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The role of Strategic Human Resource Management in Late Career

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Abstract

The urgent need to manage an increasingly ageing workforce has prompted rigorous multi-disciplinary research across the world. A plethora of studies focuses on the best ways in which both organisations and employees can support employees’ well-being and high performance in late career. From this perspective, the key role of strategic Human Resource Management is a topic of strong interest. Recent findings suggest that, in contrast to traditional views, older workers (those aged 55 years and over) are interested and capable of development. Hence, management practices that allow and encourage development opportunities in late career may be highly beneficial for both employers and employees.

Key words: strategic HRM, older workers, thriving at work, well-being, performance

The role of Strategic Human Resource Management in Late Career

Over the past several decades researchers, practitioners, and policymakers across the world have attributed great importance to the world’s population ageing, as well as the ageing of the workforce. The need to sustain longer, but also healthy and productive working lives, has been strongly emphasised. This has inspired multi-disciplinary investigations into how older workers can be supported in extending their careers. In this context, the role of strategic Human Resource Management (HRM) has received much attention.

Organisational Support in Late Career

It has been well documented that perceived organisational support (such as HRM) is positively related to a number of individual work outcomes including work well-being, high job performance, the intention of workers to remain in their organisations and/or the workforce, etc. Current research on the ageing workforce looks into how the impacts of HRM practices may vary with age and what HRM strategies and practices are particularly important in late career. Among the topics of most interests are: the reasons for which organisations want to hire and retain older workers; the reasons for older workers to remain in their organisations and the workforce in general; what HRM practices might be most beneficial for encouraging older employees to extend their working lives; how strategic HRM affects work performance and well-being in late career.

The employer’s perspective

A UK-based study by Barnes and colleagues (2009) found that the employers’ decisions to recruit and retain older workers may be motivated by the desire to: a) match demographically their customer bases; b) address skills shortages, retain tacit knowledge/corporate memory; c) meet the needs for succession planning; d) “do the right thing”. In other words, employers may not
always be motivated by the “right” reasons to keep their older workers. Therefore, the motivation behind some of the age-related organisational policies may also be questionable. Furthermore, organisational strategies for managing an ageing workforce are likely to differ across contexts. This has been shown in a study by Tros (2010) with HRM managers from four European countries (Belgium, Denmark, Germany and the Netherlands) and four industrial sectors (education, public administration, meta-electronic, and transport). Results revealed significant cross-cultural and cross-sectoral differences in the use of HRM practices for older workers. Whilst Dutch employers followed a “relief” strategy (i.e. adapting workload, tasks and working hours), Belgium employers emphasised flexible working hours, Danish employers invested in an employability policy, and German organisations were not much engaged with any of these practices. Hence, employers in some countries were more involved in extending longer working lives than those in other countries.

The employee’s perspective

Published literature has provided a variety of examples about the reasons for older workers to remain in their organisations or the workforce in general. Many of them demonstrate the role of the organisational factors. Organisational practices such as flexible working arrangements, life-long learning, job design, fair performance evaluation and feedback, compensation, and age-diverse climate may play a critical role for extending working lives. For instance, Armstrong-Stassen (2008) studied the preferences of three groups of Canadian workers aged between 50 and 65 years (those who retired and returned to work, those who remained in their career jobs and employees who retired and remained out of the workforce) for the HRM practices available for them in their organisations. Despite significant differences between groups in some preferences of HRM practices, all three groups of participants considered recognition and respect and fair performance evaluation as the most important HRM practices in terms of their decisions to remain in or to return to the workforce.

Focusing on both employers and employees

Recently, some scholars have criticised the HRM approaches that take only an employer-focused perspective and present older workers as passive rather than proactively co-creating their work environment. Based on this argument, current research developments on HRM are likely to follow a life-span approach and take into account the perspectives of both employers and employees. In addition, it has been acknowledged that although some HRM practices may be particularly important for older workers (as corresponding to their motivational needs) they are not necessarily limited to older workers. For example, in a mixed-method study with employers across 11 countries Bal and de Lange (2015) explored the effects of flexibility HR management on employee outcomes (work engagement and job performance) over time and with regard to employee age. Results showed that flexibility HR management was more important for younger (compared with older) workers’ engagement, while in terms of job performance it was more beneficial for older than younger workers.

Maintenance vs development
Most importantly, in the last five years the idea of providing HRM practices that would mostly help workers to cope with reduced capacities was replaced by the belief that the deployment of a wider range of HRM practices would help to not only maintain, but also develop older workers’ capacity. For instance, in a mixed-method study in the Netherlands Kooij and colleagues (2014) conceptualized four bundles of HR practices for ageing workers: accommodative, maintenance, utilization, and development. Accommodative HRM practices refer to reducing job demands (e.g. additional leave and demotion). Utilization practices involve supporting older workers by replacing unachievable job demands with more achievable tasks. Maintenance HRM practices (e.g. job security and flexible work schedules) are associated with helping workers to maintain their current level of functioning, especially in the presence of new challenges or loss. Development HRM practices (e.g. training and internal promotion) were meant to encouraging workers to achieve higher levels of functioning (i.e. growth).

