


Global Insights on the Multigenerational Workforce



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The world's population is growing older faster than at any time in human history. Despite the pandemic, globally people ages 60 and older continue to outnumber children ages 5 and younger, and the 60-plus population is growing at a rate four times faster than the overall global population.¹ Workers are living and working longer, with four to five generations working side by side. Many aspects of the future of work remain unclear, but the multigenerational workforce is a reality that's here to stay.

Helping global employers adapt their workplace practices to capitalize on the impact of an aging population is imperative if we are to respond to employers' needs and unlock this future workforce potential. Doing so will help us build stronger communities and enable people of all ages to live happier, healthier, and more fulfilling lives.

AARP recently surveyed employers in 36 OECD countries, collecting data in two waves, one in the fall of 2019 and again in the midst of the COVID-19 pandemic. The results illuminate how global employers are uniquely positioned to lead the changes needed to support multigenerational, inclusive workforce ecosystems. Although government can and should support the development of multigenerational, inclusive workforce ecosystems, employers are experiencing the demographic shifts in real-time and are already moving quickly to adapt.

¹ World Health Organization & National Institute on Aging. 2011. *Global Health and Aging*. https://www.who.int/ageing/publications/global_health.pdf

Among the key findings, the survey confirms that older workers are remaining in the workforce in larger proportions, defying stereotypes, contributing to business growth—including higher profit margins—and still fighting ageism and discrimination. This research is one component of the Living, Learning, and Earning Longer (LLEL) initiative and the data supports the core tenets of the LLEL collaboration.

Employers around the world prosper when they focus on providing work environments that cultivate a multigenerational workforce that maximizes diversity, equity, and inclusion. Still, many employers are struggling to establish effective policies that support workers living, learning, and earning into older age.

Global executives know a multigenerational workforce is key to business growth and success.



The Living, Learning, and Earning Longer collaborative initiative of AARP, the Organization for Economic Cooperation and Development (OECD), and the World Economic Forum (WEF) establishes that age diversity is a competitive advantage for employers, a finding emerging from research showing that 83 percent of global executives agree that multigenerational workforces are key to business growth and success. Multigenerational teams perform better and provide a stronger pipeline of talent. They provide continuity, stability, and retention of intellectual capital. Age-diverse workforces

also offer more insights into older consumers and the 50-plus marketplace – a marketplace that generates \$8.3 trillion in economic activity annually in the United States alone.²

The best way to service an age-diverse market is with an age-diverse workforce. Consumers ages 50-plus are fueling a multi-trillion-dollar longevity economy, yet discrimination exists in both the market and the workforce. Age discrimination against those ages 50-plus cost the United States economy \$850 billion in 2018.³ The OECD calculates that giving workers, especially older workers, the best opportunities to work (*i.e.*, by eliminating such factors as age discrimination) would raise gross domestic product (GDP) per capita across the OECD by 19 percent over the next 30 years,⁴ showing the value of full labor force participation on both workers and the economy.

Not only do multigenerational workforces make sense from a business perspective, they also make sense from a human resources standpoint. Seven out of 10 workers in the United States enjoy working with people from other generations. Older workers appreciate the creativity of younger workers and younger workers appreciate the value of older workers' experience and wisdom.⁵

² AARP. The Longevity Economy Outlook: How people age 50 and older are fueling economic growth, stimulating jobs, and creating opportunities for all. https://www.aarp.org/content/dam/aarp/research/surveys_statistics/econ/2019/longevity-economy-outlook.doi.10.26419-2Fint.00042.001.pdf. December, 2019.

³ AARP. The economic impact of age discrimination: How discriminating against older workers could cost the U.W. Economy \$850 billion. https://www.aarp.org/content/dam/aarp/research/surveys_statistics/econ/2020/impact-of-age-discrimination.doi.10.26419-2Fint.00042.003.pdf. January, 2020.

⁴ OECD report – [oe.cd/ageing-employment](https://www.oecd.org/ageing-employment/). January 2020.

