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Why Are Baby Boomers Staying Employed?

Abstract

[Excerpt] The current generation of retirement eligible workers are staying in the workplace significantly longer than previous generations. As people live longer, they opt to remain in the workplace longer in order to continue earning income and stay engaged mentally. The current and projected future changes in eligibility for Social Security retirement benefits also contributes to the shifting of workplace demographics to much older than the past. Many are continuing to work well into their 60s and 70s. Some of these older workers are switching jobs hoping to be repositioned somewhere that offers new beginnings—perhaps less stress, more flexibility, or more personal fulfillment. Another trend is for older workers to “phase into retirement gradually” by remaining at work while enjoying more flexible work options and responsibilities. This means many are looking for flex work that enables them the option to work from home, preference in hours, and low accountability.

Keywords

HR Review, aging workforce, accommodations

Disciplines

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Comments

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CORNELL HR REVIEW

WHY ARE BABY BOOMERS STAYING EMPLOYED?

Janelle Gaines

The current generation of retirement eligible workers are staying in the workplace significantly longer than previous generations. As people live longer, they opt to remain in the workplace longer in order to continue earning income and stay engaged mentally.¹ The current and projected future changes in eligibility for Social Security retirement benefits also contributes to the shifting of workplace demographics to much older than the past. Many are continuing to work well into their 60s and 70s. Some of these older workers are switching jobs hoping to be repositioned somewhere that offers new beginnings—perhaps less stress, more flexibility, or more personal fulfillment. Another trend is for older workers to “phase into retirement gradually” by remaining at work while enjoying more flexible work options and responsibilities.² This means many are looking for flex work that enables them the option to work from home, preference in hours, and low accountability.

It is important to highlight that older employees are committed to their employers, highly motivated, and engaged. They speak positively about their engagement with their given organizations. These employees “use less health care, take fewer sick days, are more productive, have longer tenure, and create stronger customer relations”.³ In some cases, employers are determined not to lose the older employees because of “brain drain.” When they retire, the historical knowledge they retain will be lost. Employers are looking to capture that expertise, pushing for their older employees to stay longer in order to train and transfer their knowledge to younger workers. Employers are finding that they can benefit tremendously from retaining older employees through providing certain accommodations.

Advantages of the Aging Workforce for Employers

Employers are seeing many benefits to older workers remaining in the workforce. There is evidence that older generations in the workplace have more success than younger employees.⁴ It is also evident that workplaces with older workers have a more loyal atmosphere full of employees who decisively want to stay with their company, unlike their younger counterparts who change jobs rapidly.⁵ The lower turnover rate of older employees means employers do not have to deal with expensive hiring procedures for new employees.⁶ HR departments appreciate the stability in retention and recruitment as a result of their loyal, older employees who value stability in their position, location, and employer.

Another advantage of experienced older workers is the high patience levels that they develop over time, enabling them to work more carefully and efficiently.⁷ Productivity and ethics also seem to be strengths of aged employees. They feel dedicated to solving stressful dilemmas in their day-to-day work. Additionally, the older employees' often have larger and more varied networks in the company built from their greater length of experience. These networks and relationships lead to higher productivity and morale in their place of work.⁸ Older workers' strong ties foster interdisciplinary work which can have positive implications on employee engagement and the company's success. Employees who engage with these older workers may feel pride working with experts in the field and a sense of loyalty to their company from the experience of working with key players.

