



Diversity, Older Workers, and the Changing Character of the Domestic Workforce

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Diversity, Awareness, and Age

It is no secret that an attention and specific recruitment focus based on diversity, openness, and inclusion provides immense benefit to an organization. While many individuals have long appreciated the value and understood the need for minority representation within an organization; for others, organizational diversity, openness, and inclusion has not yet registered as a conversation topic—let alone an actualized hiring initiative or shift in corporate culture.

For those that fall in the latter category, competitive advantage, potential market share, and revenue are at stake. Indeed, studies show that diversity and inclusion within the workforce contributes to driving economic growth, increasing market share, cutting down on turnover costs, and strengthening the overall talent pool. In a study conducted by Deloitte and the Victorian Equal Opportunity and Human Rights Commission, researchers found that “...business performance could be improved through a dual focus on diversity and inclusion enabling, for example, greater levels of customer satisfaction,”¹ and McKinsey and Company found that an increase in women’s overall share of labor in the United States has accounted for an increase in economic growth and a quarter of the current GDP.² These are just 2 examples that illustrate the positive economic effects that diversity can bring about.

While society and corporate culture have a long way to go towards ensuring diversity as a priority and cultivating a truly equal and open corporate environment, the dial has started to move in the right direction. Attention has been called to the issue as evidenced by the plethora of articles, studies, and conversations devoted to the topic. What’s more, organizations and their leaders have begun to undertake serious efforts in order to cultivate a diverse workforce that is more representative of the global society in which business is conducted. For example, Intel has set a goal of increasing the diversity of their domestic workforce by 2020, and they

¹ Waiter, *Is That Inclusion in My Soup? A New Recipe to Improve Business Performance*. 2012, November. Deloitte, Victorian Equal Opportunity and Human Rights Commission, Print.

² Barsh, Joanna, and Lareina Yee. *Unlocking the Full Potential of Women in the U.S. Economy*. 2011, April. McKinsey, Print.

have pledged \$300 million in order to reach it. Google recently announced similar plans with a \$150 million pledge.

The business case for such diversity initiatives is made based on the value of ensuring there is a breadth and depth of professional and personal perspective within an organization. Being inclusive of all forms of diversity is paramount towards that goal, and in order to reach it, companies must cultivate organizational self-awareness regarding their current levels of diversity.

In cultivating this self-awareness, several technology companies, including Google, Pinterest, Salesforce, Twitter, Yahoo, Facebook, and LinkedIn, recently released numbers based on the

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diversity of their employees, as well as pledges to improve these numbers. While the disclosure of gender and race was reported in a transparent and open fashion, they failed to report based on other metrics of diversity, and when asked, refused to provide the ages of their employees.³ Age is often left out of the equation, and as a result older workers can be overlooked both in terms of hiring, as well as overall discussions on diversity.

Misguided Stereotypes

Why is it that when it comes to equally qualified candidates, employers seem more inclined to hire the younger of the two? There is the assumption that older employees will seek more accommodations, including higher level compensation, as well as the false perception that older employees approach their jobs with

less energy, and rigidity in thinking that diminishes an ability to view things with a fresh perspective. These attitudes are somewhat widespread and come to have credence and influence when it comes to hiring decisions. And while this is not necessarily borne of conscious age discrimination, the root of it is based on widely-held stereotypes regarding older workers.

³ Brown, Kristen V. “In Silicon Valley Diversity Conversations, Age Is Left Out.” *SFGate.com*. San Francisco Chronicle, 28 July 2014. Web.

In 2012 Thomas W.H. Ng and Daniel C. Feldman, of the University of Hong Kong and University of Georgia respectively, analyzed close to 400 case studies in an effort to examine the accuracy of widely held stereotypes regarding older individuals. Their study identified six stereotypes that people hold about older workers when compared to their younger counterparts, including; 1) older employees are less motivated, 2) less willing to engage in training and career development programs, 3) more resistant to change, 4) not as trusting, 5) more likely to experience health problems that affect their work, and 6) more vulnerable to work-family conflicts.