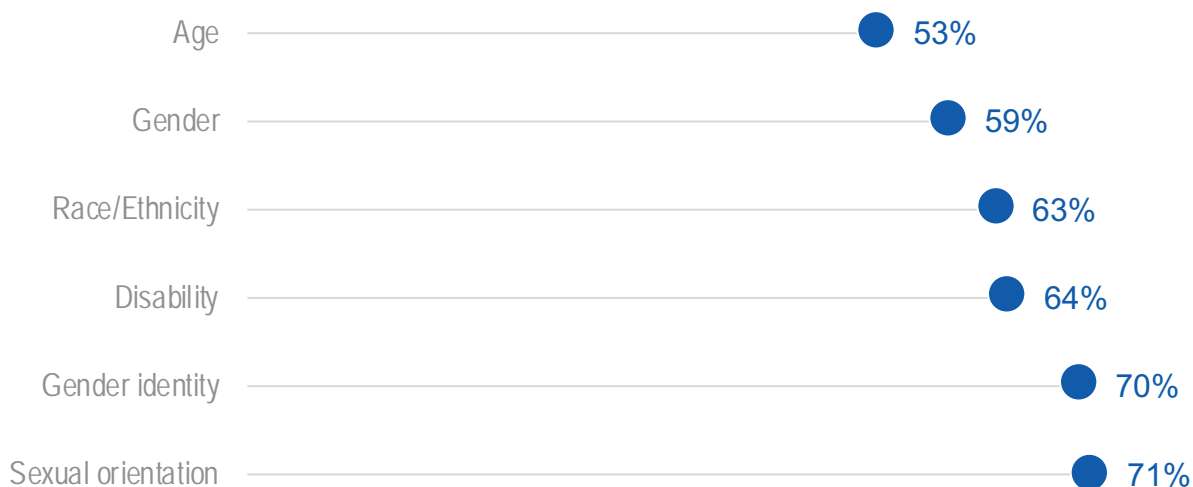
⁵ AARP. Mentorship and the value of a multigenerational workforce. https://www.aarp.org/content/dam/aarp/research/surveys_statistics/econ/2019/age-diversity-mentorship-generations-workers.doi.10.26419-2Fres.00270.001.pdf. December, 2018.

Greater diversity supports higher innovation revenue and profit margins.

Companies with above-average diversity in age, gender, nationality, career path, industry background, and education on their management teams report innovation revenue that is 19 percentage higher and profit margins that are 9 percentage higher than companies with below-average diversity.⁶

Yet the AARP survey of employers in 36 OECD countries shows that there is extensive work to be done to improve diversity, equity, and inclusion policies and practices in the workforce. More than half of global companies lack critical diversity components within their diversity and inclusion policies. For instance, 53 percent of global executives surveyed do not include age in a diversity and inclusion policy. Further, almost 60 percent do not include gender, 63 percent do not include race or ethnicity, and over 70 percent do not include sexual orientation (see chart 1). As a result, companies may have broad diversity and inclusion or D&I strategies without explicit acknowledgement of the domains that they cover. Of those businesses who do not include age in their D&I strategy, 48 percent indicate that other dimensions of diversity are more important than age and 33 percent believe that age is not important to address.

Chart 1: Percent of Diversity and Inclusion strategies that do not include the following components




While there has been progress in regard to workplace policies on diversity, equity, and inclusion, clearly more needs to be done to align systems to better respond to the demographics at large. More than ever, employers—whether from the private, public or non-profit sectors—understand the importance of diversity and inclusion, to their bottom lines.

Meanwhile, the very understanding of what diversity and inclusion encompasses has continued to evolve, as it must. As part of that evolution, age must be included in diversity and inclusion policies, programs, and philosophies. While an increasing number of organizations understand that, this understanding must become universal.

Given longevity trends, aging is the single unifying factor across all of the diversity characteristics and will intersect with the others. If age is left unaddressed in diversity and inclusion policies, employers will be ill prepared for the multigenerational future of work that has already begun to surface with four to five generations working side by side.

⁶Boston Consulting Group. How Diverse Leadership Teams Boost Innovation. <https://www.bcg.com/publications/2018/how-diverse-leadership-teams-boost-innovation.aspx.2018>



Covid-19 ushers in flexible work options and a glimpse into the Future of Work.⁷

The Covid-19 pandemic has acted as an accelerant for forcing companies into many flexible work situations. What previously may have been considered either too difficult or costly – including entire companies working remotely – is the new normal. Prior to the pandemic, about half of global employers allowed periodic telecommuting, with 42 percent offering compressed work schedules, and 37 percent offering full-time teleworking. As a result of the pandemic, 54 percent of global organizations have started allowing staff to work remotely either at all or more often.

Additional changes go well beyond teleworking. Among global companies, 42 percent reduced operating hours, 34 percent changed how the organization provides goods or services, 23 percent have hired fewer workers than planned, and 14 percent have laid off staff.

