

Clocking Back In: BOOMERANG WORKERS



This is the fourth in a series of four reports by ManpowerGroup Solutions analyzing the results of a proprietary Global Candidate Preferences Survey



ManpowerGroup®
Solutions

[Introduction]

Age discrimination in hiring practices remains an issue in some countries despite an increased awareness globally and with many markets moving toward better protections. A significant number of global candidates perceive the pinch of age—at both ends of the spectrum—as a challenge to their career aspirations. What candidates may not realize, however, is that some organizations are embracing generational diversity as a way to overcome the talent shortage. They are hiring boomerang workers (retirees) to fill open positions and view the group as an untapped source of talent.

To better understand how employers can leverage global candidate preferences and perceptions, ManpowerGroup Solutions, the world's largest Recruitment Process Outsourcing (RPO) provider, surveyed nearly 4,500 job seekers in October 2015.

The global candidate preferences survey was fielded in five influential employment markets around the world (United States, United Kingdom, Australia, China and Mexico), and questions ranged from job search practices and preferences to motivators for change. A number of important trends and market-based differences emerged along with insights about how global companies and other employers can recruit and retain top talent.

The fourth in the series, this report explores one of the biggest career advancement challenges global candidates face: ageism. The research results also highlight the fact that ageism remains an often undiscussed problem for multi-national corporations, as well as why a generationally diverse workforce can enhance business success.

OVERT AND COVERT AGEISM

More than one third of candidates globally (34 percent) believe ageism is one of their biggest career challenges. Second only to “access to quality jobs,” the perception that a candidate’s age is a liability surpasses factors such as a lack of technical and/or general skills, access to continuing education and gender bias in personal career advancement.

Digging deeper into the topic, candidates’ perceptions of bias may be driven by both overt and covert factors.



Some countries do not have restrictive laws against such practices or do not enforce them.



Even in markets where employers are prohibited from discriminatory hiring practices based on age, the generational divide between Gen Xers (35-50 year olds) and Gen Yers (18-34 year olds) may contribute to some workers feeling noncompetitive in today’s job marketplace.



In markets where companies proactively seek to eliminate age restrictions on job postings, it may still be common for candidates to list age on their applications or resumes.



In markets with relatively new laws preventing age discrimination, long-time hiring managers may have difficulty changing their behaviors.

“The research shows that ageism is on top of employees’ minds. While other aspects of hiring discrimination have received more attention, ageism, on the other hand, seems like a topic that is not talked about enough. There is still a lot of work that needs to be done.”

ANNE GERRITSEN

*Research and Public Relations Manager
ManpowerGroup Solutions, Australia*

It is not just older candidates who perceive ageism as a challenge; nearly one in four global candidates aged 18-24 say ageism is one of their personal career challenges. Persistent myths and stereotypes of millennials that make some managers less eager to hire them include their dissatisfaction with entry-level work and lack of loyalty to institutions. Technology has also undoubtedly contributed to the divide between the oldest and youngest workers and can create generational tensions in work style and communications. The Society for Human Resource Management's study of Intergenerational Conflict in the Workplace Survey found that 31 percent of young workers believed their manager had an aversion to technology.¹

