Guest editorial

Demographic challenges for management: fad or reality?

Introduction

Theory and practice in human resource management (HRM) generally focusses on two levels of analysis: the individual and the organization. However, there is a growing recognition that HRM is manifested within larger environmental settings and several HRM researchers have approached the field with a more macro perspective. For example, some HRM researchers have focussed on the effects of the macroeconomic environment (e.g. Gunnigle *et al.*, 2013; Bordogna and Pedersini, 2013); others have focussed on the advancement of technology (e.g. Stone *et al.*, 2015); while yet others have focussed on the social or institutional setting (e.g. Ashley and Empson, 2013; Brewster *et al.*, 2008; Farndale *et al.*, 2008).

More recently, the macro-level variable of demographics has caught the academic interest of several HRM researchers. According to the *New Palgrave Dictionary of Economics*:

> Demography is the analysis of population, including both techniques and substance. It is applied most often to human populations, and includes the gathering of data, the construction of models, interpretation of population changes, policy recommendations. (Keyfitz, 2016)

The recent interest of HRM in demographics is based on the multiple dimensions of significant change in workforce composition and labour supply. For example, the workforce has been affected by: the higher number of women entering the labour market; a range of new professions that are emerging (OECD, 2013); and increasing average educational attainment levels (OECD, 2014b). In addition, working life and careers are extending (Armstrong-Stassen, 2008) as the result of longer life expectancy and better health levels (OECD, 2014a). This has led to the cohabitation of multiple age cohorts (generations) in the workplace arena. Concurrently, geographical shifts of populations (e.g. refugees and immigrants) have seen a sharp rise recently, affecting both labour supply and demand (Newman *et al.*, 2016). These changes in workforce composition are affecting the way in which businesses operate and are managed in multiple ways.

In this special issue of *EBHRM*, our aim was to gather noteworthy empirical works that focus on the demographic challenges for HRM, in order to advance the dialogue over the topicality and importance of the topic for practitioners and researchers. Our focus is broadly on three types of demographic challenges: ageing, generational diversity and migration.

Ageing. In relation to ageing, never in human history has the population included such a large proportion of those in their old age. For most countries, regardless of their geographic location or developmental stage, the group of people, aged 60 or more, is growing fast (Kinsella and He, 2009). Declining mortality and fertility rates together with increased life expectancy are reversing most countries' age pyramids (Boehm *et al.*, 2014; Schröder *et al.*, 2014) and leading to a significant growth of retirees. This is an issue for pension systems globally, leading governments and employers to either extend, or completely remove, the default retirement age; and to encourage extended working lives either forcefully (via later state pension ages) or through incentives. As a result, employers in most regions of the world are facing larger numbers of older employees.

Having become aware of the need to adapt to an ageing workforce, employers take actions to enhance employability and performance of mature workers through active ageing HRM practices (Armstrong-Stassen, 2008) and terms such as resourceful ageing, positive ageing, healthy ageing and successful ageing are now being used more often (Angus and Reeve, 2006). However, research on the effectiveness and application of HRM

practices to address the productivity issues that an ageing workforce poses at the micro level is scant.

Generational diversity. In recent years, the popular media and practitioner media has focussed significant attention on the idea that an increasingly multi-generational workforce has a potentially significant impact on organizations. It is argued for instance that, in the past, generations were more similar to each other in their work attitudes, values and life experiences (Burke, 2015). Despite this attention, rigorous evidence for generational differences is mixed and somewhat flawed (Parry and Urwin, 2011, 2017; Costanza *et al.*, 2012). In an attempt to look at generational differences, one can distinguish between "actual" and "perceived" differences, or stereotypes. Generational stereotypes exist and in a similar way to other stereotypes can lead to biases, influence judgements, values and work behaviours, and are generally different from actual generational differences (Perry *et al.*, 2013). The academic literature has focussed more on attempting to establish actual differences, measuring aspects such as values, attitudes, work outcomes and expectations. The results are inconsistent, with studies reporting significant, small, or no differences between generations (e.g. Cennamo and Gardner, 2008; Davis *et al.*, 2006; Dries *et al.*, 2008; Kowske *et al.*, 2010).

Since generational differences can influence organizational performance, managing four generations at work has become a key topic for HRM practitioners. The challenges involved are multiple: transferring tacit knowledge from older to younger employees; reducing generational stereotypes in selection and performance management; attracting, retaining and developing talent in each generation; and adjusting the rewards to the needs of various generations (Lieber, 2010). These require a better understanding of the generational similarities, differences, characteristics, beliefs and values, but to achieve that we should also take context into consideration. For example, Benson *et al.* (2013) suggest that a model for clearer understanding of generational effects should include not only chronological age, but also the role played by location, culture, childhood socialization and technology.

Migration. Due to the dramatic growth of international population flows moving in search of better opportunities, lifestyles, jobs and incomes, the last decades have been characterised as a migration explosion (Bodvarsson and Van den Berg, 2013). People's relocation on their own volition (or self-initiated expatriation) for work from less to more developed countries has become a widespread phenomenon (Al Ariss and Crowley-Henry, 2013).

