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Special Report: Diversity & Inclusion in Asia 2007 Conference

Region ill-equipped to deal with ageing populations

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Ageing populations are a fact of the future. Falling birth rates mean a decline in the numbers of younger generations so the demographics of nations across the globe are set to change.

Inevitably the labour market will change too.

But according to experts, Asia is ill-prepared to deal with the implications a changing population will bring to the workforce.

Margaret Regan, president and Chief Executive at The FutureWork

Institute and a key speaker at the Diversity & Inclusion Conference, said most countries in Asia were not prepared to deal with potential changes that might result from the ageing population.

“At the same time, when we (The FutureWork Institute) did focus groups in Asia and asked middle managers what the most difficult diversity issue to manage, the response was generational issues.”

She said multiple studies over the past five years had shown that China faced a talent war, especially for top executives, general managers, department heads and technical experts, and similar patterns were developing in the region and the world. “The population in the developed world is declining and

retiring,” Ms. Regan said.

Retaining staff is a new imperative for companies and that means management styles need to reflect the needs of all employees.

As Generation Y enters the labour market, companies are finding that for the first time they may have a staff roll that spans four generations.

Each generation is set in its ways and each has a different attitude to work and responds to different management styles. The FutureWork Institute identifies the four generations as: the traditionalists (born 1930s and 40s), who like to know their experience is valued; baby boomers (born 1950s and 60s), who like to be shown appreciation for the quality of their work; Genera-

tion X (born 1970s), who like to feel empowered; and Generation Y (born 1980s and 90s), who respond to networking opportunities and the opportunity to work with people outside their team.

According to Ms. Regan, an Asia engagement study by Towers Perrin (The FutureWork Institute is a strategic alliance of Towers Perrin) last year suggested that management style was critical to employee retention.

“This study showed that, depending on the country, between a third and half of talented employees are ‘at risk’ and those at risk say they work for good companies yet are open to job offers,” she said.

The study identified four

employee subtypes: engaged (above average on ability to think, feel and act); complacent (willing to stay, but will not go the extra mile); disillusioned (willing to exert extra effort, but likely to leave); and fully disengaged (below average on thinking, feeling and acting). Ms. Regan said each generation needed to be educated on the values and attitudes of the other generations if companies were to resolve generational issues.

“There are major differences between boomers and Generation Y in how they look at work, careers, work-life balance and the role of the manager. If boomers are going to manage the newest generation, they need to be educated to understand these differences.”