Older Employees in the Workforce

A Companion Brief to:

GENERATION & GENDER in the Workplace

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for the
American Business Collaboration

Families and Work Institute

ABC

This brief examines issues related to older workers and their relationships with younger generations in the workforce, using data from a large and representative sample of the U.S. workforce. Specifically, this report draws upon data from Families and Work Institute's (FWI) most recent (2002) National Study of the Changing Workforce (NSCW).[1]

The report was prepared by FWI for the American Business Collaboration (ABC), a groundbreaking collaboration of leading U.S. companies ("Champions") to inform their work together to help their employees manage their work and personal responsibilities. Current ABC Champion companies are: Abbott Laboratories, Deloitte & Touche USA LLP, Exxon Mobil Corporation, General Electric, IBM Corporation, Johnson & Johnson, PricewaterhouseCoopers, and Texas Instruments. The basic principle guiding the ABC is the belief that companies can accomplish more by working together than by working alone.

In this brief, *older employees* are defined as members of the "Mature" generation (58 or more years old in 2002 when data were collected and 60 or more years old today). Younger employees are members of three generations—the Baby Boom (post World War II or 38 – 57 year olds), Generation X (23 – 37 year olds), and Generation Y (18 – 22 year olds) in 2002.

Background

There are many reasons that the American Business Collaboration and other employers have an interest in older workers:

- The workforce is aging. In 1977, 37% of the wage and salaried workforce was under 30 years old compared with only 22% in 2002, and only 38% was 40 or older in 1977 versus 56% in 2002.[2] In 1970, the average life expectancy of Americans was 70.8 years; in 2001, it was 77.2 years.[3]
- While predictions of the severity of the coming talent shortages can be debated, there is evidence that a number of companies are increasingly interested in holding onto the talent of their more experienced employees.
- Many employees are not in good positions to retire: 32% have not saved for retirement, only 42% have tried to calculate how much money they will need for retirement, too many expect to receive income from a defined benefit pension plan (52%) and employer-based retiree health insurance (35%), and only 24% are very confident of having enough money to live comfortably throughout their retirement years. Thus, the average age at retirement is becoming increasingly older.[4]

Employers are faced with a workforce that is far more diverse, not only in ethnicity and gender but also in age. That has led to a great deal of speculation about how this age diversity will affect the U.S. economy and companies:

- Will employees of different ages be able to work together in constructive ways?

  Or

- Will "age waves"—sharp fissures among the generations—prove disruptive and even destructive for employers and employees alike?

These are certainly the conversations one hears around the proverbial "water cooler." The NSCW, a nationally representative study of the U.S. workforce conducted every five years by FWI offers an ideal opportunity to bring research data into these debates and discussions, specifically to look at the relationships among older employees and their colleagues, especially when they are supervised by employees who are younger than they are.

The NSCW reveals that there are real differences among the generations that could be a harbinger of problems. For example, older employees:

- Are more likely to place equal emphasis on work and family (being *dual-centric*), while the generation just below them—Baby Boomers—are more likely to put work first (being *work-centric*);
- Work significantly fewer hours than Gen-X and Boomer employees—an average of 35 hours a week for Matures versus 44 and 45 hours a week for Gen-X and Boomer employees, respectively;
- Are more likely to be working flexibly or part-time (29%) than Gen-X employees (13%) or Boomers (11%). Furthermore, fully 57% either are or would like to work reduced hours;
- Have less positive attitudes about employed mothers than other generations. For example, 51% of Matures *think* that "men should earn the money and women should take care of the home and children" versus 37% of Gen-Y employees; and
- Rely less on technology than their younger counterparts: Matures are significantly less likely than Boomers and Gen-X employees to use a computer at home for their job, to use a computer for personal things or to use a cell phone, beeper or email to stay in touch with family and friends. Matures also find these new ways of communicating significantly less helpful than other employees.

But do those differences play out as inter-generational conflict in the workplace?

Findings

Do older workers feel just as supported by coworkers as younger employees? Yes, there are no differences among employees in different generations with respect to the support they perceive from coworkers to succeed in their jobs or to manage work and family life.

Are older workers comfortable with supervision by significantly younger employees? Matures are much more likely—and more likely than might be expected—than younger workers to have supervisors/managers who are *significantly* younger than they are (Table 1).