The international migration of the workforce raises opportunities and challenges for societies, organizations and individuals. Destination countries and organisations benefit from immigration as immigrants may be valuable human resource for different reasons: they cover the lack of a local workforce; save time and resources relating to the education of required employees; increase cultural diversity; and bring knowledge about international markets and cultures (Ridolfi, 2000; Glinos, 2015; Goštautaitė *et al.*, 2018). Therefore, hiring immigrant workers may be a strategic option for countries and companies to overcome the shortage of specific skills or professionals (Ridolfi, 2000; West and Bogumil, 2000). However, organizations employing immigrants are facing specific challenges as the integration of foreign employees into the workforce demands more time, human and financial resources (e.g. language, induction courses). Moreover, immigrants are inclined to onward mobility and repatriation (Glinos, 2015).

Migration opens new opportunities for individuals as well, e.g., better economic possibilities, education and health care and religious freedom (Bodvarsson and Van den Berg, 2013), though emigration is associated with risks and challenges. At the beginning of the twentieth century, Robert Park (1928) noted that human migration leads to a situation in which the immigrant becomes the "marginal man" (p. 881) who has to live and behave in two different cultural groups. Nowadays, social and cultural issues such as language and

cultural barriers, recognition of home country education, loss of social and professional networks, lower social status and discrimination hinder immigrants' skill utilization and integration in a host country labour market (Reitz, 2001; Eggenhofer-Rehart *et al.*, 2018; Janisch, 2018; Bodvarsson and Van den Berg, 2013). Scholars have studied the acquisition and transfer of migrants' social, economic and cultural capital in order to improve their careers in a foreign country (Al Ariss and Syed, 2011; Al Ariss *et al.*, 2012; Crowley-Henry *et al.*, 2016; Eggenhofer-Rehart *et al.*, 2018). However, research about immigrant workers' careers is still undertheorized and needs further investigation in different temporal and spatial contexts (Al Ariss *et al.*, 2012).

This special issue

This special issue brings together the above three themes relating to demographic challenges in HRM, via the presentation of six papers on these topics.

Our first two papers look at generational diversity. First, Madan and Madan in "Attracting millennial talent: a signal theory perspective", use signalling theory to investigate the criteria millennials use when they apply for a job. They focus at the early recruitment phase, looking at the value this generational cohort places on different parameters advertised by the potential employers in a job posting. This has extensive practical implications for the Indian context, where the study takes place, as it points at the decisive factors leading millennials – a significantly high proportion of the country's population – to job application intent.

Our second paper "Changes in Chinese work values: a comparison between the one-child, social reform and cultural revolution generations" introduces the concept of childhood socialization to the generational discussion. Takeda, Disegna and Yang examine the unpreceded one-child generation, which has special characteristics when it comes to up-bringing, in relation to the previous generations in China, since "it has grown up being the center of attention of four grandparents and two parents", as the authors say. Their findings are discussed under the prism of the socioeconomic and political conditions of the Chinese society.

Third, the paper of Stangej, Minelgaite, Kristinsson and Sigurdardottir "Post-migration labour market: prejudice and the role of host country education" addresses the role of host and foreign country education within the hiring decisions related to skilled immigrants. Using an online experimental research design, foreign- and host-country education was manipulated in order to evaluate Icelanders' attitudes towards Polish and Icelandic job applicants' education, experience and suitability for the job. The research findings revealed that Icelanders' were prejudiced against Polish immigrants' education acquired in a foreign country. The study suggests that education in a host country may reduce barriers to equal employment opportunities and facilitate immigrants' integration in a host country's labour market.

Our fourth paper, by Scheuer and Loughlin, "The moderating effects of status and trust on the performance of age-diverse work groups" uses a study of 59 work groups (56 supervisors and 197 employees) to test for the moderating effects of status congruity and cognition-based trust on the relationship of age diversity with work group performance. They find that both status congruity and trust positively moderate the link between age diversity and performance in groups. They propose that in organizations with high age diversity, group performance can be improved through status congruity and trust in practice with training, shadowing and skills' open communication, with adjustments to the physical environment (open spaces) and by fostering a climate of distributive and procedural justice, as well as a collective identity of the group.

Fifth, Salminen, von Bonsdorff and von Bonsdorff in "Investigating the links between resilience, perceived HRM, practices, and retirement intentions" conduct a study on Finnish nursing professionals to explore their resilience levels and how these are connected with perceived HRM and their early retirement intentions, as well as their intention to continue

working after retirement age. They find that resilience partly mediates the relationship between perceived HRM and early retirement intention, while it fully mediates the relationship between perceived HRM and intention to work after retirement. They pinpoint the importance of practices that nurture resilience for older employees, such as fostering a strong culture, providing room for open communication and support during stressful situations.

Finally, Pahos and Galanaki in "Staffing practices and employee performance: the role of age" use cross-sectional data from a large-scale survey in Greece to explore how employee staffing effectiveness evolves according to employees' age. They find significant positive effects of staffing and age on employee performance and a negative moderating effect of age on the relationship between selective staffing and employee performance and propose that the current practices of staffing are more effective in sustaining higher levels of employee performance for younger employees. They attribute this moderation to information asymmetry mechanisms, which older candidates are more able to manipulate, as a result of their longer experience.

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Further reading

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