

EMPLOYERS PERCEPTION ON THE AGEING WORKING FORCE. A FOCUS GROUP EXPLORATORY STUDY

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Abstract: European countries are currently faced with an ageing population as a consequence of a decrease in fertility rates doubled by an increase in the life expectancy of their inhabitants. According to Eurostat forecasts this means that by 2060 the dependency ratio between those aged over 65 and the people of working age will be of 1:2 instead of the current 1:4. This will pose significant pressure on supporting the economic development of the European countries, as well as on healthcare and pension systems. One of the measures identified at European level for counteracting this situation was to increase the focus on workers aged over 50, a segment often disregarded by employers although still able to work with high productivity levels. The general perception in the studies conducted so far is that while, they are usually regarded as adapting with more difficulty to change, they are at the same time appreciated for their loyalty and hard-working nature. The article we proposed aimed to examine the perception of Romanian employers with regards to employing persons over 50 years old by using an exploratory approach, the focus group. Results show employers appreciate these workers from a professional point of view admitting that they are generally well trained, hard-working and loyal. At the same time, though, employers are unhappy that they seem to be more reluctant to change and many lack technical and IT skills. The article is particularly relevant in the context of an ageing population as it explores employers perception on this phenomena and concludes by emphasizing the need for support actions aimed at increasing the employability of older workers.

Keywords: ageing population, focus group, employers perception

1. Introduction

European countries are currently faced with the phenomena of an ageing population mainly caused by a decrease in fertility rates doubled by an increase in the life expectancy (Kooij et al, 2008; Aiyar et al, 2016). It is currently estimated that the next decades will witness significant changes in the age structure of most industrialised countries (Fougère and Mérette, 1999), demographic change representing one of the main factors that will shape the development of our society (Supan, 2001). The dependency ratio is increasing rapidly as the potential workforce is shrinking which led estimates to indicate a decrease in the potential workforce of 20% between 2020 and 2050 (Kooij et al, 2008). The fiscal and economic consequences, as well as the public policy challenges determined by this phenomenon will be significant (Fougère and Mérette, 1999; Van Dalen et al, 2009; Aiyar et al, 2016) as those aged 50-64 will represent 32% of the workforce in 2050 as opposed to 25% in 2000 (Kooij et al, 2008). Ageing will impact the real economy on the one hand via labour input as well as via productivity as the latter is influenced by the age structure and human capital accumulation (Carone et al, 2005). In this context, some of the solutions analysed include capitalising on the workforce aged over 50 in the sense of exploiting their full potential. Yet, some employers appear to be somewhat reticent with regards to this age group as they tend to regard them as registering a decline in participation, having obsolete knowledge, skills and attitudes (Kooij et al, 2008; Aiyar et al, 2016). Other research suggested employers to be

biased towards older workers, companies often lacking focus on older employees doubled by a lack of programs for retaining and retraining them (Van Dalen et al, 2009).

Another aspect worth considering in relation to population ageing refers to labour productivity. This is relevant as increasing labour productivity is one of the means that can compensate the impact of population ageing on production (Supan, 2001). This implies that there will be a need for more education and training in order to support a more rapid formation of the human resources (Supan, 2001). In terms of labour productivity, previous research indicates that productivity varies over one's working life due to aspects such as "the accumulation of experience over time, depreciation of knowledge, and age-related trends in physical and mental capabilities" (Aiyar et al, 2016). Other studies also suggest that older workers are facing the challenges of adapting to changing job requirements or the technological development (OECD, 2006), which contribute to lower productivity levels among those aged over 50. Researchers further point out the fact that there are certain jobs in which productivity increases with age, or at least remains comparable to that of the younger workers. Such activities include lawyers, professors, managers or medical practitioners where knowledge and experience play a major role in completing the particular job (Aiyar et al, 2016).

In spite of these perceptions and analyses, research in the area is scarce with only limited insight into how employers actually see the matter being available (Van Dalen et al, 2009). The article builds on this challenge and aims to explore perceptions Romanian employers have with regards to older workers via a focus group approach. The article is mainly addressed to professionals in the field of economics and labour market dynamics as well as HR specialists. The relevance of the article lies in the fact that, although ageing population is a phenomenon already undergoing, being aware of the developments and possible measures for dealing with the pressure and changes this will generate on the labour market, economic, financial and social systems can contribute to reducing the impact and ensuring a smoother transition.

