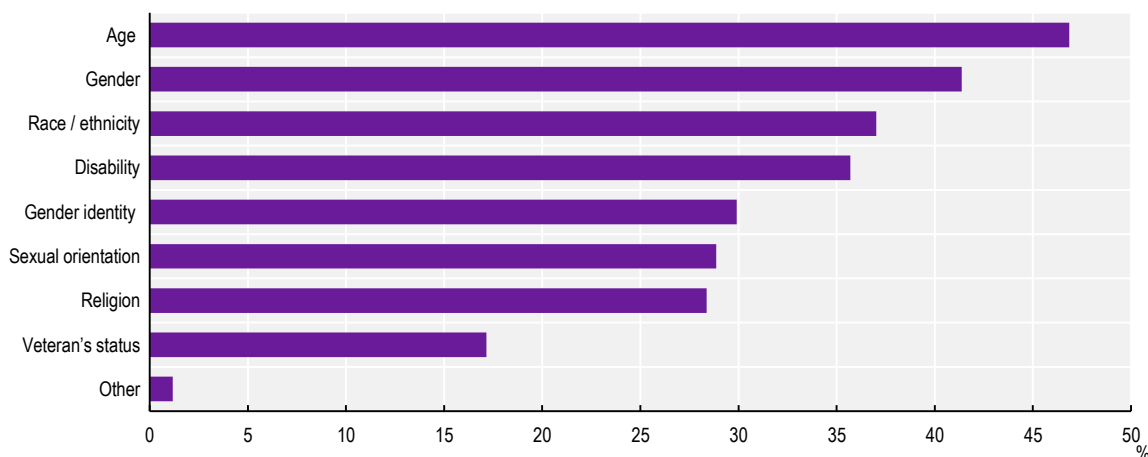
In view of labour shortages and demographic change, diversity and inclusion strategies have gained importance as a way to recruit and retain suitable workers. For many firms, they are also a way to overcome ageism by defining an all-inclusive corporate culture. According to the AARP 2020 Global Employer Survey among 6 000 employers, eight in ten large employers have a diversity and inclusion (D&I) strategy with

some employers tying diversity to company performance (Box 3.3). Among small and medium-sized enterprises,² only every second employer has a D&I strategy while one in three consider to be too small to have one. These strategies express organisational culture and values of a firm and are strongly guided by the legal and cultural environment the company operates in (Lee and Kramer, 2016^[12]).

According to the AARP survey of employers, one in two employers have a D&I strategy that includes age as an explicit facet – more than for any other dimension of diversity (Figure 3.4). While age inclusion is a positive development, creating a D&I strategy alone is not sufficient for ensuring inclusiveness at the workplace. For instance, many companies and public administrations continue to practice mandatory retirement policies which hinder employment prospects at older ages. Furthermore, the same survey revealed that concrete policies to help creating a multigenerational workforce, like unbiased recruitment processes, phased retirement programmes or lifelong-learning opportunities, are hardly adopted by employers (about 5%). Lack of knowledge and evidence may drive the gap between rhetoric and actual practices as many employers do express their willingness to implement measures if provided with the right information (Chapter 2). Overall, research suggests that the impact of implicit or subconscious biases on hiring outcomes is harder to eradicate by means of written policies (Smeaton and Parry, 2018^[13]).


Figure 3.4. Age is the most common dimension of Diversity & Inclusion strategies

Share of employers with a Diversity & Inclusion strategy by diversity component that includes the dimension of age/gender/race/ethnicity/disability/sexual orientation/gender identity/religion/veteran's status/other in their Diversity & Inclusion strategy



Note: AARP Global Employer Survey 2020 interviewed around 6 000 employers from all OECD countries except Colombia.

Source: AARP Global Employer Survey 2020.

StatLink  <https://stat.link/pis4nv>

Box 3.3. PNC Bank's diversity strategy to attract talents for a long and productive career

PNC is a financial services provider mostly operating in the United States. Diversity and inclusion is a major focus at PNC and is tied to business outcomes and fully embedded at every level of the organisation. Developing a talented and diverse workforce is recognised as critical for being competitive, spurring innovation and enhancing profitability. PNC installed several measures to make their strive for diversity and inclusion a reality:

- Corporate Diversity Council: chaired by its CEO and supported by 22 senior executives who represent every line of business across the company. Council members serve three-year terms, after which they rotate off the council to ensure that the group's ideas and strategies remain fresh and innovative.
- Leadership workshop *Raising the Bar on Talent*: It requires managers of people to not only perform the business aspects of their jobs but also to develop skills to hire, train, and develop a diverse workforce.
- 12 Lines of Business Diversity and Inclusion Councils: These include audit, business banking, customer care, risk management, and technology, among others. These councils are charged with finding ways to integrate diversity and inclusion into their specific business areas.

Source: AARP (2016^[14]), "Disrupting Aging in the Workplace: Profiles in Intergenerational Diversity Leadership", <https://www.aarp.org/ppi/info-2016/disrupting-ageing-in-the-workplace.html>.

Eliminating age bias in recruitment

Age discrimination and stereotypes can hinder the hiring process at several stages. It starts at the very beginning of the hiring process: for instance, the wording and imagery used in advertisements and job descriptions can influence who applies for a role. Job advertisements can also exclude potential applicants through requesting "essential qualifications". This is well intended and makes the hiring process more efficient. However, focusing as much as possible on transferable skills and experience, and specifying that equivalent qualifications are also acceptable avoids unnecessarily losing qualified applicants (Centre for Ageing Better, 2018^[15]).

"Age-blind" hiring processes, for example curriculums vitae that omit the applicant's date of birth and ask for relevant experience against competencies rather than chronologically, can avoid conscious and unconscious biases in the early stage of the hiring process. The overall effect of age-blind hiring or anonymous job applications on diversity, however, could be counterproductive as anonymisation prevents employers not only from negative but also from positive discrimination (OECD, 2020^[16]). For example, (Behaghel, Crépon and Le Barbanchon, 2015^[17]), find that immigrants and applicants from deprived neighbourhoods have a lower call-back rate in anonymised hiring processes compared than with standard applications, likely because anonymity prevents employers committed to diversity from favouring minority applicants when credentials are equal. Overall, only 6% of employers that have diversity measures in place use blind job applications (OECD, 2020^[16]).