A boon for older workers from this new normal is that the stereotype of older workers as technophobes was proven wrong and counterproductive. Workers across ages have been adept at teleworking.

It is clear that embracing flexible work options—proven to work during the pandemic—can help enable an age diverse workforce when paired with the right age diversity and inclusive policies. The result can be a more diverse and responsive workforce and a more resilient organization possessing a new competitive advantage.

⁷ Asked only in Wave 2.

Bridging the gap in creating multigenerational workforces.

While global employers recognize the value in a multigenerational workforce, most are not yet prepared to provide managers the critical information or training that fosters a positive environment in which a multigenerational workforce can thrive. Nearly four in five (78 percent) organizations reported that they currently have a multigenerational workforce. Yet simply having such a workforce is not enough to maximize the benefit for either employer or employee. Just 42 percent of these global employers provided managers with training or support related to how to manage a multigenerational workforce, with only 39 percent zeroing in on how to avoid age discrimination in recruitment or hiring, and 38 percent focusing on how to avoid age discrimination in access to training opportunities.⁸ Only an intentional approach to creating an inclusive corporate culture, establishing policies and practices that resonate regardless of age and life stage, and cultivating people within the organization to see age diversity as an asset and competitive advantage will align systems to harness the potential for purpose of the bottom-line. There are millions of workers across the globe working in a multigenerational environment managed by someone without the training to maximize these teams.

Employers want information and resources to guide them in building and sustaining a multigenerational workforce. Topics they find useful include those that recognize not only work lives but also home lives—such as lifelong learning, caregiving, financial planning, and flexible work options (see chart 2).

Chart 2: Percent of employers who find the following resources useful in building and sustaining a multigenerational workforce



⁸ Asked only in Wave 2.



Full labor force participation is good for business and good for the economy.

Giving all workers, especially older workers, the best opportunities to work would raise Gross Domestic Product (GDP) per person across the OECD by 19 percent over the next 30 years.⁹ If we do nothing, given current fertility and aging rates, many OECD countries could experience a stalling or even a decline of up to 10 percent in GDP per capita.

If given the appropriate information and “how-to” training, global employers indicate that they would be likely to implement many of the best-practice policies known to create and enhance an age-diverse workforce. At least two-thirds of employers are open to practices such as training and lifelong learning opportunities, mentoring or reverse mentoring programs, re-entry/return-to-work programs, and phased retirement programs (see chart 3).

Chart 3: Percent of employers likely to implement the following policies if given the appropriate information or "how-to" training



⁹ This calculation, which is based on OECD population and labor force projections, reflects a scenario where all OECD countries achieve “best in class” by 2050 in labor force participation. Best in class means achieving labor force participation rates in line with countries such as New Zealand and Iceland, which have the greatest labor force participation of the 50-plus today. [oe.cd/ageing-employment](https://www.oecd.org/ageing-employment/). January 2020.

Employer policies must foster multigenerational workforces.

Despite widespread recognition of the value of multigenerational workforces, age-discriminatory policies remain. These policies sabotage the creation of an age-diverse workforce and any benefits an employer might reap as a result. In fact, only 6 percent of employers surveyed already had policies related to unbiased recruiting processes. One especially harmful policy is mandatory retirement. Nearly 4 in 10 global companies dictate a mandatory retirement age. As seen in chart 4, the government/public administration sector is most likely to have such policies, followed closely by energy/telecommunications/utilities, science/technology/engineering, and manufacturing. Employers have an important role to play in ensuring policies support workers of all ages and life stages. By eliminating age-discriminatory policies and replacing them with policies that ensure access to the necessary skill-building and other work supports, employers can foster multigenerational workforces whose members remain employable over a lifetime. To that end, employers are eager and willing to learn more about tools for assessing the degree to which their organization currently meets the needs of a multigenerational workforce (73%) and creating peer networks to share best practices related to the multigenerational workforce (73%).

