

Retirement-age workers stick around if businesses keep investing in them, says study

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Seventy-five million people from the Baby Boomer generation will be retiring by 2030. The departure of this staggering group of workers will

leave a wide gap in the workforce, causing concern among employers about how to prepare.

With the exodus of the second-largest generation in the U.S. having already begun due to the impacts of the pandemic, organizations are searching for the best ways to retain retirement-age workers to avoid worker shortages and hold on to knowledge reservoirs.

New research finds that engaging retirement-eligible workers with training participation can aid in employee retention. Specifically, older workers who are motivated to grow and develop at work and those who work for an organization that encourages learning and development of its older workers decide to stay in their roles, despite being eligible for retirement.

The research, "Retaining Retirement-Eligible Older Workers Through Training Participation: The Joint Implications of Individual Growth Need and Organizational Climates," is published in the *Journal of Applied Psychology*.

"We used to think that older workers choose to stay with an organization mainly out of socioemotional reasons. Once reaching the retirement age, however, older workers can also choose to exit the workforce and engage in [social activities](#) outside the workplace," said Yixuan Li, Assistant Professor of Management at the University of Florida Warrington College of Business. "Thus, to retain retirement-eligible workers, organizations would need to move beyond creating pleasant social experiences and make efforts to facilitate recharging or investing in those workers in order to motivate them to stay."

In addition to older workers' motivation to grow and the support of their organizations to do so, the researchers found that an age-inclusive environment aided in an older worker's decision to stay in their role

versus retire. In an age-inclusive environment, employees are treated equally and inclusively regardless of their age.

"Older workers sometimes face age stereotypes that discourage them to participate in training activities," Li said. "For example, some people may think older workers are less motivated to learn and training opportunities should be targeted at or tailored to younger workers, despite the lack of empirical evidence supporting such stereotypes. An age-inclusive work environment treats employees of different ages in an equal and inclusive manner, mitigating such stereotypes and removing barriers for older workers to participate in [training programs](#)."

Based on their findings, Li and her co-authors share three recommendations for managers interested in retaining older workers.

First, offering opportunities for training may serve as a pathway to keep retirement-age workers in their roles. For older workers, discouragement to continue working can stem from skill depreciation due to changes in technology and a lack of investment in [human capital](#). Removing these barriers through learning opportunities can extend an older [worker's opportunity](#) to remain with their employer.

"Currently, the training participation rate for older workers is much lower than that of younger workers in many organizations," Li said. "In addition to promoting [equal access](#) to training opportunities regardless of employee age, organizations may design training programs tailored to the needs of different age groups to improve training participation across age groups. Training needs across different age groups can be different, and organizations would need to carefully reflect upon employees' personal needs and barriers when designing and implementing training programs to increase their utility."

Offering training opportunities is only the first step, though. The

researchers also recommend that organizations create an environment that prioritizes and encourages learning among its [older workers](#).

Employers can do this through their human resource systems, the researchers suggest. For example, delivering consistent messaging on the importance of training and development helps improve the visibility of and access to training opportunities, encouraging such activities.

The final recommendation for employers is to implement age-inclusive management and fair treatment across all age groups, since their findings suggest that an age-inclusive environment can assist in [retirement-age](#) workers' decision to remain working. Employers can implement age-inclusive practices like including age-diverse employees in decision-making, integrating employee differences and implementing equitable employment practices.

More information: Yixuan Li et al, Retaining retirement-eligible older workers through training participation: The joint implications of individual growth need and organizational climates., *Journal of Applied Psychology* (2022). [DOI: 10.1037/apl0001065](https://doi.org/10.1037/apl0001065)

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