Against the difficulty of controlling unconscious bias, use of technology such as a tailored software that screens advertisements for buzzwords with regard to age and other personal characteristics can help diversify the candidate pool by systematically removing the incidence for bias to influence selection. For instance, *Applied* (a recruitment platform) have developed a platform that focuses on making hiring fairer and smarter, and draws on behavioural science, designing out the influence of socio-economic characteristics on the selection process. Their approach uses work-sample based assessments, which are screened and scored blind to develop a more accurate proxy for job performance. They use experimental methods to test the robustness of their methods, and have found that half of those hired would not have reached appointment using previous screening techniques.

Evidence also suggests that age discrimination can take place during the interview process (even though these findings rely overwhelmingly on studies conducted in laboratory settings and are sometimes criticised for artificiality) (Morgeson and Humphrey, 2008^[18]). Furthermore, unstructured interviews have been found to be particularly bad predictors of productivity, therefore forming a panel and putting more structure on interviews helps to avoid biases (Smeaton and Parry, 2018^[13]). In addition, first interviews can also be partly "blinded" and conducted over the phone to better ensure selection is based on skills and

experience. At least in laboratory studies and a few field experiments, this has been found to be effective against biases (Smeaton and Parry, 2018^[13]).

Finally, bias can enter in the post interview phase as demonstrated by Biernat and Fuegen (2001^[19]), which found that women are more likely to be shortlisted for a job opening but less likely to ultimately receive a job offer. Research based on 130 interviews with employers revealed that interviewers prefer candidates that are culturally similar to themselves in terms of leisure pursuits, experiences, and self-presentation styles (Rivera, 2012^[20]). Under these circumstances concerns about shared culture often even outweigh concerns about productivity.

Strategic workforce planning

Globalisation, demographic change, and new technologies that rapidly transform labour markets make it necessary that employers look well ahead to build a productive and diverse workforce. This is key to respond to crisis situations as much as avoid skills shortages and ensure tapping into a vast pool of skills and talent.

Some large employers engage in advanced tools of strategic workforce planning tools to evaluate the skill set of the current workforce and aim at identifying arising skill needs well in advance to avoid shortages and benefit from early-mover advantages on the labour market. The case of the *Allianz* insurance company highlights how such tools can encourage organisations to frame their thinking about recruitment in terms of talent rather than life stage (Box 3.4).

Box 3.4. Spotlight on strategic workforce planning to recruit and retain workers

Advanced tool at Allianz helps creating a multigenerational workforce

The business environment is constantly evolving and companies need to adapt their workforce to the changing needs to achieve their business goals. Strategic workforce planning (SWP) enables tactical decisions with a long-term focus. It evaluates the skill set of the current workforce and identifies future skill needs well in advance. This allows sufficient time to react to the labour market, avoiding labour shortages before they can arise. Some companies focus on the organisation's primary functions, which contribute most to the organisational results, while overhead and management are of secondary concern.

Some large employers engage in advanced SWP tools. Allianz, for example, runs a tool that integrates employees from all over the world and categorises them according to their skills. SWP at Allianz comprises the following steps:

1. Employees are allocated to talent segments (such as "Risk Management" or "Human Resources Business Partner") which denote distinct skill sets. The entire organisation is divided into over 100 talent segments.
2. Together with the core business functions, human resource management evaluates the supply of skills across talent segments with a five-year planning horizon.
3. Next, the strategic full-time equivalent workforce and skills demands are forecasted across talent segments for the same planning horizon.

4. HR management compares supply and demand to identify gaps. Potential solutions and alternative scenarios to close these gaps are developed and proposed to the executive board. This can be hiring or upskilling within sought-after talent segments, for example, “Data Scientists”. If Allianz foresees a significant risk of failure of the primary solution, for example typically not being the company of choice for data scientists, a secondary solution is put in place. This may consist in upskilling within one talent segment or reskilling across talent segments, for example from “Data Analyst” to “Data Scientist” or from “Claims Handler” to “Claims Standards and Performance Management”.

SWP tools can be integrated with corporate platforms for career development. This allows employees to compare themselves with the skills needed for the position that they may aspire. The platform may also make automated proposals for next career steps including a phased retirement programme. At Allianz 10 000 employees have currently access to such a platform, which is yet not integrated with the SWP tool.

Such an integration would also facilitate identifying and monitoring the career planning of employees with key knowledge for the company to assure knowledge transfer to successors before leaving the organisation. Upon retirement, for example, a phased retirement programme may include one or two days of work a week for knowledge transfer to the next generation.

Tackling stereotypes and discrimination in recruitment through employee training

Training is a cross-cutting issue that applies equally to de-biasing recruitment processes, managing age-diverse teams and integrating flexible working arrangements. Many employers invest in diversity training programmes to tackle conscious and unconscious biases towards minorities and in relation to gender, age and other groups of workers directly through courses. According to the 2018 OECD-Dauphine survey among HR professionals, around 44% of firms that include diversity measures in their human resource strategy have implemented such trainings for all employees, and 20% implemented additional specific trainings for human resource personnel; yet evidence casts doubt on their effectiveness (OECD, 2020^[16]).

Poor training results (whether age, race, or gender-related) can stem from several factors: voluntary training often reaches those who least need it (Kulik et al., 2007^[21]) while, when forced to train, people often resist (Dobbin and Kalev, 2016^[22]). Other studies have also shown, in relation to age, that promoting awareness of the stereotypical views and biases we hold, is not effective in eradicating bias or enabling people to suppress those views (Kulik, Perry and Bourhis, 2000^[23]). Drawing on behavioural economics, Bohnet (2016^[24]) shows how difficult it is to de-bias minds, with a few demonstrably effective interventions concluding “changing behaviour should be the goal rather than changing minds”.