Table 1: Supervisor/Manager Age by Generation

Age of Supervisor/Manager	Gen-Y (n=217)	Gen-X (n=750)	Boomer (n=1268)	Mature (n=254)	*Sig.*
Significantly Older	82%	64%	21%	2%	***
About the Same Age	18	32	56	26	***
Significantly Younger	0	3	23	**71**	***

*Statistical significance: * = p < .05; ** = p < .01; *** = p < .001; ns = not significant.*

Does this generational diversity make a difference? Among respondents who have supervisors/managers *appreciably younger* than themselves, older employees are more likely to feel that their supervisors/managers are more competent, more supportive of their success on the job, and more responsive to their personal and family needs than younger employees (Gen-X and Boomers) do (Table 2).

These findings fly in the face of widely held assumptions that older employees tend to view younger supervisors/managers negatively—as having usurped their seniority, having robbed them of higher paying jobs, and lacking the experience to perform their jobs.

Although we don't have empirical data about why older employees don't tend to view their younger bosses negatively, the fact is that most do not. It appears that common wisdom underestimates the capacity of older workers to positively adapt to social change.

This is not to say, however, that all older workers are content working for younger bosses. Indeed, the findings presented in Table 2 suggest that 1 in 5 or more older workers may have significant problems with their younger bosses. This is a large enough proportion of the workforce to pose potential problems for some employers and to merit special attention but not to over-generalize their views since the majority of older workers with younger bosses are positive about these relationships.

Table 2: Employees with Significantly Younger Bosses—Matures versus Gen-X and Boomer Employees*

Supervisor/Manager Assessments	Gen-X (23 - 37) & Boomer (38 - 57)	Sig.	Mature (58 or more yrs. old)
My Supervisor Is Very Competent in His or Her Job	(n=317)		(n=181)
Strongly agree	59%	***	72%
Somewhat agree	27		20
Somewhat disagree	10		5
Strongly disagree	5		2
Extent to which Supervisor Is Supportive of My Success on the Job	(n=320)		(n=179)
High	37%	**	55%
Mid	36		26
Low	27		20
Extent to which Supervisor Is Responsive to My Personal and Family Needs	(n=313)		(n=167)
High	24%	**	37%
Mid	46		44
Low	29		20

**There are no Gen-Y employees with significantly younger supervisors/managers (Table 2).*

*Statistical significance: * = p < .05; ** = p < .01; *** = p < .001; ns = not significant.*

Do younger employees view older supervisors/managers as less competent and supportive than supervisors/managers of their own age? To address this question, and especially to bring the perspective of younger employees into the picture, we compared the ratings that younger employees made of supervisors/managers who were of approximately their own ages with the ratings they made of supervisors/managers who were appreciably older. Separate analyses were conducted for employees in the Gen-Y, Gen-X and Boomer generations. Employees in the Gen-X and the Boomer generations rated supervisors/managers of their own ages and older equally with respect to overall competency, supportiveness of job success, and responsiveness to personal and family needs. This is to say, there is no significant rift between Gen-X or Boomer employees and appreciably older supervisors/managers.

Only Gen-Y employees (18 – 22 year olds in 2002) found fault with older supervisors/managers, rating them somewhat (but significantly at $p < .05$) lower than those of their own age in terms of overall competence and responsiveness to personal and family needs.

The *practical* significance of these findings is unclear.

- It may simply be that Gen-Y employees are passing through a temporary life-cycle phase in which they are more rebellious and rejecting of authority;
- With respect to the "responsiveness of supervisors/managers to personal and family needs" in particular, younger employees may have substantively different expectations of their bosses than employees in older generations; and/or
- Our own data reveal that older employees are less accepting of recent changes in work and family life than younger employees are, and they may reflect these views when they deal with younger employees who have personal or family issues.

It is important to note that we do *not* have information from the perspectives of supervisors and managers about the employees they manage. It is plausible that some older managers do have difficulty with younger workers who report to them. Similarly, some younger managers may have difficulty with older workers who report to them. It remains to be determined by future research how widespread this source of intergenerational tension is.

Do older men chafe under the supervision of women? The proportion of women with significant management responsibilities has tripled since 1977, from 5 percent to 16 percent, while the proportion of men who are managers has held steady at 13 – 14 percent. There has been much speculation that men—particularly older men—chafe under the supervision of women.