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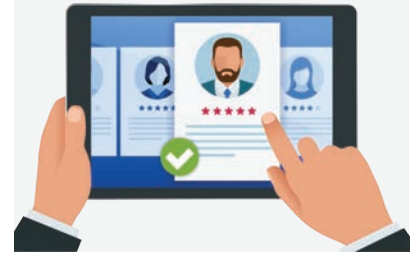
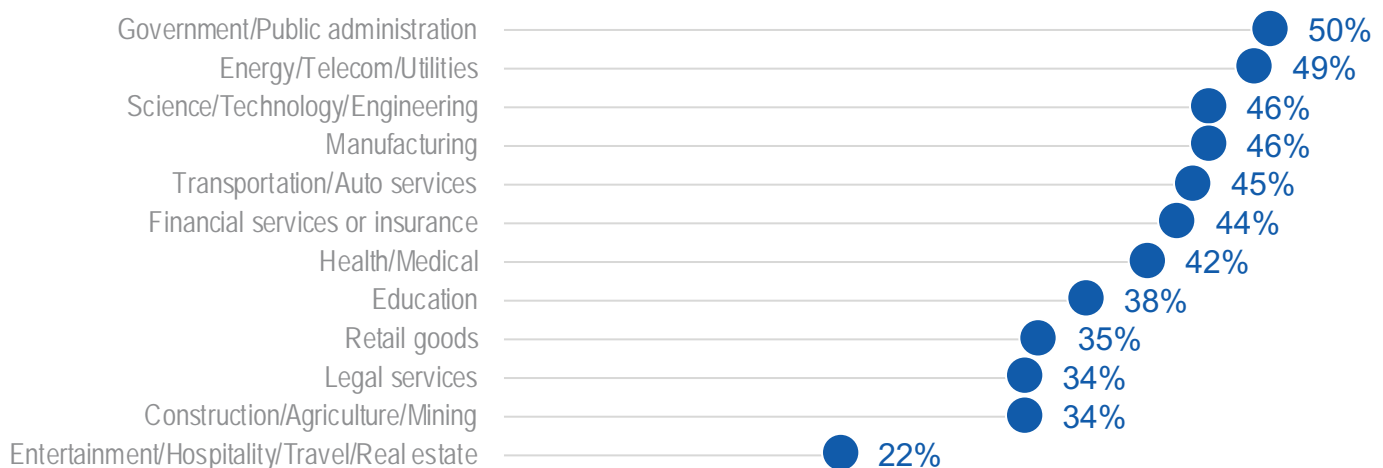


Chart 4: Percentage of employers that have organizational mandatory retirement age polices, by industry



Learning from AARP's global learning collaborative

In 2019, AARP established a learning collaborative, called Living, Learning and Earning Longer (LLEL). The goal is to identify and share promising practices so global employers can benefit from the multigenerational workforce. In alliance with the World Economic Forum (WEF) and the Organization for Economic Cooperation and Development (OECD), LLEL has engaged nearly 100 global employers in regional executive roundtable discussions across Europe, Asia, and North America on how to create and invest in an age diverse and inclusive workforce ecosystem so all can prosper. Findings—that is the identification of promising practices—will be captured in a comprehensive final report, as well as a digital learning platform enabling employers to recognize the benefits of an age-inclusive workforce as an untapped source of growth. The learning platform will be launched at the annual World Economic Forum Summit in 2021.

Action steps for global employers

Based on research and learnings from members of the Learning Collaborative thus far, employers can strengthen existing policies and practices to strengthen age diversity and inclusion by taking the following action steps:

- ✓ Add age to the company's diversity, equity, and inclusion policy.
- ✓ Craft an age diverse and inclusive talent strategy that develops all employees' critical digital and cognitive capabilities, social and emotional skills, and adaptability and resilience.
- ✓ Provide opportunities for workers to remain and grow on the job.
- ✓ Invest in lifelong education and training to ensure workers remain employable.
- ✓ Enforce policies to combat age discrimination and adopt age-inclusive practices.
- ✓ Make sure recruitment practices are inclusive and hiring processes are age-blind.
- ✓ Be aware of unconscious biases and disrupt stereotypes across the continuum of age.
- ✓ Ensure diversity trainings for managers and staff address issues related to ageism.
- ✓ Assess workplace policies, practices, and protocols to ensure they resonate with employees regardless of age or life stage.



Methodological overview

This survey was fielded to 5,998 employers across 36 OECD nations over two waves of data collection and represents only the responses of those employers surveyed. Wave 1 was collected from 1,760 employers in October/November of 2019. Wave 2 was collected from 4,238 employers in April/May of 2020. Each survey was completed by an upper-level human resources employee or executive.



For more information about the Living, Learning and Earning Longer (LLEL) collaborative, visit www.aarpinternational.org/LLEL.
For more information about this survey, contact Rebecca Perron at rperron@aarp.org.