Instead, appointing a manager or committee with responsibility for change and accountability, whether in relation to gender, race or age diversity, is likely to be more effective than diversity training, which aims to alter attitudes and stereotypes. In this regard, engaging line managers can be particularly effective (Dobbin and Kalev, 2016^[22]) as they have a pivotal role for creating an age-inclusive work environment. They are the gatekeepers to promotion or skill development through internal mobility and therefore affect how efficiently human resources are used in a company. Oslo Airport, for example, developed in conjunction with University of Stavanger a two-day course for their managers that focuses on managing employees at different age levels, including seniors (Box 3.5). However, only 42% of employers offer their managers training on management practices for a multigenerational workforce according to the AARP Global Employer Survey 2020.

Box 3.5. Training Managers to Retain Older Workers at Oslo Airport

Oslo Airport (OSL) owns and operates Norway's main airport. The company has 500 employees with an average age of 46 years. In an attempt to promote healthier and longer working lives, OSL developed an initiative called the "Life Phase Policy" with the initial target to increase the average retirement age at OSL by six months. The initiative includes several programmes.

Among those, in the Ageing and life-phase human resource (HR) training programme managers receive training to cope with challenges related to the management of different generations. The two-day course that was developed in conjunction with and is run by the University of Stavanger focuses on the differences in managing employees of different age levels, including seniors.

Other programmes include annual health monitoring including dietary and training advice, which has a special focus on older workers, the option for employees over 62 years of age to change working hours according to their needs and the option to be relocated to less physically demanding jobs after retraining.

After introducing the "Life Phase Policy", OSL increased the actual retirement age by three years from 63 to 66, strongly over-achieving their target of six months, thereby retaining the valuable skills of older workers for a longer period. In addition, the company has reduced sick leave and very few employees have been declared medically disabled.

Source: Adapted from European Agency for Safety and Health at Work (2016^[25]) "Case Study – Oslo Airport's Life-Phase Policy: Norway".

Employee engagement

Strategies that effectively promote employee engagement and buy-in can also go a long way in developing an age-inclusive culture. One way of employee involvement is through so-called Employee Resource Groups (ERGs). While mostly common in the United States, they can also be a feature of some European companies. ERGs are groups of employees within a company that are led – and often also initiated – by employees on a voluntary basis. Members of ERGs usually dedicate leisure time for their activities but employers may also allow meetings during business hours or support ERGs financially (Biscoe and Safford, 2010^[26]).

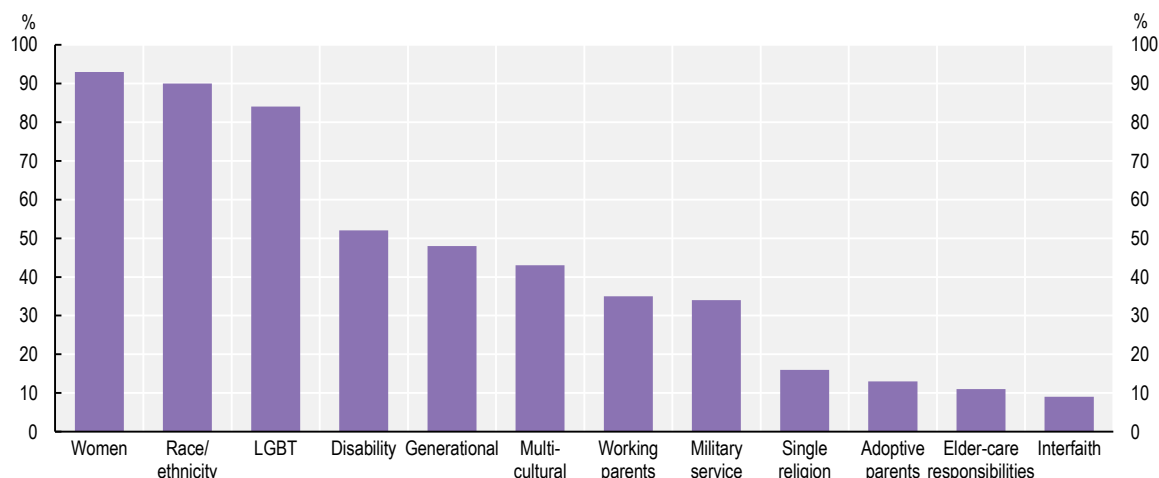
Initially ERGs were mostly vehicles of social movement related to minority rights such as for LGBTI people but the covered themes are expanding. Given their historical development, the large majority of firms has ERGs related to gender, ethnicity or race and LGBTI groups. Age-related ERGs exist in every second firm according to Mercer's Come of Age study enacted in Australia, several European countries, Japan and the United States (Figure 3.5).

Research on the effectiveness of ERGs is scarce even though they have considerably grown in numbers (Welbourne, Rolf and Schlachter, 2015^[27]). Nevertheless, other studies on corporate diversity taskforces that share similarities with ERGs, show that intergroup contact effectively reduces prejudice among a broad range of minority groups including older people (Bertrand and Duflo, 2016^[28]). They can also promote accountability, engage members and increase contact among the diverse groups who participate. Moreover, ERGs, are a relatively inexpensive way to promote employee engagement and participation.

A related approach to more inclusion through employee engagement is to install a culture of camaraderie at the workplace. Company-funded lunches, family picnics or related employer-financed events aim at bringing employees together in a non-work setting so they can learn about each other. Effectiveness of such measures relies on real connections spilling over into day-to-day collaboration at work to increase productivity (Forbes, 2017^[29]).

Figure 3.5. One age-related employee resource group (ERG) in every second company

Share of companies reporting each type of ERGs



Note: The survey sample consists by two-thirds of companies that operate in more than one country. The first base of these companies is in the United States (76%), Europe (21%) and Australia or Japan (3%).

