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Managing Workforce Diversity in a New Age: The Challenges and Implications of Ageism

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Managing Workforce Diversity in a New Age: The Challenges and Implications of Ageism

David M. Savino
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***Abstract:** Managing workforce diversity is one of the major challenges facing human resource professionals today. Key among the many diversity challenges is the reality of dealing with a growing aging workplace population. As a result age discrimination and ageism has been a subtle and covert strategy of many organizations for years. The great recession brought the true realities of ageism to the surface in a distinct way with the number of reduction in force programs that seemed to wrongly target older workers disproportionately as evidenced by the number of age discrimination cases filed with the Equal Employment Opportunity Commission (EEOC) during that period of time. In a time when many elements of discrimination are bubbling to the surface in today's American society, ageism is among the most significant. This is a study of the sociological and legal aspects of covert and overt ageism as related to organizational diversity programming and the recognition of the need for more effective diversity strategies.*

INTRODUCTION

The current workforce offers an interesting generational mix that makes diversity management an interesting challenge in the field of human resources when it comes to the performance of the various functions such as planning, recruiting, selection, training and compensation (Gordon, 2017). As the Age Discrimination in Employment Act recently reached the milestone of its 50th year of existence, it is in some ways ironic that that law itself is about the same age or a little older than those it covers. In a time when it was thought that a more progressive philosophy was being applied in society as well as the workplace of equal treatment, mutual respect for others and a sense of opportunity for all regardless of personal differences, the reality appears to be quite different. In just the last five years in an era of an African-American President and more open policies in general society, a backlash has occurred with a force which has been very surprising. With all that has been occurring as reported in the news headlines, is it really a surprise that age discrimination in the workplace is taking place to the extent that it is? Call it what you will and accept it to whatever degree you believe, it exists in many forms in the workplace.

LESS THAN SUBTLE AGEISM IN THE WORKPLACE

Age discrimination and ageism are threats to aging well into the twenty-first century with ample evidence of its adverse legal and social consequences (Angus & Reeve, 2006). Hard forms of age discrimination reflect a violation of legally established standards that relate to actual decisions made by employers that impact career development while soft forms such as negative age stereotypes or the perception of reduced employee value occur in the interpersonal sphere (Stypinska & Turek, 2017). Despite the efforts of the last half century to minimize the effects of decisions that adversely affect older workers, the prevalence of questionable legal and social practices remain a serious problem (Lahey, 2010). Documented legal violations related to age in the workplace can take the forms of lower pay, being restricted from training opportunities, harassment, hostile and degrading work environments (Fribergh & Kjaerum, 2011). Soft discrimination typically shows itself in forms of age stereotypes and negative opinions that put older workers in a disadvantaged position that can influence the outcomes of interviews, performance reviews or possible work assignments (Posthuma & Campion, 2009).

Some in-depth research on age discrimination has found evidence of an unequal distribution among populations of older workers in terms of incumbency, profession, gender and population centers (Stypinska & Turek, 2017). It appears to occur more often with job seekers rather than with those already employed indicating some evidence of a lack of bargaining power in dealing with employers (Standing, 2011). In addition, it seems to be different for those of certain professions such as in the information technology field and banking as well as the service sector based on customer-driven attitudes (Posthuma & Campion, 2009). Additionally, the private sector is more discriminatory than the public sector and for workers in urban areas more so than in rural ones (Johnson & Neumark, 1997; McGuire et al., 2008). There is evidence that competition for jobs in urban areas has increased due to the movement of younger and skilled workers from small towns, villages to cities (Szymanska & Bieganska, 2014). Another area of the reported differences in age discrimination is related to gender. A higher prevalence of age discrimination was reported among women in terms of job opportunities and advancement, especially those living in urban areas possibly due to lower education levels and job experience (Stypinska & Turek, 2017).

THE AGE OF AGE ARBITRAGE

Although sixty may be the new fifty, older workers over the last ten years have been faced with the realities of an economy that can change very quickly from good to bad along with a lack of a global consensus as to the best time to retire. The Great Recession of a decade ago quickly shifted the retirement paradigm. Prior to 2008 many early baby boomers born in 1946 were targeting that year because of their initial eligibility at age 62 for Social Security, prompting some to call it the year of the “Big Leave” (McAlinden et al., 2008). Amid the plans of Human Resource department to step up recruiting to fill the anticipated employment gap left by the Big Leave, the recession of 2008 changed all that. Older workers did not retire as expected and actually remained on the job out of the fear of the declining value of their retirement funds and the fear of an uncertain future held by many in the workplace. As the years have passed the rate of expected retirements has slowed leaving more than expected number of older workers in the workplace (Truxillo, Cadiz & Rineer, 2014). While many sixty-year-olds may not feel significantly different than most fifty-year-olds, complaints and concerns have been growing consistently because of physically demanding jobs, rivalries with younger workers and increased offers of early retirement (Fishman, 2010).