The researchers published the results of their study in the *Journal of Personnel Psychology* after finding that “nearly all negative stereotypes about [older employees] are unfounded.”⁴ Indeed, of the 6 stereotypes examined, Ng and Feldman found that only one held any truth—that older workers are, on average, less likely to engage in career development. And this is remarkably unsurprising, as many training programs are skewed towards younger employees.

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Changing Demographics and Human Capital Management

These findings are significant, and are made even more so when considered alongside the assertion from researchers at Boston University’s Sloan Center on Aging and Work that, “dramatic changes in the age composition of the workforce [is a trend that will] have significant business implications,”⁵ as well as the fact that older employees will increasingly make up a very large percentage of the domestic workforce.

Adele Hayutin, Michaela Beals, and Elizabeth Borges are researchers from the Stanford Center on Longevity who, in an effort to “provide a big picture framework for understanding the labor force challenges and opportunities that are emerging from ongoing demographic shifts”

⁴ Ng, T. W. H. and Feldman, D. C. (2012), Evaluating Six Common Stereotypes About Older Workers with Meta-Analytical Data. *Personnel Psychology*, 65: 821–858. doi: 10.1111/peps.12003

⁵ Pitt-Catsoughes, Marcie, Natalia Sarkisian, Rucha Bhate, Jungui Lee, Rene Caraphinha, and Chad Minnich. “Effects of Country & Age on Work Engagement, Job Satisfaction & Organizational Commitment Among Employees in the United States.” (2011): n. pag. www.bc.edu/agingandwork. Boston University’s Sloan Center on Aging & Work, Dec. 2011. Web.

found that workers aged 55 and older will rise to 25% of the workforce by 2020.⁶ Likewise, Peter Cappelli, a Professor of Management at the Wharton School, Director of Wharton's Center for Human Resources, and author of Managing the Older Worker, found that "Older workers—those who are at or approaching the traditional retirement age of 65—are the fastest-growing segment of the workforce and one of the fastest-growing groups in the overall population. In the U.S. the number of individuals aged 65 or older will increase by about 66% between now and 2035."⁷ Cappelli explains that, "The growth is driven in part by the Baby Boomer generation, but even more so by an increased life expectancy that's creating more

healthy years for more people."

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As individuals work increasingly longer and retire later in life, it is important to consider the large role that older employees will continue to play in the workforce. Not appreciating and taking advantage of these workers in a more direct and appropriate manner will prove detrimental to employees, employers, and the economy overall. "These changing demographics will transform the U.S. labor market and society as a whole. Any employer who wants to engage a skilled, motivated, and disciplined workforce cannot afford to ignore them."⁶

This is especially true when considering an organization's need for diversity and the benefits that an older employee can provide an organization. The experience that an older individual can bring to a company and the resulting wisdom can be substantial, as there is tremendous benefit in having someone on staff that has seen around the corner. Older employees can provide mentorship, leadership, and guidance, and the results of teaming older employees with younger employees can be extremely valuable.

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⁶ Hayutin, Adele, Michaela Beals, and Elizabeth Borges. *The Aging U.S. Workforce—A Chartbook of Demographic Shifts*. Publication. Stanford Center on Longevity, 2013. Print.

⁷ Cappelli, Peter. "Engaging Your Older Workers." *Harvard Business Review*. Harvard Business Publishing, 05 Nov. 2014. Web.

and environment. This holds even truer when considering that older workers may provide levels of diversity independent of their age, and that they can use their perspective and experiences to strengthen diversity initiatives and culture within an organization. As noted by Dr. Cappelli, “For employees who say they want a workforce that can “hit the ground running,” that doesn’t need training or ramp-up time to figure out what to do, that will be conscientious, and that knows how to get along with others, older workers are the perfect match.”⁷

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