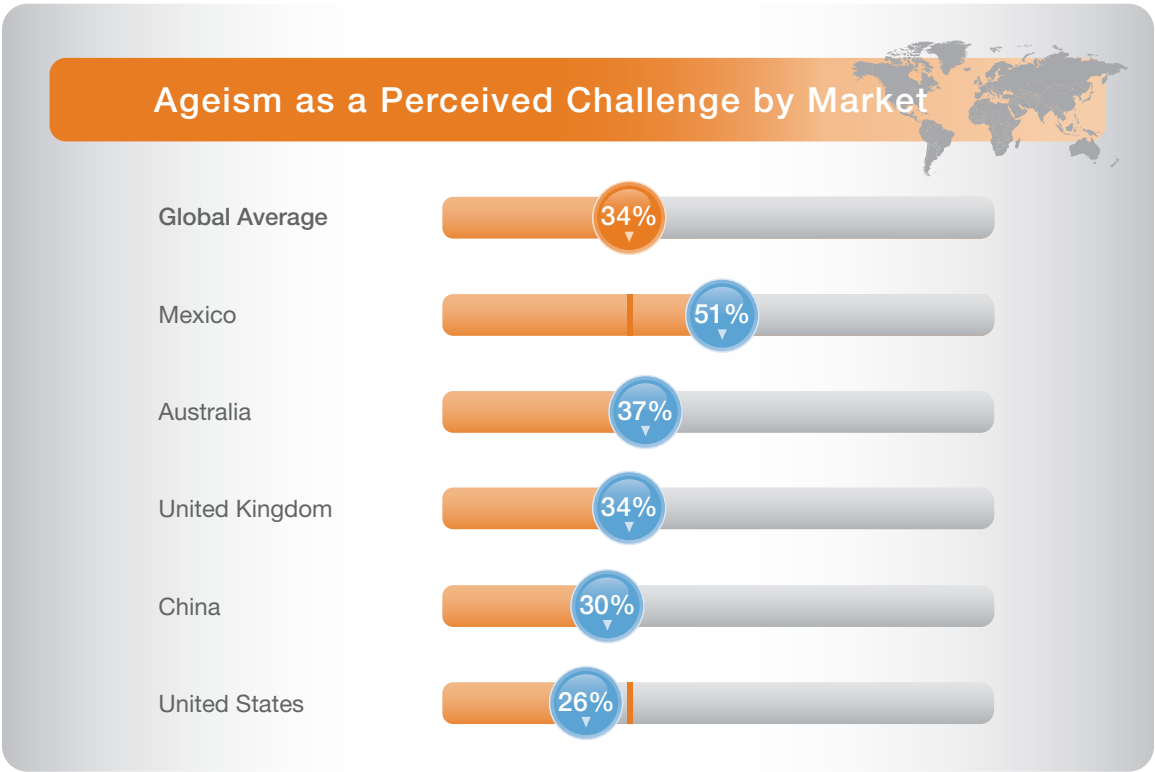


¹ Society of Human Resource Management, "Intergenerational Conflict in the Workplace SHRM Poll, 2011."
<https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Pages/intergenerationalconflictintheworkplace.aspx>

Further analysis reveals candidate perceptions of ageism as a barrier differ significantly by market. More than half of candidates in Mexico report it is a top-three barrier. At 51 percent, candidates in Mexico are more than one-and-a-half times more likely than the global average to perceive ageism as a barrier to their personal career trajectories. Australia and the United Kingdom are also at or above the global average — 37 percent and 34 percent, respectively. Even in the United States, where laws and policies prohibit age discrimination in hiring practices, more than one in four candidates believe it to be an issue for them personally.

“ *The United Kingdom's age discrimination laws are clear: hiring managers cannot use language about age nor can employers include a number of years of experience into a job posting. However, there is a lot of focus on a candidate's experience during the interview process which can potentially contribute to negative candidate perceptions.* ”

SARAH BROWN
Program Director
ManpowerGroup Solutions, Europe



Why do candidates in some countries perceive ageism to be a barrier more than others? Interviews with industry insiders and recruiting professionals revealed that the explanations range from recruitment ads that blatantly solicit candidates from a specific age range to mandatory retirement requirements. Such practices may also be the result of hiring manager biases that take a number of forms.

Career Barriers and Ageism



Younger Candidates

Short-sighted employers may hire younger workers due to:

- Fewer financial and familial responsibilities
- Lower pay in exchange for their first foothold in the job market
- Being more physically fit for demanding jobs being less prone to health issues



Older Candidates

Employers may avoid hiring older workers due to a perceived:

- Lack of technology skills
- “Set-in-their ways” mentality and resistance learning new things
- Lack of fluency in a second language (particularly English in Mexico and Latin American countries)

“ In Mexico, there is an abundance of younger workers. Companies want to employ younger workers who are trainable because they cost less. Yet, do they have higher training costs and turnover rates than more mature and experienced workers? Yes, definitely. ”

FRANCISCO JAVIER DIAZ

LATAM RPO-MSP Practice Leader
ManpowerGroup Solutions, Mexico

“ The 2015 Australia Human Rights Commission Survey confirms the Candidate Preferences Survey findings: more than 40 percent of hiring managers limited training or promotion opportunities or believed mature employees had outdated skills. ”

ANNE GERRITSEN

Research and Public Relations Manager
ManpowerGroup Solutions, Australia

Practices that contribute to the perception that a company is discriminating based on age can tarnish an employer brand. For United States-based multinational firms, bringing global age discrimination provisions into compliance can be a real challenge.

Despite the fact that a surprising number of candidates perceive their age is working against them in the workplace, a growing body of evidence indicates that employers should be sending the exact opposite signals. By 2022, workers aged 50+ are projected to make up 35.4 percent of the total workforce.²

² This estimate reflects the US workforce only. Source: AARP and Towers Perrin, “The Business Case for Workers Age 50+: Planning for Today’s Talent Needs in Today’s Competitive Environment,” 2005.