The idea of slowly and quietly evolving to a workplace of planned and prevalent age discrimination may be here sooner than many people think through a concept known as age arbitrage. The basic idea of age arbitrage is the systematic strategy of forcing out older, high-paid employees with younger, more energetic and lower paid workers. Fishman (2010) states that age arbitrating is an essential global strategy for businesses trying to compete in today’s economy and any indications of perceived wins in establishing younger workers and low wages will only intensify its prevalence as a future essential and successful management strategy.

The strategic move to reduce older employees in the workplace does have its issues and concerns elsewhere in the economy. Efforts of management to jettison older and higher paid workers can help the United States achieve a relatively young labor force and thus make room for the “boomerangers” who are younger potential employees forced to move back in with their parents because of older workers holding on in the economy (Fishman, 2010). In addition, the push to turn out older employees shifts the burden to other portions of the economy. While organizations generally pay older employees more for their work compared to younger employees, experience is not as valuable to justify such a difference. Therefore, organizations are practicing a type of shifting employment strategy that wrings out inefficiencies such as older worker higher pay, pensions and continued health care coverage whereby the modified private sector safety net will require a fundamentally different public sector system (Leonhardt, 2007). For those no longer receiving a pay check in the working economy the shift in elder income goes to government

support in the form of Social Security. In the United States about half of the retired workers live on government support with the proportions being even higher in places such as France and Germany (Haas, 2007). Being faced with such financial burdens economic systems ponder the possibilities of higher taxes, deficit spending, reductions in benefits or cuts elsewhere.

TERROR MANAGEMENT THEORY AND AGE DISCRIMINATION

Terror Management Theory is based on a psychological conflict of the self-preservation instinct and the cognition of inevitable death which produces terror in humans (Greenberg & Arndt, 2011). In general society and the workplace these issues create various anxieties that may take many forms with some more visible than others. While a calm facade may be accomplished through rationalizations, there is a hidden person in us all scared about the inevitable reality of death which in some way fosters fear, resentment and less than civil social discourse toward older individuals (Roth, 2001).

The concept of Terror Management and ageism have the unique features of prejudice based on several specific threats, those of death, animality and insignificance (Martens, Goldenberg & Greenberg, 2005). Ageism arises from Terror Management because we try to avoid it by thinking that death is unnatural and results from accidents, war or disease when in fact we see constant reminders and live it every day witnessing the trials and hardships of the elderly among us (Langer, 1982). The threat of animality is the deterioration of the physical body and its associated problems for the elderly and those around them because of loss of control, functionality and negative stereotyping (Isaksen, 2002; Bowd, 2003). Another reason to see overt ageism out of Terror Management is the threat of insignificance. A loss of self-esteem based on cultural standards and diminishing characteristics and abilities create feelings of a loss of self-worth and reduced value to others (Bowd, 2003; Cuddy & Fiske, 2002). Because the elderly are not highly valued in society or a business context they become constant reminders of human mortality and declining abilities. In light of this, organizations move with the tacit approval of management to develop and implement strategic plans that may reflect and carry out ageism, discrimination and age arbitrating.

A NEW IMMIGRATION POLICY BASED ON AGE

While many states, the President and the Congress of the United States and citizens in various regions of the country have vigorously debated our national immigration policy with no specific solutions, business organizations have very quietly adopted a different kind of immigration policy that is specific in its nature and discriminating in its application. It is a very common practice that many organizations use to recruit their employees. Instead of being obvious in their intent to consider only younger candidates for positions, many organizations now use terms such as “digital natives” in recruiting in the media, advertising and tech industries (Giang, 2015). The term digital natives is not new. It was first used in an article about students of the early 21st century who were born in the early stages of digital technology and would grow up using it from a very early age (Prensky, 2001). Because they are immersed in the technology they find all around them they are well versed to understand and use it and are the native speakers of the digital language versus older workers who are known as digital immigrants or those who had to learn to use and adapt to technology and its advances (Gaing, 2015). The term digital immigrants feeds the stereotype of older workers who came of age before the internet who are slow to use technology, reluctant to learn and cost organizations more in terms of pay and training costs (Rosenblatt, 2017).

Based on what organizations seek today in their recruiting efforts, digital natives are likely to embrace an organizational culture that encourages sharing and team work environments. Digital natives see things more horizontally based on egalitarian terms rather than dividing the world into hierarchies that rely on centralized and control oriented governance as digital immigrants tend to favor (DeGraff, 2014).