Source: Mercer (2011^[30]), *ERGs Come of Age: The Evolution of Employee Resource Groups*.

StatLink  <https://stat.link/t5ymcu>

Policies to improve internal mobility, foster retention and lower turnover costs

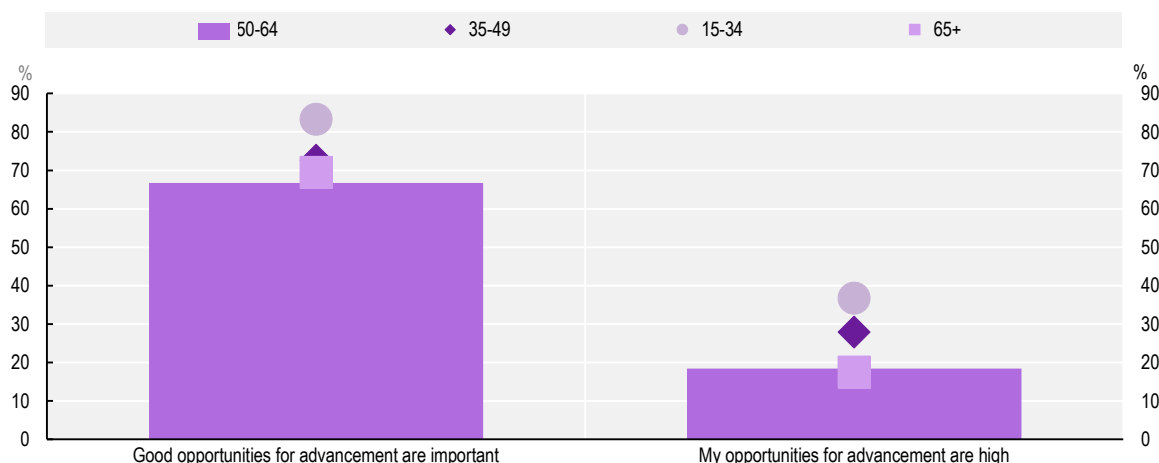
Allowing for internal mobility as effective retention policy

External job mobility in the form of new hires and employees leaving is a mixed blessing for employers. Departing workers are a loss of human capital for the company while incoming workers bring new ideas and widen the covered skill set in the workforce, which also fosters skill development among existing employees through knowledge spill-overs. Drawing on high turnover rates in highly innovative companies in Silicon Valley, Cooper (2001^[31]) argues that in sum allowing for external mobility raises innovation. This is because the positive skill effects overcompensate loss of human capital and the non-exclusivity of the innovation that may go along with a departing employee that joins a competitor. Yet, high turnover of employees is also expensive for companies. Boushey and Glynn (2012^[32]) measure that the additional costs of hiring can amount to 20% of that position's annual salary. Successful retention policies can therefore be true cost-savers.

A key reason for employees to quit their jobs is career advancement. This holds for young age groups that stand at the beginning of their career as well as older workers who need good career perspectives for long working lives potentially beyond the statutory pension age. Employees of all ages, indeed feel that employers can do more to offer advancement opportunities (Figure 3.6).

Figure 3.6. Career advancement opportunities are much fewer than sought by employees

Share of respondents agreeing with the indicated statement, by age group in 2015



Note: The countries included are: Australia, Austria, Belgium, Chile, the Czech Republic, Estonia, Finland, France, Germany, Hungary, Iceland, Israel, Japan, Latvia, Lithuania, Mexico, New Zealand, Norway, Poland, the Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States.

Source: OECD calculations based on International Social Survey Programme 2015 data, questions Q2c and Q12c.

StatLink  <https://stat.link/ofs40m>

Annual performance assessments of all employees play an important role in career advancement and have become a common practice in most companies nowadays. These assessments can determine eligibility for a promotion and determine eligibility and size of variable pay or bonus payments. While individual performance assessment is still the most common approach to performance measurement, it fails to account for indirect contributions of employees to the team success. In particular older workers may be undervalued in such systems as they tend to provide more coaching, knowledge transfer and other forms of guidance to other team members while positive productivity effects may not be traced back to them (Mercer, 2019^[33]). Introducing elements of group-based performance measurement, for example by making the individual assessment also depend on team outputs, encourages indirect contributions and fosters collaboration within and across age groups.

The answer might not always necessarily be a move upward, but rather a lateral move to another part of the organisation. This enables employees to expand and enhance their careers while the organisation retains top talent. Employees stay longer with the company because they feel like their career is moving forward.³ This way, allowing for internal mobility acts as an effective retention policy.

Internal mobility – in the form of moving people between roles to fill vacancies and offer development and career progression – shares many features with external mobility; it fosters development and transfer of skills. Structured processes to move people between roles, do succession planning and fill internal vacancies facilitate internal mobility and make it more effective. Keller (2018^[34]), for example, finds that candidate selection upon formal internal job postings significantly increases both match quality and retention rate compared to an informal candidate selection.

Returner or re-entry programmes can help employers tap in older workers' skills and expertise

Working lives are becoming increasingly diverse as the traditional model of education, work and retirement is no longer the norm. Care tasks, sabbaticals, re- and upskilling are essential parts of a modern working life for all ages and that lasts longer (Chapter 1). Acknowledging employees' changing needs throughout life course and a long career and providing them with the tools to react to it without leaving the company can be a crucial advantage in the race for talent.

People with long career breaks tend to have a much harder time to find work, in particular at older ages when they receive fewer job offers, which results in later and less frequent re-employment (Wanberg et al., 2016^[35]). Returner or re-entry programmes that allow people with a long career break to combine part-time work with training to update outdated skills may be helpful to make use of older workers' experience. In attempting a return, some argue that older workers experience difficulties that training and development can help overcome (Hartlapp and Schmid, 2008^[36]); (Shacklock, Fulop and Hort, 2007^[37]). The "New Deal 50 Plus" programme in the United Kingdom is an example for a country facilitating individuals re-entry through formal programmes that aim to boost skill development, the employability of workers and productivity of organisations (Brooke and Taylor, 2005^[38]).

