

# **How to Engaging Mature Employees: Flexible Employment Arrangement in Age Smart Management**

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## **Engaging Mature Employees**

In order to design and roll out appropriate human resource initiatives and programmes to improve employee engagement, it is always imperative for an HR practitioner to be in touch with the current events of the society of which his or her company is a member. In Hong Kong, there are a number of possible upcoming social and legal issues that will have human resource management implications; and HR professionals (HR) should be aware of the challenges brought forward by these changes. They are, for examples, aging society, retirement protection, equality in same-sex marriage, MPF offsetting mechanism, millennium workforce, and standard working hour etc.

Among them, how to deal with an aging workforce is, in particular, important. Hong Kong is an aging society. By 2040, the average age of the population will be over 50 years old, and around one third of the population will be over the age of 65. One million people, or one in eight persons, will be over the age of 80. This will push up the dependency ratio to 1.8:1, a huge shift from 4.9:1 in 2013, and reduce the labour force by 5% from today's figure. Nevertheless, recent trends suggest that there is a growing tendency for people to continue working beyond the traditional retirement age of 60. There are a number of reasons why mature employees choose to continue working today. However, in spite of their strong motivation to continue working, the perception that older workers are not up to the job or not worth hiring is still widespread. Mature employees are often passed up for promotions, forced out of jobs, or given less pay for doing the same job. A survey conducted by the Centre for Human Resources Strategy and Development of Hong Kong Baptist University (CHRSD) reports that 6.6% of the companies responding to the survey impose

a pay cut for people over the retirement age who continue to do more or less the same job. These kinds of negative actions hurt not only the mature employees but also the entire organization. In fact, this bias against older workers generates a lower sense of engagement for all workers.

Over the years, both employers and employees need to question traditional stereotypes about mature employees as it is evident that these workers are more than up to the job, and they often bring unique skills, insights, and a positive outlook to their work. Some employers have already redefined their retirement age policy as a priority issue in their diversity/inclusion efforts, while others offer flexible or customized work schedules to retain mature employees. However, in Hong Kong, in the survey by CHRSD in 2014, while 70% of employers agreed to the principle that a mature employee should stay or go based on his or her performance, only 11% of employers would consider taking other more proactive measures to engage and retain older workers or employees facing retirement soon.

Organizations responding to this demographic shift are adjusting their recruiting and retention strategies to specifically target mature employees. According to the 2011 American Association of Retired Persons (AARP) survey of over 1,000 HR directors, employers were anxious to avoid the loss of knowledge as mature employees retire; 60% said that they will try to keep mature employees on as part-time workers or consultants. Other steps include the use of a knowledge transfer programme to allow workers who are approaching retirement age to mentor or transfer knowledge to younger workers (53%) and a succession plan for critical positions (51%). Almost half (46%) will try to entice mature employees to remain as full-time employees. In addition, 32% of employers surveyed reported that they are offering continuing education and development to attract and retain mature employees. Half of the employers reported that they are offering flexible or customized work schedules to retain mature employees. 11% of organizations offered some type of phased retirement: 4% offered a formal phased retirement programme, and 9% offered an informal programme, according to the 2014 Society for Human Resource Management (SHRM) Employee Benefits Report.

Age smart management strategy is when employers proactively find ways to support mature employees to create a beneficial environment for their business and their workers of all ages. Thus, **age smart employers**

**recognize the value of older workers.** By embracing their multigenerational workplace as an opportunity, these visionaries use innovation, flexibility and creative talent management to stay ahead.

### **Facing the Challenge: Using Flexible Employment Arrangement**

Workplace flexibility, in general, means that employees have some choices and control over when, where, and how work gets done. Thus, flexible employment arrangement is said to offer different work options to employees at their discretion as to when and where to work. An employer's sensitivity and receptivity to offering flexible work options signal to employees that their leader is willing to address and accommodate their diverse needs and help them achieve work and life balance. It is important to understand that flexible work option means more than just working from home. It is suggested that "the future generations will demand that their workplaces embrace the '3 As' of business practices: anywhere, any device, and any time". A comprehensive flexibility creates opportunities to synchronize work and life. Working from home is only one strategy among a wide variety of flexible options that can be explored and implemented; for example, a compressed work week or a variable schedule can be used in lieu of work-at-home arrangements.

#### *Benefits of Flexible Employment Arrangement*

As a means to attract and retain mature employees, flexible employment arrangement is believed to have an overwhelmingly positive effect on engagement, motivation, and satisfaction. Potential **operational benefits of flexible work options** such as reduced overhead costs on real estate and energy, lower job turnover, and higher productivity can also pave the way for **favorable employee outcomes**, such as better work and life balance, increased work engagement, and greater job satisfaction. When asked to rank the top factors that create company loyalty as well as attract new talent, 26% and 28% of employers cited flexible time as a benefit to retain and attract new talent, respectively, according to the Bank of America Merrill Lynch 2011 survey of business executives and benefit administrators. According to a 2011 report on the WorldatWork survey of managers from over 500 different business organizations, 7 to 8 of every 10 respondents believed their workforce would say there is a positive or extremely positive effect of flexibility programmes on employee engagement (72%), employee motivation (71%), and employee satisfaction (82%). In addition, 51% of the talent management professionals surveyed believed that an innovative approach to flexible

working hours was likely to stimulate a high level of engagement in the workplace, and similarly a 2013 survey, conducted by Futurestep, of talent management professionals and job holders had 61% of them ranking flexible working hours among the top methods for increasing employee engagement. Coming back to the Hong Kong experience, a very recent study conducted by CHRSD surveying 388 employers finds that, as a result of implementing flexible work options, more than half of the respondents agreed their companies experienced productivity increases (51%), greater talent retention (75.5%), decreased absenteeism (53.4%), stress reduction (65.5%), and an increase in company loyalty (63.7%).