So far, research on the effects of maintenance and development HRM practices on older employees’ work-related outcomes has been ambivalent. For instance, in a Dutch study with over 4000 organisations Bal and Dorebosch (2014) found that the performance of organisations with high numbers of younger workers benefitted from the deployment of development practices, while the performance of organisations with high proportions of older workers benefited from work schedule (i.e. maintenance) practices. In another Dutch study in the healthcare sector Veth and colleagues (2011) found that maintenance HRM practices and, more specifically, those related to reducing employees’ job demands were by far more implemented than development HRM practices by organisations. However, although far fewer development practices were reported, they were higher associated with job enrichment and self-efficacy (compared with maintenance practices).

Thriving in the Workplace at 55 Years and Over: Empirical Findings Regarding the Role of Strategic HRM in Late Career

The construct thriving at work represents a specific form of psychological well-being. It is described as a simultaneous experience of vitality and learning (Porath et al., 2012). Vitality reflects a person’s energy and enthusiasm for work, while learning refers to building capacity by acquisition and application of knowledge. Thriving may serve as a gauge of a person’s progress at work and, thus, help employees increase both their short-term functioning and longer-term development.

Thriving workers are not just surviving (i.e. being able to handle job demands through creating a relatively safe environment), but also feeling enthusiastic, acquiring new knowledge and skills and experiencing growth. It was found that thriving workers, compared to non-thriving ones, overall perform better, are more creative, have better relationships with their co-workers, feel more satisfied with their job and committed to their organisation, and are healthier (e.g. Porath et al., 2012). Conventionally, thriving at work is more associated with younger than older workers. This is because of common age stereotypes suggesting that older (compared with younger) workers are less energetic, pro-active, motivated to learn and develop themselves; hence, perhaps less able to thrive. Recent research has demonstrated consistently
that, overall, negative age stereotypes are not justified (e.g. Ng & Feldman, 2012). Therefore, it is worth exploring whether thriving at work occurs in late career and, if so, in what circumstances older employees would feel both energised and learning.

Between 2013 and 2015 we (Taneva et al., 2015; 2016a,b,c,d) studied the personal and organisational antecedents of thriving at work in late career. We started by interviewing 37 employees aged 55 years and over and 10 Human Resource managers from 10 large organisations in two sectors (healthcare and information and communication technologies) in two European countries (the United Kingdom and Bulgaria). Then, we conducted an on-line survey with over 900 older workers (aged 55 years and over) from the same sectors and countries.

We found that late career employees across countries and sectors were likely to recognise the occurrence of some age-related changes in their work values, needs, approaches, and capacity. These changes were mostly perceived as advantages, rooted in increased knowledge and life experience. Generally, older workers appeared to be more aware of their own potential and needs, willing to take a pro-active approach in managing late careers, and desiring opportunities for personal and professional growth than they are traditionally portrayed in the ageing workforce literature. Most participants saw themselves as energised and learning/developing themselves (i.e. thriving), though perhaps in slightly different ways than earlier in their career. For instance, finding meaningful work and a positive social work environment was considered more important than achieving a promotion or cutting off work hours. Yet, some participants preferred a surviving strategy, i.e. coping with high work demands by preserving and/or maintain their mental and physical resources. This was particularly the case when job demands were perceived as too high to manage.

Further, late career employees in our studies were well aware of what types of organisational support would enhance their experiences of thriving at work and/or would at least help them manage their personal resources better. For instance, most older workers were likely to self-regulate their successful adaptation to age-related changes (and, thus, their well-being and performance) in the workplace by using three types of individual strategies: selection (reducing one’s range of tasks to 1-2 priorities), compensation (demonstrating one’s strengths in front of others), and optimization (improving one’s skills through training and development) (see also Abraham & Hansson, 1995). The use of some of these strategies (e.g. optimization) appeared positively associated with high thriving at work (i.e. work well-being) and high job performance. In addition, the effects of these strategies were partly attributed to some job design characteristics (such as higher levels of job autonomy and control) that were particularly appreciated by older workers.

The way in which one’s job is designed may also affect thriving in the workplace. For instance, we found that employees in more physically demanding jobs (like some jobs in the healthcare sector) experienced lower levels of thriving, compared to workers in less physically demanding jobs. Also, higher levels of thriving were reported by employees with more freedom to organise their own jobs, opposed to employees with less job autonomy. In addition, thriving was encouraged by opportunities to socialise with others in the workplace. Among these, especially valued by older workers were the
opportunities to transfer knowledge and experience to younger generations of workers.

Moreover, we identified a set of strategic HRM practices that contributed significantly to higher levels of thriving at work, while reducing less positive experiences of surviving at work. Among these practices were: training to update current skill as well as to learn new skills, opportunities to transfer experience to other (e.g. younger) colleagues, access to challenging and meaningful tasks or assignments, recognition of the significant role mature employees can play, useful feedback from supervisor/manager, financial incentives to remain in the workforce instead of retiring, additional (even if unpaid) leave, and opportunities to work past retirement. Most importantly, these organisational (HRM) practices that appeared particularly valued by older workers, suggested opportunities for development.

Overall, our findings contrast with traditional views of late career employees as being focused mostly on protecting the status quo and, at best, maintaining reasonable levels of work well-being and performance. Instead, they suggest that many older workers desire and are capable of further development. When these developmental needs are supported by organisations, employees will experience higher levels of work well-being (e.g. thriving) and will demonstrate better job performance. Keeping older workers healthy and happy is an integral part of the today’s agenda for extended and sustainable working lives.

References