Some employers install formal returner or re-entry programmes by hiring returnees on a systematic basis and offering in-house support to enable them progress. The main reason to establish such a programme is the opportunity to bridge the skills gap that has developed during the career break. Rieger, Bird and Farrer (2018^[39]) found that the most frequently used support mechanisms for returners by employers in the United Kingdom are induction sessions, mentoring and coaching, role-specific training, and feedback and review sessions. These support instruments were also perceived as the key contributors to the success of the programmes while the financial costs, and burden on resources, were seen as minimal when compared to the return on this investment (Rieger, Bird and Farrer, 2018^[39]).

Supporting employees in financial and retirement planning

Throughout an employee's lifecycle and career, they may benefit from opportunities to review and plan their future work options (e.g. career moves, learning and development opportunities), their financial commitments and plans, and aspects of their health and work-life balance. Many employers have adopted this life-stage approach to career planning as an effective way to retain workers. This identifies potential next career steps of their employees that may then be part of annual employer-employee conversations on individual development (as discussed in Chapter 5).

From mid-career and beyond, many workers are also concerned to ensure that they are making plans for their eventual retirement and this will be a need to which more employers will need a flexible response. Against the backdrop of a quickly ageing workforce, the Aviva financial services company has trialled a series of such mid-life reviews for employees over 45 suggesting that financial planning is most demanded (Box 3.6).

However, it is increasingly clear that it is not just older workers who need such support. For example, growing concern about the financial well-being of employees throughout the lifecycle has prompted more employers to offer support to younger workers too. As Serido et al. (2013^[40]) suggest, so-called "emerging adults" have a number of "social milestones" in early adulthood (e.g. transition from education, graduation, student loans, parenthood, mortgages, marriage) which elevate their need for support, advice and flexibility from employers.

Box 3.6. Aviva assists employees in financial and retirement planning

In 2018, Aviva – a large financial services company in the United Kingdom – invites employees in the 45-to-60 age group to a series of seminars on the needs of people in mid-life, called “wealth, work and well-being”. The aim of the pilot was to understand employees’ motivations around engaging with their financial situation, their career and their well-being. Seminars gave Aviva an opportunity to promote services they currently provide and invited participants to seek one-to-one support, via a financial adviser for their wealth needs, a National Careers Association professional for their work needs and an in-house “health hero” for their well-being needs. Of the three elements – wealth, work and well-being – the wealth element, involving access to financial planning advice, had the strongest demand in advance and received the highest scores afterwards. After this pilot with 100 employees, the company is extending access to the estimated 5 000 employees aged 45 years or more.

Phased retirement for retaining knowledge and experience

Another way to retain older workers in the company is through phased retirement programmes, which allow adapting worktime to changing life circumstances. The term “phased retirement” usually refers to a broad range of both informal practices and formal workplace policies, which allow employees who are approaching the statutory pension age to phase into retirement by working for their employers in a different capacity, instead of switching abruptly from full-time work to full-time retirement. Annex Table 3.A.1 shows the most common forms of phased retirement programmes.

The abandonment of mandatory retirement ages in many countries (Box 3.1) has meant that there can sometimes be an uncomfortable ambiguity about when an older worker retires and how much choice they have over the timing and terms of this decision. If an employer can offer a flexible and phased approach to retirement, taking into account employees’ plans and preferences, then they will benefit from the retention of their skills and tacit knowledge and the employee will make a more controlled and healthier transition into retirement (Quine, Bernard and Kendig, 2006^[41]).

According to the 2020 Global Retirement Readiness Survey, 57% of workers globally expect a phased transition into retirement and envision working in some capacity in retirement. However, the same survey revealed that 25% of workers do not benefit from any employer support to phase their retirement. Less than one in three workers globally (28%) state that they have the option to move from full- to part- time work to help them phase into retirement, and even fewer (24%) feel their employer offers work suitable for older workers (Aegon Center for Longevity and Retirement, 2020^[42]). Poor access to flexible retirement options is a loss not only for individuals, but increasingly for employers too. Even in the current economic uncertainty, employers operating in industries where there are skills shortages, can benefit from offering flexible working arrangements for workers of all ages.

One reason for limited flexibility for older workers may be a fundamental disconnection between how employers think they support their older workers and how they actually do it. If given the appropriate information and “how-to” training, global employers indicate that they would be likely to implement many of the best-practice policies known to create and enhance an age-diverse workforce. For instance, at least two-thirds of employers are open to phased retirement programs (AARP, 2016^[14]).

In recognition of workforce ageing and to accommodate older workers and their preferences, some companies follow a broader strategy of older-worker engagement in which phased retirement schemes are successfully embedded (Box 3.7). In several countries, this is supported by a flexible retirement option in the public pension scheme. It allows to combine part-time work before full retirement with receipt of a partial pension from the public scheme, which dampens the income drop when moving from full-time work into phased retirement. However, evidence from nine OECD countries shows that such programmes do not

raise aggregate labour supply. Instead, an earlier reduction of working hours for some people compensates the prolonged working lives on reduced hours for others (Börsch-Supan et al., 2018^[43]). Therefore, the key to longer working lives is to design flexible retirement options carefully (OECD, 2017^[44]).

Box 3.7. Embedding phased retirement in a broader strategy of older-worker engagement

Bank of America (BOA) has developed a detailed plan for older employees and their transition into retirement. An internal BOA survey of 250 employees age 50 and up indicated that 85% of this group wanted to work part-time or reduced hours as they move towards retirement and 91% want to stay connected to the work of the firm. In response and against the backdrop of a quickly ageing workforce, BOA implemented a series of new programmes and pilots:

1. Built a portal specifically for retirees that enabled them to stay connected and participate in various programs. Piloted a retiree network and currently evaluating a launch.
2. Launched a phased retirement programme for BOA Merrill Lynch (now BofA Securities) employees.
3. Piloted a phased retirement programme for bank employees.
4. Developed a training programme and continuous ongoing education for employees about the value of multigenerational teams and the importance of age inclusion.
5. Implemented a programme to address unconscious biases.
6. Launched the Inter-Generational Employee Network, which creates opportunities for networking, development, mentoring and educational awareness of all generations to benefit from the strength each generation brings to the workplace.