We find, perhaps unexpectedly, no evidence that either men or women have any significant problems with female supervisors/managers. Moreover, male Matures rate male and female supervisors equally. Again, while there are clearly cases where gender differences are an issue, this finding makes it clear that we should not generalize from such cases nor stereotype mixed gender supervisory relationships.

Does job satisfaction vary by generation? Job satisfaction increases significantly with age (Table 3). Matures are more satisfied than Boomers, Boomers are more satisfied than members of Gen-X, and Gen-X employees are more satisfied than those in Gen-Y. *Among Matures, 66 percent express high levels of job satisfaction versus only 31 percent of Gen-Y.* Gen-X and Boomers fall in between at 41 percent and 47 percent, respectively. This generational difference may be due in part to the following reasons:

- Older workers have had more time than younger workers to find the "right" jobs for themselves; and
- Older workers may have "hit their stride"—knowing how to do their jobs well and efficiently and how to make the workplace systems work for them.

Whatever the explanation, Mature employees are generally content with their jobs, though, as we report above, a majority would like to be able to reduce their work hours.

Table 3: Job Satisfaction by Generation

Job Satisfaction	Gen-Y (n=217)	Gen-X (n=750)	Boomer (n=1268)	Mature (n=254)	*Sig.*
Low	11%	12%	11%	5%	***
Mid	58	48	42	28	***
High	31	41	47	66	***

*Statistical significance: * = p < .05; ** = p < .01; *** = p < .001; ns = not significant.*

Tips for Employers

As these findings make clear, negative stereotypes about older workers' resentment toward younger, and/or female supervisors are not grounded in reality. In addition, employers who value a highly satisfied workforce are more likely to find it in older workers. This is not to say, however, that intergenerational issues never arise. The following tips can help reduce generation-based conflicts in your workplace:

- Include age in your diversity efforts. Is awareness of inter-generational issues part of your organization's diversity initiative or training? If not, it should be. Helen Dennis of the Andrus Gerontology Center recommends "giving age as much emphasis as race and gender in diversity training."
- Be conscious of differences in generations when working with multi-generational teams. People of different ages bring varying life experiences, styles of management, assumptions about dress, behavior, etc. to the workplace. But these differences can be seen as a positive rather than a negative, especially in light of findings presented here indicating that differences do not necessarily lead to resentment. Emphasize the positives of age diversity in teamwork.
- Provide mentoring and reverse-mentoring experiences. When developing mentoring initiatives, make sure that age diversity is one of the criteria for offering mentoring opportunities. Reverse mentoring experiences (where younger employees mentor older employees) have been very successful in some companies—for example, providing younger employees opportunities to teach older employees about the use of new technologies.
- Offer flexible work options to older—and younger—workers. One real difference between older workers and younger ones is desired work hours. Older workers are more likely to be working fewer hours and to want to work part-time as they phase out of full-time work and into the next stage of their lives. FWI research finds a strong link between workplace flexibility and the engagement, commitment, job satisfaction and retention of employees of all ages.
- Continue to give training opportunities to older workers. Employers may wonder whether it is worth providing training to employees reaching the end of their careers, but given older employees' high level of job satisfaction, and the possibility that you may be able to retain them by reducing their hours or providing flexibility, they may actually provide an especially good return on investment.

To see the full report from which this summary is drawn, please go to www.abcdependentcare.com and click on publications or www.familiesandwork.org and click on "Generation & Gender in the Workplace."

1 Bond, J.T., Thompson, C., Galinsky, E. & Prottas, D. (2003). *Highlights of the national study of the changing workforce*. New York: Families and Work Institute. Reports and public-use data files are available at www.familiesandwork.org.

2 Quinn, R.P. & Staines, G.L. (1979). *The 1977 quality of employment survey*. Ann Arbor, MI: Institute for Social Research, University of Michigan.

Bond, J.T. with Thompson, C., Galinsky, E. and Prottas, D. (2003). *Highlights of the [2002] national Study of the changing workforce*. New York: Families and Work Institute.

3 Arias, E., Anderson, R.N., Kung, H.C., Murphy, S.L., and Kochanek, K.D. (2003). *Deaths: final data for 2001. National vital statistics reports*. Vol. 52, no.3. Hyattsville, MD: National Center for Health Statistics.

4 Helman, R., & Paladino, V. (April 2004). *Will Americans ever become savers? The 14th retirement confidence survey, 2004* (Issue Brief no. 268). Washington, DC: Employee Benefit Research Institute.