### *Commonly Used Flexible Work Arrangement*

No doubt, there has been a steady increase in the popularity of using different forms of workplace flexibility. According to the 2012 Employee Benefits survey, 57% of organizations offered some forms of telecommuting: 45% of respondents reported that their organizations offered telecommuting on an ad-hoc basis, 36% on a part-time basis and 20% on a full-time basis. On the other hand, Forrester Research (2013) reported that telecommuting in the US was expected to increase to 63% by 2018. According to the same survey, around 50% of companies allow their employees to work at home, 43% at their client's offices, and 32% in public areas. A 2012 National Study of Employers showed an increase in all options from 2005 to 2012: flexible time (from 66% to 77%); flexible place (from 34% to 63%); choices in managing time (from 78% to 93%); and daily time off when important needs arise (from 77% to 87%). 87% percent of organizations allow at least some employees to take time off during the workday to attend to important family or personal needs without loss of pay, while 55% of organizations allow most or all employees to do so. In Hong Kong, it is found by CHRSD that 74.2% of the surveyed employers offer five-day work week, 25% offers flextime, 29.1% offers work off company premises, and 11.1% offers compressed work week.

### **Age Smart Management to Engaging Mature Employees**

In fact, in the past decade, HR professionals did not believe the potential loss of talent due to retirement of workers was a critical issue in their industry. An Economist Intelligence Unit survey on business executives and benefit administrators finds that an overwhelming majority of employers believe it is important to their business to retain mature employees, but these firms are not at all effective in adapting HR strategies to fit mature employees. Additionally,

SHRM suggests that many organizations may not be fully aware of the various ways these demographic shifts will influence their organizations. 36% indicated their organizations were beginning to examine internal policies and management practices to address this change, 19% said they were just becoming aware of this potential change, and another 10% were unaware of this potential change. In contrast, about 13% have proposed or implemented policies or management practices, and 20% indicated their organizations had examined their workforces and determined that no changes in their policies and practices were necessary.

#### *Flexible Employment Arrangement as an Age Smart Management Initiative*

Age smart management strategies have helped employers lower costs, boost productivity, and spark new business. **According to New York Academy of Medicine, age-smart management practices include: flexible** hours and telecommuting; phased retirement; encouraging mentor/mentee relationships; wellness programmes; recruiting older workers; cross-training all workers; allowing employees to swap shifts; enlisting older workers to strategically retain and transfer business' networks and knowledge across generations; rewarding employees who model work ethic and emotional intelligence for others and ensuring that training and development opportunities are offered to workers of all ages. Therefore, to retain and engage mature employees effectively, employers can and should devise and implement various age smart management initiatives, including family-friendly employment measures and flexible employment arrangement. More specifically, when applying flexible workplace initiative as a means of age smart strategy, any flexible work arrangements should be compatible with relevant schedules and deadlines and ensure successful completion of set tasks.

#### *Implementing Age Smart Management*

First and foremost, providing an age-friendly corporate culture and environment is a must. To create an age-friendly and supportive mindset, HR can consider facilitating a culture of continuous career development through providing multi-generational training and education as well as clearly promoting the value of experience and age to employees. To do so, HR can first train supervisors and organize team-building experiences to foster an ethic of inclusion. Some employers might also find that job redesign that creates a better fit with the needs and preferences of mature employees is an effective approach. Furthermore, to enhance a mature employee-friendly work environment, HR can revise workplace processes and proactively address

potential ergonomic issues by making available assistive tools and equipment such as sit-stand work stations, large screen/print monitors, or amplified audio systems. To do so, they just need to make simple design changes such as better lighting, adjustable magnifying glasses, computer displays with adjustable font sizes, and forgiving flooring material. In order to implement Time and Place Management (TPM), HR needs to first offer flexible administration of company policy and nurtures an enabling workplace culture. Managers and supervisors should be educated about the concept and value of TPM as well as key issues for each particular gender, age group, and career stage. A first step might be to arrange for workers to have more choices and control over when, where, and how their work gets done.

*In conclusion, workforce aging is an issue HR finds challenging to adapt to. Human resource professionals, by optimizing the strengths, talents, and skills of everyone, including mature employees, can lower costs, boost productivity, spark new business, and relate to their growing silver haired consumer base. A number of age smart strategies can be employed to attract, engage and retain mature employees. They include, but are not limited to, 1. Offering TPM positions, 2. Establishing alternative career tracks, 3. Instituting job sharing, 4. Hiring retirees as consultants or advisors, 5. Providing opportunities to transfer to jobs with reduced pay and responsibilities, 6. Instituting phased retirement schemes, 7. Providing training to upgrade skills, 8. Offering flexible work arrangements for mature employees, and 9. Adopting other family-friendly employment initiatives.*