2. Methodology

The research was conducted using the focus group methodology. As a research tool, focus groups are generally used as a method for data collection in the case of qualitative studies. One of their main advantages lies in the fact that focus groups allow the researcher to exploit the different dynamic of a group in order to better understand a topic. As group members interact with each other, the depth of the information exchanged increases which allows the researcher to retrieve more data than when simply collecting answers in a structured interview (Kitzinger, 1995). Focus groups are also a convenient method for initial research as they are fast and cost effective (Kontio et al, 2004).

Focus groups consist of a carefully designed list of questions addressed to groups comprising ideally between 6 and 10 persons (Lunt and Livingstone, 1996). This allows for appropriate interaction between participants and for the researcher to understand not just what the respondents' position is on a certain matter, but also how they reached that position and why (Kitzinger, 1995). The literature in this field recommends groups to be homogenous in order to build as much as possible on the experiences of the participants. However, a certain degree of heterogeneity is also appropriate in order to increase the degree of exploration of the different perspectives which could emerge in the group setting (Kitzinger, 1995; Lunt and Livingstone, 1996).

In terms of conducting the focus group, it is essential that a positive, comfortable atmosphere is created. Participants should be informed of the purpose of the research and the confidentiality of their responses should be ensured. The facilitator will then ask the questions and allow and encourage all participants to contribute their answers. Any disagreements within the

group can be used to elicit more in depth information on the topic and to clarify the different points of view.

For this particular research, two focus groups were conducted in June 2016 for a total number of 10 participants. For both groups respondents were managers of small and medium sized enterprises in Cluj-Napoca. Six participants represented micro-companies (up to 9 employees), three were managing small enterprises (between 10 and 49 employees) and one was managing a medium-sized company (between 50 and 249 employees). Most companies were active in the service sector, more specifically in selling materials for the construction sector, house appliances repair and maintenance services, IT services, HR consultancy services, business consultancy services, social services, sport and leisure activities, packaging and automation production.

The focus group is part of a larger research regarding age management in small and medium sized enterprises. The goal of the focus group was to identify the employers' perceptions on older workers. Participants were assured of the confidentiality of their answers. The session was audio recorded to allow for better transcript of the discussions. Participants agreement in this regard was sought before the session started. The moderator conducted the focus group in a clear and warm manner, encouraging all participants to contribute their experiences. A number of five questions were asked regarding any difficulties participants had in selecting and recruiting workforce, their experience with workers aged over 50 and discussions related to different aspects which could contribute to making employers more willing to hire persons over 50 as well as aspects and concrete actions that could contribute to increasing the employability of older workers. Two pretests of the focus group questions were conducted in order to ensure question clarity and relevance for the aim of the research. The pretests resulted in no major alterations being made to the initial list of questions. Input from all participants was constantly encouraged by the moderator. The data collected was then processed using qualitative analysis.

3. Results

The first question asked respondents to state if they had had problems selecting and recruiting personnel. All respondents indicated they had such problems with one of them pointing out that these issues have become more serious in recent years, while another one indicated that this was particularly the case for workers with low incomes (under 450 euros). Participants were then prompted to indicate what they thought was causing these issues. The majority of the participants indicated two main causes: 1. Workers tend to be low prepared professionally and 2. Workers tend to have unrealistic dreams about the labour market and available pay as a consequence of the increased number of articles and success story about Romanian entrepreneurs. One of the respondents also indicated the existence of two groups, one group, also comprising older workers, who is interested in working and has a discipline in this regard and a second group, mostly comprising young people who are benefitting from a „false state of comfort offered by their parents and who lack a desire to work”. He also indicated that in the case of his company, 60-70% of those deciding to leave belong to the latter group and generally choose to do so because of a mismatch between their expectations and the realities of the labour market. In terms of ideas for retaining employees, respondents suggested a need to invest in motivating employees.