A simple search of many job ads shows evidence of numerous references to the term “digital natives.” The question then is, what does this really mean in recruiting and selection? Since the beginnings of the internet age, many organizations have openly pursued younger tech savvy candidates who can help them compete in the new digital economy (Gaing, 2015). Because of this phenomenon the Equal Employment Opportunity Commission (EEOC) is now dealing with new forms of age discrimination in the Internet era with 20,857 age related claims being filed in 2016 (Rosenblatt, 2017). In the past the EEOC has stated that while terms in job advertisements such as “college student” or “young blood” violated the Age Discrimination in Employment Act (ADEA), the use of digital native as a code word for young workers of the digital age is more difficult to define and only a few cases have been tested related to the use of this term (Gaing, 2015). The EEOC has yet to officially comment on job postings that seek digital natives but it is believed that as more cases are filed, the EEOC will likely find that its use will constitute disparate treatment because it illegally discriminates against digital immigrants over forty (Sink & Bales, 2016). Future technology based age discrimination cases will have to prove that disparate treatment was present in that the candidate was treated differently than others who don't share the same protected characteristic outside of specific bona fide occupational qualifications or BFOQs (Guerin, 2017).

Age discrimination in technology related to recruiting, hiring and retention is obviously a sensitive issue for older workers because of the adoption, use and fluency of the young in this area. Many job postings require applicants to be digital natives and even state it as a qualification as seen in ads placed by companies such as Red Bull, Michael Kors, Hearst Magazines and Under Armour (Sink & Bales, 2016). Although the use of the term digital native is on the rise there has only been one case that has looked at preferences for digital natives in employment versus the standards of the ADEA (Gregory, 2010). In the case of *Marlow v. Chesterfield County School Board (2010)*, Debra Marlow at age 60 was initially hired by Chesterfield County Public Schools of Virginia as the Director of Community Relations. After 21 years she was demoted to a lower position and her job was given to her younger assistant and within six months her job was eliminated altogether due to budget cuts. Marlow had sued the school board and the superintendent who openly favored employees with “21st Century skills” such as Marlow’s replacement. While the district court found that Marlow’s case had some merit, the term “21st Century skills” was ambiguous at best and her job being eliminated was budgetary in nature and not age discrimination (Sink & Bales, 2016). However, it is believed that future cases examining the specific use of term digital natives may have different outcomes and will be sufficient for a plaintiff to prove a prima facie case of age discrimination (Ginsberg, 2010).

Total and free access to the labor market should in theory be a reality to all that are able to work and provide worthwhile contributions to organizations and society. It is believed by some that most of the time people are not consciously aware of their biases or stereotypes and acknowledging that they are implicit to the point of not seeing or recognizing them is a hedge against their negative effects (Rosenblatt, 2017). In addition, the organizations who do tolerate ageist behaviors are more prone to show and practice discriminatory behaviors (Stypinska & Turek, 2017). There needs to be more willingness to recognize ageism which is a barrier to effective diversity policies designed to extend working careers and to eliminate its effects at the societal, organizational, interpersonal and individual levels (Swift et al., 2017; Zacher et al., 2017).

The future holds many ironies in the age of the increased need for technological and digital proficiency. The labor force participation rate for those age 65 or older is projected to increase from the current 18.6% to 21.7% by 2024 (Rosenblatt, 2017). In addition, it was the digital immigrants who invented, developed and taught the technologies that digital natives use and easily apply and the ultimate twist may be that the children of digital natives will likely act like digital immigrants themselves in the future (Powell, 2007; DeGraff, 2014).

CONCLUSION

The ways to effectively debunk ageism in the workplace is for the older worker to take an active role in further developing their human capital, actively engaging in all training and learning opportunities and encouraging and accepting mentoring and advisory relationships with younger workers. Active aging and age-inclusive Human Resource practices that address the issues associated with older workers in the workplace can set a positive tone for an age-friendly and age inclusive work environment (Zacher et al., 2017). These enlightened diversity practices should include how organizations make key personnel decisions related to recruiting, selection, training and promotion to discourage age arbitrage practices and terror management situations.

Many organizations are involved in developing innovative age diversity management programs and creative solutions to better serve their older employees that also result in positive outcomes for organizations in terms of overall performance (Bohm et al., 2014). In addressing issues of age diversity in the workplace, new ideas are being put in place that involve customizing work arrangements known as idiosyncratic deals (i-deals) that leverage the skills and experiences of older employees as related to schedule, location, task and developmental opportunities (Bal & Boehm, 2017). I-deals are negotiated agreements that allow organizations the opportunity to take advantage of older worker skills who in turn are more committed to their assigned tasks. These efforts, also known as job crafting, encourage programs such as bridge employment to help older workers to gradually transition to retirement while at the same time sharing their skills and experiences through formal mentor and coaching relationships with younger employees (Zacher et al., 2017). As time goes on enlightened age diversity to counteract issues of ageism can be both transformational and transactional in nature (French & Ali, 2016). Effective age diversity management strategies and policies can help elevate organizational performance based on the agreed to mutual exchanges thus providing significant benefits to organizations and society in general.

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