Accommodations

The aging workforce trends in employment have critical effects on employers. Employers' safety regulations, schedules, pay, etc. must adjust to the changing demographic needs. When an older worker gets injured on the job, there is a greater change of severe injuries and disabilities that could have detrimental effects on an employer both legally and financially.⁹ Employers need to be aware of their older workers' needs and adapt their attitudes and awareness accordingly. CDC projects that as workers age, they are more likely to develop chronic conditions and face higher levels of risk in the workplace.¹⁰ As a result, employers can decrease their costs of absenteeism and injury related expenses by educating them on health risks and prevention tips. In addition, employers who sponsor improved employee health and well-being plans will gain a more energetic, motivated employee base with less absenteeism increased productivity.¹¹

Sleep

When older workers start consuming high percentages of the workplace, shifts and mechanics of the job should be looked at in a different lens. A person's sleep regulation cycle changes as people develop and age. Sleep patterns can get easily disrupted as a person ages—making it harder for older employees to adjust to night shifts. Employers should consider how often time off is needed for their older workers in order for them to recover from loss of sleep due to their job.

Vision & Hearing

Along with sleep, elder workers usually start experiencing difficulty with their sight and hearing on the job. As a person ages, their visual acuity deteriorates and they may not be able to see words and numbers on a computer screen as clearly.¹² Some older workers may experience difficulty in their depth perception, which can lead to extremely dangerous situations especially in manufacturing and transportation industries. Older employees may also be more prone to

experience glare and thus need more lighting in their workstation. Employers need to ensure that documents are written in larger fonts, important signs are in bold, and employees are aware of the possible impairments as they age. Older employees, especially those who work in loud environments, may experience auditory difficulties in the workplace. Higher tones and frequencies may be inaudible, forcing employees to need new ways to communicate. For example, employers could write out instructions to transfer information with employees if they are overcoming hearing issues from natural deterioration as they get older.

Mental & Physical Limitations

Older employees face mental and physical difficulties as they age, making them more prone to many conditions at once.¹³ High stress in an organization can deteriorate aging employees quickly through challenges with their health, psychiatrics, and mental issues. According to the World Health Organization, dementia and depression are public health issues that require support from employers due to the physical, emotional, and economic pressures caused by these mental diseases.¹⁴ Early recognition and treatment of mental diseases in aging workers is essential to providing employees' recommendations of resources in hopes to stop injuries early on.

Although every person's body experiences physical activity differently, the Canadian Centre for Occupational Health and Safety (CCOHS) says many older employees' muscular strength and range of motion tends to weaken.¹⁵ As workers age, they no longer can perform the same motions that they once could before. The musculoskeletal system weakens, making it hard on employee joints to lift, pull, and perform large amounts of muscular activity.¹⁶ According to the CCOHS, employers must take note that employees most likely will have trouble as they age with performing repetitive motions. The aging employee base will be affected in a variety of ways from their decline in muscular and respiratory systems. Employers need to be vigilant of the physical labor conditions they are placing their older workers in and examining their employees' health continuously.

Benefits of Accommodations

Although the aging workforce may seem costly to accommodate, there are high return on investing in it. This investment benefits not only the aging employees themselves, but also the general employee population and the business as a whole. Businesses can respond to the aging workforce through different accommodations for their employees including: training procedures, equipment adjustment, following safety protocol, offering support, improving health initiatives and assessing risks on the job. New ways of providing training requirements are a necessity as older workers become a larger percentage of the workforce. Employers can promote training on mental health information to help aging workers confront some of the issues they may be facing by providing prevention tactics, insight, support, and resources.

For Aging Workforce

As a health initiative, some companies like BMW are making changes to assist older workers in their work environment through equipment changes. BMW surveyed every project team and employee in the company to see where the unsafe conditions and lack of comfort were most prominent. When new floors were put in place and an upgrade in orthopedic footwear was provided for employees on their feet all day, the company experienced a large increase percentage in productivity from their healthy, happy employees. According to Safety and Health Magazine, the aging workforce is a “safety tsunami” in regards to paying worker’s compensation because they experience such a variety of medical attention if not taken care of properly.¹⁷ Research suggests that viewing and dissecting the aging workers in their work environment is vital to improving the safety hazards and drive long term success. Employers can assess the target jobs in the company as well as the most value driving tasks that have injury potential. Job rotations, more automation and use of technology, and job shadowing are easy fixes to prevent injuries on the job for the aging workforce.

