THREE WAYS AGING EMPLOYEES SAVE COMPANIES TONS OF MONEY

Voice on Growth (Mercer)

24 October 2018

Businesses operating in much of Asia face a serious aging population challenge that is distinct to the region. While as a whole, Asia Pacific is the fastest aging region globally, there are varying paces of population aging across member countries –with some economies expected to encounter the problem of an older workforce sooner than others. Businesses need to do better at assimilating older workers, especially in sectors like technology, where demographics are skewed towards a younger set of workers.

Without the wisdom of older people, every new generation born into the world would have to start from scratch. Children would have to teach themselves to read, to tie their shoes, and open doors. There would be no rules to sports. Cars would turn to rust on cracked highways. Fortunately, older people—parents, teachers, and mentors—provide ensuing generations with the wisdom they need to live, navigate life's challenges, and find meaning in the world. Older employees offer companies these same benefits, and much more.

Though researchers have found that the biology of age tends to negatively affect episodic memory (remembering context) and processing speed (handling complex tasks), researchers have also found that increases in age are associated with better semantic memory (base knowledge) and language and speech skills (discourse). In fact, in general, researchers have found that while 'fluid intelligence' (new problem solving, pattern-finding) tends to be lacking in older workers, 'crystallized intelligence' (accessing skills from knowledge and experience) tends to be much higher in older workers.[1] Older workers have also been known to have better capacities for emotional regulation, meaning that in stressful or tense workplace situations they are more likely to act calmly and rationally (and therefore cost-effectively) when making difficult decisions. [2]

The Power of Gratitude

Aging employees understand that life is temporary, and that good health and a rewarding job should never be taken for granted. Aging employees enjoy higher job satisfaction rates than younger employees. They tend to able to focus and are not consumed by outside distractions and influences. Younger employees, particularly when the economy is strong, often ponder better opportunities elsewhere—jobs with better salaries, better amenities, and better working conditions. Younger workers are more prone to leave jobs and often believe the best way to land a raise is to change companies rather than negotiate with their current manager. Today, it is common for younger employees to depart a job in less than two or three years and move on to the next one. This trend is extremely costly for employers.

Older workers in a firm also provide the crucial potential for firm-building and knowledge consolidation. During a vast wave of retirement in the early 2000s as baby boomers left the workforce, many companies struggled with the knowledge gaps created in their absence. Preserving older workers' intellectual capital is key for culture and knowledge preservation – a crucial attribute in an environment of constant disruption and evolution. Studies also show that older workers are better at nurturing and guiding younger workers, which helps improve business continuity and mitigate knowledge gap problems. We see clear evidence of this trend, especially in the Energy industry. In a recent recruitment campaign across Asia, featuring pictures of older workers using the latest technology, Saudi Aramco went on a hiring spree targeting retired drilling experts to join their newly acquired offshore refinery off the coast of Malaysia.

Aging employees also know who they are and what they want from a job and their employers. They are better at negotiating a salary that makes them happy during the interview process, and more astute at knowing which opportunities best fit their skills and sensibilities. Older workers have grown beyond young-adult family and social obligations and offer employers a level of loyalty that can be difficult for younger workers to achieve as they juggle competing priorities. For employers, this sense of stability and happiness has an incredibly valuable impact on the workplace culture. It leads to reduced employee turnover and increased productivity and worker morale.

Older employees are the perfect balance to younger employees who are still finding themselves, and where they belong, in the workforce.

It is heartening to see an increase in the number of older workers active in the workforce, thanks to the increase in retirement age in many countries. The resulting multigenerational workforce will benefit employers and eventually the overall economic environment, with less dependence on social security.

The Continuation of Values

Every successful company is built on particular values. Some companies prioritize VIP customer service, the power of new technology, or being environmentally conscious. Over time, we often find companies can lose sight of their mission and values and must revisit their past to find a new direction for the future. Take, for instance, Apple which, in 1997, was operating at a loss. The board decided it had no choice but to rehire co-founder Steve Jobs to kickstart the company toward financial recovery. (Microsoft and Windows 95 had taken over the market.) Steve Jobs' passion for, and understanding of technological disruption, industry defiance, and sleek-beautiful products returned Apple to its former glory. It also introduced the world to a new succession of streamlined products that dominate our culture today.

Aging employees provide companies with a continuity of values. The incessant pressure to innovate and compete often sends companies into misguided directions that can cost millions in wasted capital. Aging employees have had time to internalize the values of a company and can identify when outside pressures are tempting the company into products or behaviors that will ultimately undermine resources and brand equity. Consider this: of the companies that comprised the Fortune 500 in 1955, only 12% were still around in 2016. Sure, the march of time and technology changes the business landscape, but certainly, many of those companies became extinct because they lost sight of their North Star. Older workers, like older family members, can bridge the past and future.

Diversity is the New Competitive Edge

As companies strive to outmaneuver the competition, they're discovering the inherent power of a diverse workforce. Not even the latest technologies and business strategies can offer the sheer power of ideas generated by a diverse group of people trying to solve a problem. The more brains with different backgrounds and experiences that are sitting around the table, the greater the opportunity for unique, revolutionary ideas. And no workforce is truly diversified without aging employees. Accomplished business leaders have witnessed the magic that happens when employees from different cultures, races, genders, and ages work together to create something entirely unexpected – something that elevates a brand or company to the forefront of their industry.

Aging employees are the cornerstone of a diverse workforce. Whenever a business encounters mistakes or troubled times—and they all do eventually—older workers are there to provide mentorship and perspective. A company's workforce is a community, and that community needs the grounded insights of employees who have lived through bull markets, recessions, and every type of economic swing and industry shakeup. Also, aging employees simply know more about life than younger employees because they have more experience with it. Whenever a younger employee struggles to balance family and work or navigate other problems that impact the quality of their job performance, older employees are there to offer guidance. This provides a level of value to companies that may not appear in their annual budgets but nevertheless can determine if they succeed, or disappear from the Fortune 500 list.

Sources:

[1] Cognitive Predictor and Age-Based Adverse Impact Among Business Executives, Klein et al. 2015

[2] Carstensen, Fung, & Charles, 2003; Charles, Piazza, Luong, & Almeida, 2009

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