Source: Clark and Ritter (2020^[45]), “How are Employers Responding to an Aging Workforce?”. This information is based on a presentation by Aubrey Long at the NBER Workshop, 4 October 2019.

Beyond phased retirement, flexible working time and paid or unpaid leave periods for care tasks can also serve as effective retention policies. This holds in particular in countries that do not provide noticeable public policies of child and long-term care. The following chapters will shed more light on employers’ realm of possibilities to make jobs attractive and maintain a skilled workforce for sustainable performance.

Key takeaways

- Age-biased recruitment processes are a major barrier in generating and mobilising the multigenerational workforce, despite the universality in anti-discrimination laws.
- Many – and in particular large – employers have set up diversity and inclusion strategies but only few have implemented additional measures demonstrating large gaps in actual practice and rhetoric.
- Use of tailored software and “age blind” hiring processes are more robust ways to draw talent across all ages and overcome stereotypes at all stages of the hiring process including advertisement to job interview and selection decisions as long as the algorithms are scrubbed of age bias.
- Diversity training (especially if mandatory) for all employees is likely to be far less effective in fostering an age-inclusive workforce. Training provided to line managers and engaging employees by forming groups or committees are more effective ways to reduce prejudice and change negative attitudes due to their accountability factor.
- Companies need to adapt their workforce to the ever-changing business environment. Adopting measures such as strategic workforce planning can be a win-win solution. It can help employers being ahead of the market to avoid skill shortages before they appear whilst hiring based on skill priorities rather than age. Tools for strategic workforce planning can be integrated with corporate platforms for career development.
- Retaining talent is just as important as finding it at the first place. Providing opportunities for career and financial planning throughout employees working lives, greater returnship programmes, and phased retirement can act as effective retention policies.
- Group-based performance assessment can encourage internal mobility especially for older workers who can be undervalued as some of their function such as mentoring and coaching goes unrecognised in individual performance systems. Team-based performance systems can also foster greater collaboration between employees of different generations and allows for their complementarities take effect.

References

- AARP (2020), *The Economic impact of age discrimination: How discriminating against older workers could cost the U.S. Economy \$850billion*, AARP. [5]
- AARP (2016), *Disrupting Aging in the Workplace: Profiles in Intergenerational Diversity Leadership*, AARP, <https://www.aarp.org/ppi/info-2016/disrupting-aging-in-the-workplace.html> (accessed on 29 September 2020). [14]
- Aegon Center for Longevity and Retirement (2020), *The new Social Contract: Age-friendly Employers, Aegon Retirement Readiness Survey 2020*, Aegon N.V. [42]
- Ahmed, A., L. Andersson and M. Hammarstedt (2012), “Does age matter for employability? A field experiment on ageism in the Swedish labour market”, *Applied Economics Letters*, Vol. 19/4, pp. 403-406, <http://dx.doi.org/10.1080/13504851.2011.581199>. [7]

- Behaghel, L., B. Crépon and T. Le Barbanchon (2015), “Unintended Effects of Anonymous Résumés”, *American Economic Journal: Applied Economics*, Vol. 7/3, pp. 1-27, <http://dx.doi.org/10.1257/app.20140185>. [17]
- Bertrand, M. and E. Duflo (2016), “Field Experiments on Discrimination”, *National Bureau of Economic Research*, <http://dx.doi.org/10.3386/w22014>. [28]
- Biernat, M. and K. Fügen (2001), “Shifting Standards and the Evaluation of Competence: Complexity in Gender-Based Judgment and Decision Making”, *Journal of Social Issues*, Vol. 57/4, pp. 707-724, <http://dx.doi.org/10.1111/0022-4537.00237>. [19]
- Biscoe, F. and S. Safford (2010), “Employee Affinity Groups: Their Evolution from Social Movements Vehicles to Employer Strategies”, *Perspectives on work*, Vol. 14/1, pp. 42-45, <https://hal-sciencespo.archives-ouvertes.fr/hal-01052900> (accessed on 10 June 2020). [26]
- Bohnet, I. (2016), *What Works: Gender Equality By Design*, Harvard University Press. [24]
- Börsch-Supan, A. et al. (2018), “Dangerous flexibility – retirement reforms reconsidered”, *Economic Policy*, Vol. 33/94, pp. 315-355, <http://dx.doi.org/10.1093/epolic/eiy002>. [43]
- Boushey, H. and S. Glynn (2012), *There Are Significant Business Costs to Replacing Employees*, Center for American Progress. [32]
- Brooke, L. and P. Taylor (2005), “Older workers and employment: Managing age relations”, *Ageing and Society*, Vol. 25/3, pp. 415-429, <http://dx.doi.org/10.1017/S0144686X05003466>. [38]
- Centre for Ageing Better (2018), *Becoming an age-friendly employer*, Centre for Ageing Better. [15]
- Clark, R. and B. Ritter (2020), “How are employers responding to an aging workforce?”, *NBER Working Paper*, 26633, *National Bureau of Economic Research, Inc.* [45]
- Cooper, D. (2001), “Innovation and reciprocal externalities: Information transmission via job mobility”, *Journal of Economic Behavior and Organization*, Vol. 45/4, pp. 403-425, [http://dx.doi.org/10.1016/S0167-2681\(01\)00154-8](http://dx.doi.org/10.1016/S0167-2681(01)00154-8). [31]
- DeLoatch, P. (2019), *As the workforce ages, phased retirement grows*, <https://www.hrdive.com/news/as-the-workforce-ages-phased-retirement-grows/557485/> (accessed on 3 December 2020). [47]
- Dobbin, F. and A. Kalev (2016), “Why Diversity Trainings Fail”, *Harvard Business Review* July–August. [22]
- European Agency for Safety and Health at Work (2016), *Case Study - Oslo Airport's Life-Phase Policy: Norway*, European Agency for Safety and Health at Work. [25]
- Forbes (2017), *Four Steps To Motivating A Multigenerational Workforce*, Forbes. [29]
- Gerlach, K. and O. Hübler (2009), “Employment Adjustments on the Internal and External Labour Market: An Empirical Study with Personnel Records of a German Company”, *Labour Economics: Jahrbücher für Nationalökonomie und Statistik* (edt. Fitzenberger, B., Smolny, W. and Winker, P.), Vol. Sonderausgabe Heft 2+3/Bd. 229. [51]
- Hartlapp, M. and G. Schmid (2008), “Labour market policy for 'active ageing' in Europe: Expanding the options for retirement transitions”, *Journal of Social Policy*, Vol. 37/3, pp. 409-431, <http://dx.doi.org/10.1017/S0047279408001979>. [36]