The Value of Boomerang Workers



Whether motivated by financial needs or a desire to be intellectually stimulated, more retirees are returning to work than ever before. Some companies have even formalized programs for hiring retirees. These “boomerang workers” or “un-retirees” are an underdeveloped talent pool with unique qualifications that can help employers address the talent shortage.

Already Covered

Providing healthcare is not a factor for retirement-age workers who receive Medicare in the U.S. or benefit from national health care coverage in other countries. While it is true that older workers generally utilize medical services more often than their younger counterparts, it will not impact employer health care costs as much.

A Desire to Give Back

Although not true with every retiree, many view this reflective period in their lives as an opportunity to teach others and/or give back to their communities. These qualities can be harnessed through a mentor or a professional development program and outreach.

“Experienced, mature workers can train a younger workforce in the right way of doing things. That kind of knowledge transfer is essential in bridging the talent gap.”

FRANCISCO JAVIER DIAZ

LATAM RPO-MSP Practice Leader
ManpowerGroup Solutions, Mexico

Hungry for Interaction

One of the most difficult transitions for many retirees is the sense of isolation that sets in after exiting the workforce. Social interaction and staying connected with others are popular motivators for becoming a boomerang worker. As a result, un-retirees often thrive in situations where they can act as ambassadors or in customer service capacities.

Cultural Competence

One of the most difficult matches between new hires and employers is often that of company culture. Hiring retired alumni from one's own company effectively negates this problem. Expectations, while always important to articulate, are grounded in years of experience with the company way of doing things. Even with evolving company culture, former employees have a familiarity with personnel, processes and procedures that allows them to skip the newbie learning curve.



Dedicated to the Position

Boomerang candidates are often choosing to work when they do not have to work. They enter positions with a level of commitment and dedication to the role that is unlikely to be usurped by ambition or greed. If boomerang workers are satisfied in their positions, they are likely to stay in them — reducing turnover for employers.

“*Retirees who return to work are often choosing to continue to work and that is a big selling point for employers. It demonstrates dedication and commitment. It speaks to their potential longevity and willingness to stay in the role.*”

SARAH BROWN

Program Director
ManpowerGroup Solutions, Europe

Institutional Knowledge

Today's companies are looking for out-of-the-box strategic thinking and business planning, yet they recognize the loss of institutional knowledge when older workers retire. Carefully selected, “un-retirees” can provide the best of both worlds or be a powerful yin-and-yang to new approaches — acting as trouble-shooting coaches with real world experience for employee teams.

Just-In-Time Staffing

Having a pool of former retirees that a company can call upon means a talent pool of people are at the ready when needed. This can be particularly helpful in staffing up for new projects, managing seasonal workflows or making new business pushes where hiring full-time workers may not be optimal. It is also useful for companies who need talent with unique, hard-to-find skill sets.

May Qualify for Subsidies

Some markets may provide incentives to companies that employ aging workers. In Australia, for example, the Department of Employment offers the Restart Programme offers employers with incentives ranging from \$2,464-\$7,700 (AUD \$3,200-\$10,000) for the part-time or full-time employment of workers aged 50 years and older who have been on income support for six months or more and meet other minimal qualifications.

Less Stress from Competing Obligations

Most retirees are empty nesters and likely face fewer financial and familial pressures than workers in the throes of raising a family and improving their economic status. As a result, they may be less motivated by compensation and advancement. Ironically, these are some of the exact same arguments companies with ageist hiring practices use to justify hiring young workers at the expense of more mature candidates.

Despite all the advantages of hiring un-retirees and other boomerang workers, it can take a considerable investment of company resources to set up a program. In addition, many countries have government regulations to navigate as well. For example, in the United States, the Internal Revenue Service requires firms with retirement plans to delay hiring retirees for at least six months after they have left the company. Recognizing the stress of these complexities and the potential costs has led a growing number of companies to outsource this effort completely to resources who specialize in this core competency.

SEVEN STRATEGIES FOR BUILDING A TALENT POOL OF BOOMERANG WORKERS

Generational diversity is not significantly different from other types of diversity initiatives. Successful employers recognize the importance of a customized strategy for cultivating this large and highly skilled talent pool. Here are seven recommendations that can help:



1) OPEN THE DOOR BEFORE THEY WALK OUT OF IT

Planting the seed for future part-time work with employees who are about to retire opens the door for potential opportunities later on. While current employees may be eager for retirement, they may face unanticipated psychological and social challenges when reality sets in. Employers who broach the idea first can put their companies at the top of the list for returning talent.



