

Workplace Practices

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Types of Workplace Practices

- Workplace practices can be bundled into four non-exclusive groups defined based on the purpose or goal of implementation:
 - Accommodation
 - Designed to compensate for possible aging-based declines in older workers' physical and cognitive capacities
 - Developmental
 - Help older workers acquire new knowledge, skills, and abilities
 - Retention and Exit
 - Encourage and enable either the retention of older workers in the workplace or older workers' transitions out of the workplace, respectively
 - Age-inclusive
 - Focus on making all employees in an organization, regardless of their age, feel welcomed, accepted, and fairly treated, thus protecting workers from age-related stereotypes, prejudice, or discrimination

Accommodation Practices

- Directly benefit older workers by improving or sustaining their physical and cognitive health
- Indirectly benefit older workers by facilitating an organizational climate that cares for older workers
- Types of practices:
 - Ergonomic changes
 - Telecommuting
 - Flexible schedules
 - Job reassignment to less demanding jobs
 - Job crafting
- Few empirical studies have directly examined the expected beneficial effects of accommodation practices for older workers

Developmental Practices

- The continuously increasing use of technology in most workplaces and the shift from production work to information and service work mean that employees need to constantly learn new skills
 - Particularly important for older workers who typically have not had recent training
- Two types
 - Maintenance focused help workers perform their current jobs better
 - Job mobility focused are part of workforce planning and update workers' skills to ensure they have the skills needed to continue working
- Developmental practices provide multiple benefits to older workers
 - Ensures employees have basic skills to work
 - Helps them understand how to work effectively in teams
 - May help combat age-related declines in cognitive and physical abilities
 - Skill obsolescence and lack of updated training are prevalent threats to older workers' careers

Retention and Exit Practices

- Retention practices
 - Help organizations that experience labor force shortages or potential talent loss retain the human capital provided by older workers
 - Types of practices
 - Phased retirement
 - Contingent work arrangements
 - Comprehensive benefit packages
- Exit Practices
 - Help organizations that aim at restructuring human resources and altering skill and knowledge combinations to facilitate older workers' retirement and exit
 - Types of practices
 - Offering early retirement incentives
- More effective when organizations are tracking and measuring employee skills in order to understand where potential skill gaps may occur, but few U.S employers do so

Age-Inclusive Practices

- Can mobilize knowledge exchange among workers and their social connections in age-diverse workforces, because they promote fairness and eliminate discrimination, which provide employees from all age groups with equal opportunities to contribute and succeed
 - Can lead to higher employee retention and performance
- Types of practices
 - Compliance with anti-discrimination laws, including avoiding prohibited practices such as using age preferences, limitations, or specifications in job advertisements
 - Training programs that counter age-related stereotypes and discrimination
- Effective training programs include
 - Information about age-related changes in performance and work motivation
 - Discussion of the development and consequences of age stereotypes, as well as the appreciation of age differences in the workplace
 - Encouraging supervisors to discuss strategies and practical applications for everyday work life

Implementation of Workplace Policies and Practices: Age-Specific vs. Age-Neutral Practices

- Age-specific practices
 - Practices that are tailored to older workers
 - Can be useful for meeting their specific needs
 - May stigmatize older workers and encouraging discrimination against them
- Age-neutral practices
 - Practices that are designed for all workers
 - Avoid age-based stigmatization
 - When the needs of older workers differ from those of younger workers, such practices may be less effective than practices specifically designed for older workers
- The relative effectiveness of age-specific and age-neutral practices in improving outcomes for older workers has not been adequately examined and additional research is needed to assess the tradeoffs between the costs and benefits of each

Key Practices

- Flexible Work Arrangements—will be discussed next by Phyllis
- Training Practices
- Supportive climate for age diversity and inclusion
- Compensation and benefits

Training Practices

- Employer-provided training programs can increase older workers' engagement and job quality
- Research on training practices provided to older workers has yielded conflicting results with some studies finding positive effects on older worker retention and others no effect
- The way training is conducted can influence the effectiveness of the training itself and its relationship with retention
 - Age-specific training targeted at older workers may be more effective than age-neutral training programs
- Employers often introduce training programs when processes change or new technologies are introduced
 - Older worker may be less motivated to participate and employers may be less motivated to offer these programs to older workers because these workers are expected to spend less time in the labor force
 - Even if training increases productivity and wages, the effort required to participate in it may outweigh the benefits because the individual is close to retirement age

Supportive Climate for Age Diversity and Inclusion

- Although most employers report they are aware that workers would like to work beyond traditional retirement ages and are supportive, few have policies in place that would make this possible
- Only a small fraction of employers (8%) include age in their diversity and inclusion plans
- Most existing diversity efforts are built around overcoming stereotypes or bridging generational differences and tensions.
 - Research has demonstrated that generations do not share distinct values and beliefs
 - Employers that believe in generational differences are more likely to experience tension in workplace interactions and exchanges across age groups
 - Interactions to mitigate these tensions have shown mixed results
- Greater diversity in individual experiences means that chronological age is less meaningful than it might have been
 - tenure with an organization or life-time work experience might be more relevant to assessments of performance than age per se

Compensation and Benefits

- Compensation and benefits are key elements that define a “good” job and are important to workers of all ages
- The structuring of these benefits can create incentives to retire at specific ages
 - Defined benefit plans (pensions)
 - Reward workers for long tenure, allowing employers to recoup their investments in specific human capital
 - Tie benefits to years of service and the high wages earned late in the career
 - Provides a way to delay compensation and encourage retirement on a specific date
 - Defined contribution plans (401(k)s)
 - Are portable and do not bind workers to firms
 - Continue to grow and thus do not incentivize retirement
 - The only age-based inducement is that access is penalized prior to age 59.5 years
 - Dramatic shift from defined benefit to defined contribution plans could possibly threaten or limit the ability of workers and employers to enter into long-term relationships whose productivity is enhanced by either greater specific human capital investment or greater incentives to exert effort