- ILOSTAT (2018), *What About Seniors? A Quick Analysis of the Situation of Older Persons in the Labour Market*, ILO. [1]
- Keller, J. (2018), "Posting and Slotting: How Hiring Processes Shape the Quality of Hire and Compensation in Internal Labor Markets", *Administrative Science Quarterly*, Vol. 63/4, pp. 848-878, <http://dx.doi.org/10.1177/0001839217736045>. [34]
- Kulik, C. et al. (2007), "The rich get richer: predicting participation in voluntary diversity training", *Journal of Organizational Behavior*, Vol. 28/6, pp. 753-769, <http://dx.doi.org/10.1002/job.444>. [21]
- Kulik, C., E. Perry and A. Bourhis (2000), "Ironic evaluation processes: effects of thought suppression on evaluations of older job applicants", *Journal of Organizational Behavior*, Vol. 21/6, pp. 689-711, [http://dx.doi.org/10.1002/1099-1379\(200009\)21:6<689::AID-JOB52>3.0.CO;2-W](http://dx.doi.org/10.1002/1099-1379(200009)21:6<689::AID-JOB52>3.0.CO;2-W). [23]
- Lee, Y. and A. Kramer (2016), "The role of purposeful diversity and inclusion strategy (PDIS) and cultural tightness/looseness in the relationship between national culture and organizational culture", *Human Resource Management Review*, Vol. 26/3, pp. 198-208, <http://dx.doi.org/10.1016/j.hrmr.2016.01.001>. [12]
- LinkedIn (2020), *Global Talent Trends 2020*, LinkedIn Corporation. [50]
- Meisner, B. (2011), "A Meta-Analysis of Positive and Negative Age Stereotype Priming Effects on Behavior Among Older Adults", *The Journals of Gerontology Series B: Psychological Sciences and Social Sciences*, Vol. 67B/1, pp. 13-17, <http://dx.doi.org/10.1093/geronb/gbr062>. [4]
- Mercer (2019), *Next Stage: Are you age-ready?*, Mercer LLC. [33]
- Mercer (2011), *ERGs Come of Age: The Evolution of Employee Resource Groups*, Mercer LLC. [30]
- Morgeson, F. and S. Humphrey (2008), *Job and team design: Toward a more integrative conceptualization of work design*, Emerald Group Publishing Limited, [http://dx.doi.org/10.1016/S0742-7301\(08\)27002-7](http://dx.doi.org/10.1016/S0742-7301(08)27002-7). [18]
- Neumark, D., I. Burn and P. Button (2019), "Is It Harder for Older Workers to Find Jobs? New and Improved Evidence from a Field Experiment", *Journal of Political Economy*, Vol. 127/2, pp. 922-970, <http://dx.doi.org/10.1086/701029>. [8]
- OECD (2020), *All Hands In? Making Diversity Work for All*, OECD Publishing, Paris., <https://doi.org/10.1787/efb14583-en>. [16]
- OECD (2019), *Working Better with Age, Ageing and Employment Policies*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/c4d4f66a-en>. [2]
- OECD (2018), *Key policies to promote longer working lives: Country note 2007 to 2017 Netherlands*, OECD, Paris, http://www.oecd.org/els/emp/Netherlands%20key%20policies_Final.pdf. [11]
- OECD (2017), *Pensions at a Glance 2017: OECD and G20 Indicators*, OECD Publishing, Paris, https://dx.doi.org/10.1787/pension_glance-2017-en. [44]
- OECD (2014), *OECD Employment Outlook 2014*, OECD Publishing, Paris, https://doi.org/10.1787/empl_outlook-2014-en (accessed on 6 February 2019). [3]