The second question asked participants to indicate if they had had older employees in the past two years. All respondents answered affirmatively. Two of the participants also indicated these workers were particularly valuable to them, with one stating "They [workers over 50] currently represent 10%. I wish I could have more, but they have difficulties with their eyes. I would go up to 85%", while the other one explained that he had 8 out of 10 employees above 50 which was "a great advantage as the other two persons have a high turnover rate, and permanently negotiate pay. Even of the older ones are slower in completing their tasks, they do not take their lunch break, do not speak on the telephone etc."

For the third question, participants were asked to indicate the advantages and disadvantages of employing older workers. In terms of benefits, respondents indicated the fact that they are hard-working and are more motivated because of the fact they are aware that employment is more difficult to find in their case. On the other hand, older workers lack communication and management abilities and can be very rigid in their approach, with one participant illustrating this by the answer received from one employee "But I have done it like this for 10 years, why do it differently now?". Other disadvantages included lower productivity, the lack of IT skills, and a lack of integration of older workers in mixed teams in the sense that they tended to be excluded by the young members. One of the participants also suggested that older workers are the best employees for intellectual activities and that they are afraid to leave the company so they will be more loyal, but a lack of balance appears when they become part of larger groups with a mixed age composition. He indicated they have a lower ability to work in teams and a higher tendency to take matters personally thus leading to conflicts. He also pointed out a fear of workers above 50 that they will not meet the performance requirements when compared to the young. Another respondent also indicated that some employers tend to favour hiring younger workers as they accept lower wages. The same participant indicated that workers over 50 years old generally tend to be employed in positions where their experience and expertise is more valuable, generally in the technical field. The moderator further prompted participants if they thought health issues are more likely to appear in the case of this particular age group. Respondents suggested this is generally not a problem, one of them also explaining "I had a 21 year old employee who went on medical leave more than all the others". Another participants indicated that certain consideration needs to be given to this age group as for example when requiring to carry heavy loads.

The fourth question of the focus group was aimed at investigating the employers willingness to hire (more) persons belonging to the age group under analysis and what incentives (if available) would further motivate them in doing so. Participants indicated financial incentives for employers and/or employees and encouraging persons over 50 to remain in employment. Another respondent also suggested organising courses for developing the older workers skills and abilities in IT, foreign languages and sales/marketing.

The last question asked participants to list aspects that could contribute to increasing the employability of older workers. Answers comprised developing concrete actions to encourage the general population to appreciate seniors as well as removing certain stereotypes suggesting that persons above a certain age should simply accept to be grandparents or retired persons. Participants also suggested older workers to have their CVs available on recruiting websites, impeccably written and emphasising their skills and expertise „in order to counterbalance a general stereotype that they are inflexible and not so sociable as young generations, lacking creativity and professional initiative." One respondent also indicating the fact that someone at 50 „is still young" and that such actions could be directed at those of 57.

4. Conclusion

The findings of this study suggest perceptions of older workers to be split between employers. On the one hand older workers are valued for their experience, loyalty and hard-working nature, while on the other hand, employers are still reticent because of older workers difficulty to adapt to mixed age teams as well as their lack of IT and communication skills. However, employers admit this segment to be valuable and are able to identify concrete solutions to overcome the difficulties emerging in working with persons over 50 years old. Based on the results of this exploratory analysis, it is our view that there is currently a need for more support actions to sustain both workers over 50 in seeking to remain within the workforce and overcoming stereotypes regarding this age groups that are present both among employers and the society in general.

5. Limitations and further research

A limitation of the study could be represented by the relatively small number of focus group participants (n=10). However, we do not believe this to have affected the study results negatively as the sample included managers from different fields of activity and for various company sizes. Furthermore, information saturation was reached following the completion of the focus group. A second limitation is determined by the fact that the sample only included managers in the North-Western region of Romania, a region with high productivity levels and increased income as compared to other regions in the country. Further research will consider expanding on the results of this exploratory study by analysing the perceptions of managers in the other Romanian regions as well as analysing the effects of ageing on productivity. In this regard, further research will focus on analysing whether the impact of an ageing Romanian workforce on productivity also varies according to the different domains as it was demonstrated in other studies conducted across Europe.

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