2) OUTSOURCE IT

Today's overwhelmed HR professionals face a number of challenges in cultivating talent communities. Retirees can prove especially challenging as group with a great deal of time on their hands and they may not be found in some of the places recruiters normally look. Specialists who know how to reach out to churches, schools, alumni associations and other networks of older candidates have discovered an invaluable way to reach un-retirees. Outsourcing can also provide a buffer for multinational corporations seeking support for their fair hiring practices in markets without protections.

“*Age discrimination can be a real problem for multinational corporations working in Mexico and Latin America where there are no laws prohibiting the practice and a preference among hiring managers for hiring younger workers. To reinforce their commitments to fair hiring practices, multinational corporations often elect to outsource their recruitment and hiring process to a company like ManpowerGroup that has policies against creating job postings with age or other potentially discriminatory requirements. They can trust us to support them.*”

FRANCISCO JAVIER DIAZ
LATAM RPO-MSP Practice Leader
ManpowerGroup Solutions, Mexico



3) ALIGN REWARD STRUCTURES & EMPHASIZE FLEXIBILITY

One of the greatest benefits of retirement is freedom from the workday grind of full-time employment as well as the opportunity to pursue hobbies and other interests, such as travel. Therefore, flexibility is as important as compensation in recruiting and retaining boomerang workers. Phased retirement (gradually reducing the number of hours worked each week or the number of weeks worked over a given period of time) can also be a win-win strategy.



4) LEVERAGE REFERRALS

Just as with any other employee referral program, savvy HR professionals can leverage boomerang workers in the same way. Providing incentives for un-retirees to refer other potential hires can also be a way to tap industry talent from competitive organizations. Experienced workers often have strong professional networks within an industry that can result in broadening the talent pool beyond company alumni.

“ There is so much emphasis these days on hiring millennials... as an example, technology firms are offering perks such as playhouses on campuses. It is easy to see how older workers might perceive those environments as less welcoming. ”

SUSAN HOWSE

General Manager

ManpowerGroup Solutions, Australia



5) TARGETED OUTREACH

Companies that wish to cultivate their own retiree talent communities rather than outsource can look to a number of partners to enhance the reach and effectiveness of their initiatives. The American Association of Retired Persons (AARP) has a National Employer Team designed to work with companies. There are also a number of retiree-related job boards including www.retiredbrains.com, www.seniorjobbank.org and www.retirementjobs.com.

“ *Rehiring retirees is still an evolving concept in the United Kingdom, but there are a few large companies that do it. For example, employers in the retail and hospitality industries have targeted boomerang workers for their keen preferences for face-to-face communication and their social skills.* ”

SARAH BROWN

Program Director

ManpowerGroup Solutions, Europe



6) TRADITIONAL INTERVIEW FORMATS

Those who perceive ageism as a top-three career challenge also prefer phone or in-person interviews over video interviews (e.g., Skype) or video introductions (e.g., Vine). Whether this is based on lack of comfort with new technologies or potential self-consciousness about the visual effects of aging, hiring managers who seek to make boomerang candidates comfortable in the interviewing process should focus on more traditional interview formats whenever possible as it will allow these candidates to shine.