- Paullin, C. (2014), *The Aging Workforce: Leveraging the Talents of Mature Employees*, SHRM Foundation. [48]
- Perron, R. (2020), *Global Insights on the Multigenerational Workforce*, AARP Research, Washington, DC, <http://dx.doi.org/10.26419/res.00399.001>. [10]
- Platts, L. et al. (2019), "Returns to work after retirement: A prospective study of unretirement in the United Kingdom", *Ageing and Society*, Vol. 39/3, pp. 439-464, <http://dx.doi.org/10.1017/S0144686X17000885>. [46]
- Quine, S., D. Bernard and H. Kendig (2006), "Understanding baby boomers' expectations and plans for their retirement: findings from a qualitative study", *Australasian Journal on Ageing*, Vol. 25/3, pp. 145-150, <http://dx.doi.org/10.1111/j.1741-6612.2006.00170.x>. [41]
- Rieger, P., G. Bird and M. Farrer (2018), *Employer research on returner programmes*, OMB Research Ltd., <http://www.ombresearch.co.uk> (accessed on 18 June 2020). [39]
- Rivera, L. (2012), "Hiring as Cultural Matching", *American Sociological Review*, Vol. 77/6, pp. 999-1022, <http://dx.doi.org/10.1177/0003122412463213>. [20]
- Serido, J., S. Shim and C. Tang (2013), "A developmental model of financial capability: A framework for promoting a successful transition to adulthood", *International Journal of Behavioral Development*, Vol. 37/4, pp. 287-297, <http://dx.doi.org/10.1177/0165025413479476>. [40]
- Shacklock, K., L. Fulop and L. Hort (2007), "Managing older worker exit and re-entry practices: A 'revolving door'?", *Asia Pacific Journal of Human Resources*, Vol. 45/2, pp. 151-167, <http://dx.doi.org/10.1177/1038411107073603>. [37]
- Smeaton, D. and J. Parry (2018), *Becoming an age-friendly employer: Evidence report*, Centre for Ageing Better, <https://www.ageing-better.org.uk/sites/default/files/2018-09/Being-age-friendly-employer-evidence-report.pdf>. [13]
- Sonnet, A., H. Olsen and T. Manfredi (2014), "Towards More Inclusive Ageing and Employment Policies: The Lessons from France, The Netherlands, Norway and Switzerland", *De Economist*, Vol. 162/4, pp. 315-339, <http://dx.doi.org/10.1007/s10645-014-9240-x>. [9]
- The Center on Aging & Work (2020), *Innovative Practices Database*, http://capricorn.bc.edu/agingandwork/database/search/case_study (accessed on 20 April 2020). [49]
- UNECE (2019), "Combating ageism in the world of work", *UNECE Policy Brief on Ageing*, Vol. 21. [6]
- Wanberg, C. et al. (2016), "Age and reemployment success after job loss: An integrative model and meta-analysis", *Psychological Bulletin*, Vol. 142/4, pp. 400-426, <http://dx.doi.org/10.1037/bul0000019>. [35]
- Welbourne, T., S. Rolf and S. Schlachter (2015), "Employee Resource Groups: An Introduction, Review and Research Agenda", *Academy of Management Proceedings*, Vol. 2015/1, pp. 15661-15661, <http://dx.doi.org/10.5465/ambpp.2015.15661abstract>. [27]

Annex 3.A. Phased retirement programmes in companies

Phased retirement options can take different forms. Among the most popular are reduced working hours per day, reduced days a week or a month, and temporary, seasonal or on-call work. Some companies have also experimented with rehiring retirees from their companies and with other innovative arrangements (Annex Table 3.A.1). Indeed, a UK study (Platts et al., 2019^[46]) found that 25% of people who retired subsequently “un-retired”, and only rarely for financial reasons. This suggests that, for many, retirement is no longer a binary choice between working and not working.

Annex Table 3.A.1. The most common kinds of phased retirement programmes

Arrangement	Example
Reduced hours or days	Mercy Health System in southern Wisconsin offers a programme that allows workers age 50 and older with five years of service the opportunity to work reduced, pool or work-at-home schedules.
Temporary	Offer project-based work opportunities in which participating workers work full time while projects are active and do not work in the time between projects.
Seasonal, on-call	Dependent on the season and weather, for example around holidays or in the flu season.
Rehiring retirees	MITRE Flex Options for Mature Workers, Part-Time on Call Program (Reserve Program for Retirees): Retirees who participate in the Part-Time on Call Program provide short-term project support for complex and highly specialised projects. These mature workers are then available to mentor younger employees, share their technical expertise, and provide in-depth knowledge of government agencies. Bon Secours Virginia Health System invited retired nurses to consider returning to work for as few as 16 hours per week, during which they could get retirement pay and regular pay and benefits. Even though many employees had been excited to retire originally, they were happy to come back for the camaraderie and extra income. The hospital benefited from having a knowledgeable base of workers, especially in times of a higher census of patients, the flu season or a lot of regular workers on vacation. Older workers of The Aerospace Corporation, located in California, can take a leave of absence for up to 90 days to try out retirement without losing their job or employee benefits if they opt to return to full-time work. After retirement, they can work up to 1 000 hours per year and still retain benefits. Cornell University Encore Hire programme in place since 2009, in which rehired retirees work for short-term positions where the work can often be done remotely.
Other arrangements	Allow workers to work at different retail or office locations at different times of the year. Offer a shared leave pool in which workers can donate accrued leave and withdraw from it for qualified activities. Offer taking a sabbatical to avoid burnout and take time to consider future choices.

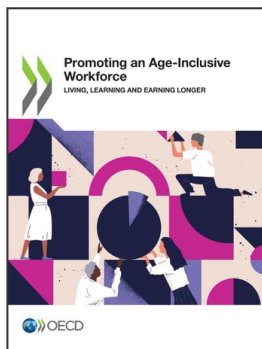
Source: De Loatch (2019^[47]) “As the workforce ages, phased retirement grows”, <https://www.hrdive.com/news/as-the-workforce-ages-phased-retirement-grows/557485/>; Paullin (2014^[48]), *The Aging Workforce: Leveraging the Talents of Mature Employees*; The Center on Aging & Work (2020^[49]), *Innovative Practices Database*, http://capricorn.bc.edu/agingandwork/database/search/case_study.

Notes

¹ The response categories were recruitment practices, compensation and benefits, intergenerational relations, training and development, employment predictability and security, assessment practices, flexible work options, options for continued work or retirement. The Talent Management Study was conducted in 2015 among over 350 organisations in the United States.

² Small and medium enterprises are here defined as having below 250 employees.

³ LinkedIn behavioural data suggests that employees stay 41% longer in companies with high internal hiring compared to those with low internal hiring (LinkedIn, 2020^[50]). Company-specific findings from Gerlach and Hübler (2009^[51]) confirm that higher internal mobility lowers external mobility.



From:

Promoting an Age-Inclusive Workforce

Living, Learning and Earning Longer

Access the complete publication at:

<https://doi.org/10.1787/59752153-en>

Please cite this chapter as:

OECD (2021), “Mobilising and managing a multigenerational workforce”, in *Promoting an Age-Inclusive Workforce: Living, Learning and Earning Longer*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/dc7b2222-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.