For All Employees

In the same way, employers can increase the benefit to all employees by accommodating for their older employees’ health issues. Many assume the cost of accommodations is too high to outweigh the benefits of having an aging employee—but many accommodations are shown to be very easily affordable from the business perspective. By accommodating older employees, business can sustain their historical knowledge employees for little cost. This allows retained employees to experience expertise in the field by getting firsthand perspectives from long-term employees, preventing them from having to “recreate the wheel.” Low cost accommodations (approximately less than \$500) have a net positive return on investment because they disable the need to re-recruit expensive experts and move through long processed employee onboarding. In addition, making general accommodations that benefit a business’ entire workforce “eliminates the stigma associated with needing assistance”.¹⁸ Employees experience an inclusive environment when accommodations are the norm. Most ADA and ADEA filed charges revolve around termination-related issues.¹⁹ Companies can benefit greatly from preventing potential legal liabilities by providing accommodations for employees who are already employed.

For the Business

In general, accommodations for employees can have significantly high correlations with success in a business.²⁰ Private sectors are beginning to place emphasis on trying to minimize the talent risks before they arise, preventing retention risks and creating healthy pipelines of talent. Companies have stressed accommodation solutions such as: return to work programs, flexible

work hours, mentorship programs, career planning, employee networks, and explicit goals related to retention. For example, Deloitte Consulting allows Senior Leaders to change their role internally to customize it to their expectations, including flexible hours and participation in unique projects to increase their job satisfaction and company morale.²¹ Employers can start to understand their workforce demographics by assessing how their retiring workers will affect the company and what skills are needed to fill the gaps. Employers realizing that employees have a new disability and need time off or a return to work program that assists them in their day-to-day life at work is vital to assisting aging workers. By acknowledging what is important to the employees, employers can seek ways to accommodate flexible work hours that allow older employees' comfortable shift times and lenient start and end times for their transportation needs, increasing employee satisfaction. Employers' support and time spent with workers shows them that they are being heard and employers want to make changes for them. Offering a mentorship program would allow older employees to build relationships with other members in the company, those they can learn from significantly that are from different backgrounds and of varying ages. Companies can start constructing multigenerational workforces, an environment that attracts and retains top talent of all work ages. They can work on including wellness initiatives in training to show employees the importance of healthier living options and better lifestyle choices like stretching, better eating, and not smoking, which in turn could heighten the retention of the elder employees. After better understanding employees' needs and accommodating accordingly, companies can successfully manage to increase discretionary effort from their employees as well as build a culture of relationship building that will aid in building success for the company overall.

Conclusion

Employers need to respond to the high percentage of baby boomer in the workplace, along with higher incoming proportions of people with disabilities. In comparison to younger employees, employees nearer to retirement age more often need accommodations for their functional limitations; including new training, job redesign, assistance with technology, and wellness health promotion. Creating a workplace that is well-designed and follows safety protocol can greatly reduce the amount of injuries on the job, lowering the costs of employers and benefitting them substantially. Older workers may want to replenish past skills to help employers gain productivity and lower turnover from their workforce. Employers can also work on developing new challenges for their aging workforce to keep employees motivated and engaged on the job, customizing projects and designing jobs to utilize their skills and suit their needs. Job tasks that build on employees' skill sets, matched to the capacity of each worker can create benefits to the employees and the company in general. The more adjustments that companies make for employees—the more economical the company will be in producing strong outcomes for their aging workers. X

Janelle Gaines is completing her third semester of her Masters from the Industrial and Labor Relations (ILR) program at Cornell University. She will be working for General Mills in the plant-sector, concentrating on strategic HR practices for the manufacturing industry. Janelle is the President of the ILR Graduate Student Association for the 2015-2016 school year while working as a teaching assistant for an Organizational Behavior undergraduate course. She is originally from metro-Detroit, Michigan and received two bachelor degrees in Interdisciplinary Studies of Social Science and Psychology from Michigan State University.

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