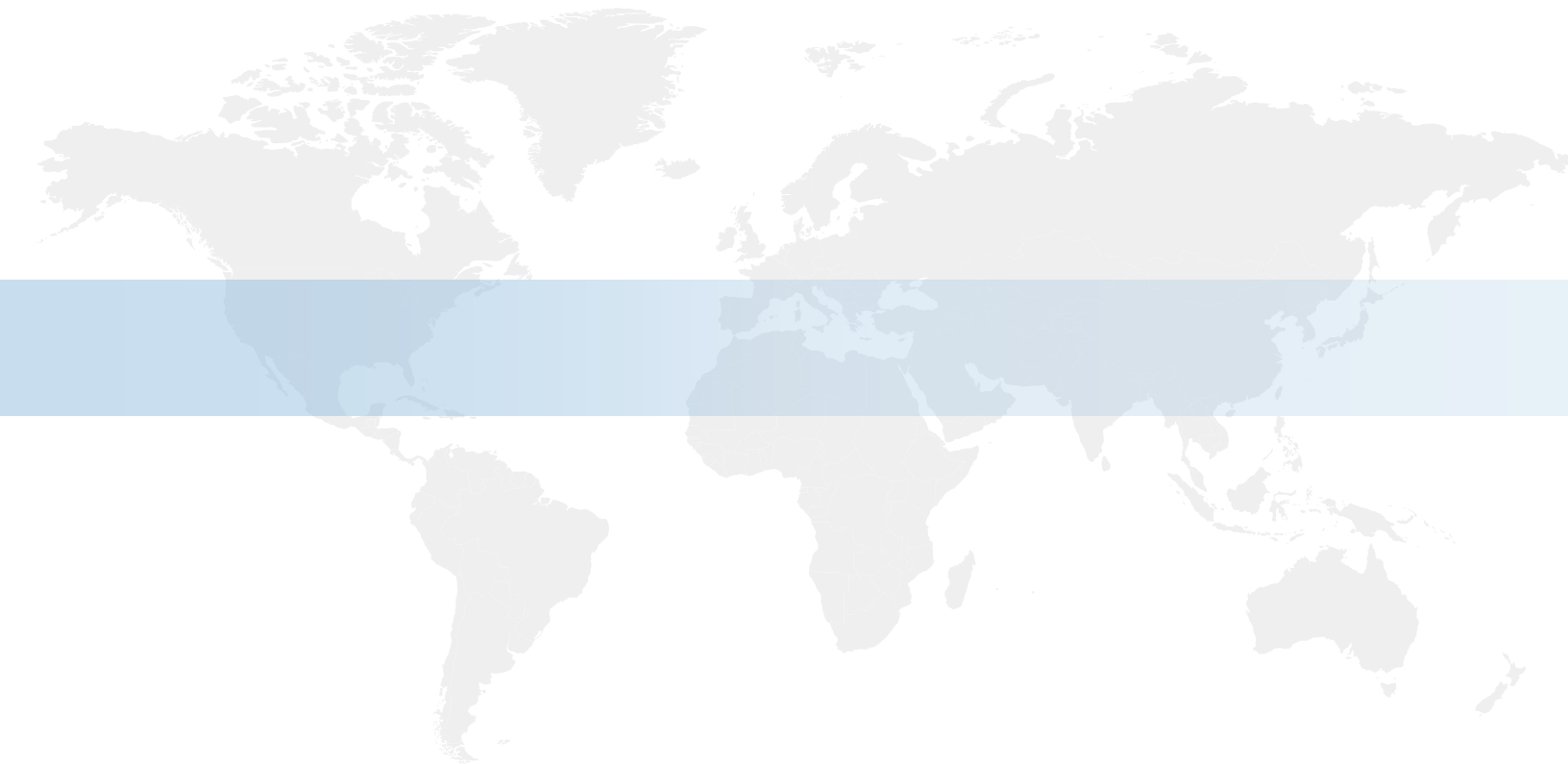


7) SCREEN FOR TEAM PLAYERS

Companies with intergenerational workforces all agree: success acknowledges the mindset and the manager. Hiring managers seeking to leverage un-retirees and boomerang workers should seek out candidates who are open-minded, believe in ongoing learning and are willing to work as a team. Such attitudes will lessen the potential for tensions between mature and experienced workers who must report to younger, less-experienced and lower-paid employees.

[Conclusion]

Real or perceived, more than one-third of global candidates believe their age is not an asset in their career development. Yet, un-retirees and boomerang workers have much to offer companies who are facing talent shortages. They are a valuable workforce in their own right. From providing unique skill sets to meeting just-in-time staffing needs of companies, boomerang workers can be an economical, loyal and dedicated talent pool from which to draw. The hospitality, retail and call center industries were among the first to pioneer initiatives that engage these populations and enhance their employer and customer brands in the process. Generational diversity is one more tool in the diversity toolbox that savvy companies can employ to maintain competitive advantage in today's global search for the recruitment and retention of top talent.



MORE ABOUT THE RESPONDENTS

Overall, the job seekers surveyed were 18-65 years old and currently in the workforce (not retired or homemakers). In total there were 4,479 respondents from the UK (18.6%), U.S. (28.8%), China (17.7%), Australia (17.6%) and Mexico (17.4%). They represented a cross-section of age, income, employment status (i.e. full-time, part-time, contract), career level and industry. With respect to career level, experienced non-managers accounted for the largest group at 33 percent followed by managers (26 percent), entry-level employees (9 percent), students (8 percent), executives (5 percent) and senior-level executives (4 percent).

Visit manpowergroupsolutions.com/candidatepreferences to learn more about the research and insights reports.



About ManpowerGroup Solutions

ManpowerGroup Solutions is a global leader in outsourcing services for large-scale recruiting and workforce intensive initiatives. Our offerings include Recruitment Process Outsourcing, TAPFIN-Managed Service Provider, and Talent Based Outsourcing. Facing increasingly complex challenges, our clients rely upon our innovative workforce models and outsourcing solutions to deliver measurable results and business success.



ManpowerGroup Solutions



@MpGrpSolutions



ManpowerGroup[®]
Solutions

www.manpowergroupsolutions.com

©2016 ManpowerGroup Solutions. All rights reserved.