
Introduction

Florian Kohlbacher*

German Institute for Japanese Studies (DIJ)
Jochi Kioizaka Bldg. 2F
7-1 Kioicho, Chiyoda-ku, Tokyo 102-0094, Japan
E-mail: kohlbacher@dijtokyo.org
*Corresponding author

Wolfgang H. Güttel

Chair of Organization and Strategic Management
University of Hamburg
Von Melle-Park 5, D-20148 Hamburg, Germany
E-mail: guettel@econ.uni-hamburg.de

Beate Haltmeyer

R|M International
Fischhof 3/6, A-1010 Vienna, Austria
E-mail: bh@rmipartners.com

Biographical notes: Florian Kohlbacher is a Research Fellow at the German Institute for Japanese Studies in Tokyo, Japan. He is also an Adjunct Research Fellow at the Institute for Technology and Innovation Management at the Hamburg University of Technology, Germany, a Fellow of the World Demographic Association and an Honorary Board Member of the International Mature Marketing Network. He teaches business and management at several universities in Tokyo and is the author of *International Marketing in the Network Economy: A Knowledge-based Approach* (Palgrave Macmillan 2007) and the co-editor of *The Silver Market Phenomenon: Business Opportunities in an Era of Demographic Change* (Springer 2008).

Wolfgang H. Güttel is a Professor for Organization and Strategic Management at the University of Hamburg in Germany. He is also affiliated with the Department of Technique and Management at the University of Padua in Italy and with the Department of Management at the Vienna University of Economics and Business Administration in Austria. Previously, he was AIM Research Fellow at the Management School at the University of Liverpool, UK (2007), Professor at the University of Kassel, Germany and Assistant Professor at the Department of Management at the Vienna University of Economics and Business Administration (2002–2006). His main research interests are dynamic capabilities, ambidexterity (the relationship between exploration and exploitation) and replication.

Beate Haltmeyer is an HR consultant and partner at R|M International in Vienna, specialising in recruitment, personnel and organisation development. She also teaches HRM and management at various business schools. Previously, she was an Assistant Professor at the Department of Management at

the Vienna University of Economics and Business Administration in Austria and involved in a large multidisciplinary research project on knowledge management in multinational companies.

1 Introduction

The current shift in demographics and the consequent potential lack of workforce, notably in many industrialised nations, as well as the attrition of skills and knowledge – also termed ‘workforce crisis’ or ‘shortage of skills and talent’ – present a major challenge to companies and societies alike. Even though this crucial issue has recently started to attract the attention of scholars, business leaders and politicians, research on managing the ageing workforce is still in its infancy. Human Resource Management (HRM), especially, is challenged to develop and implement appropriate instruments, strategies and methods not only to cope with the ageing workforce but also to benefit from elderly employees. In this sense, HRM has to support both the organisation and the individuals. Strategies and measures that can be performed by organisations in order to prevent competence obsolescence and knowledge management initiatives to prevent a loss of valuable experience when experts retire are only a few of the numerous questions relating to managing the ageing workforce.

The purpose of this special issue is to provide theoretical and empirical research that helps explain how human resource management can provide tools and strategies to manage the ageing workforce as well as ageing competencies and effectively deal with the challenge of a looming workforce crisis. To offer multifaceted insights into this field, the special issue features both papers from academics and from practitioners, including empirical and conceptual papers as well as practice papers.

2 Structure and papers

This special issue has three subsections: academic papers, practitioner papers and short think pieces. The first section contains six academic papers, the second two practitioner papers, and the third four think pieces. We now briefly introduce each paper in turn.

2.1 Academic papers

Paper 1

In the first paper, ‘Strategies against competency obsolescence: the case of R&D-intensive organisations’, Güttel *et al.* present empirical results from R&D-intensive organisations (non-university research). Based on qualitative empirical data, they identified configuration types that perform different strategies for keeping their employees’ competencies up to date. The differences result from the dynamics in the organisation’s environment in relation to their internal learning dynamics. Consequently, the appropriateness of Human Resource (HR) strategies, measures and practices to keep competencies up to date depends on the configuration type the workers are employed in. ‘Best practices’ in one configuration type can be ‘worst practices’ in another. The

authors show which HR strategies, measures and practices are employed in different configuration types and how they shape learning dynamics in accordance with environmental dynamics.

Paper 2

In the conceptual paper ‘Changing workforce demographics: the strategies derived from the resource-based view of HRM’, Verworn *et al.* argue that many companies do not realise yet that the demographic changes in the workforce require new HRM strategies. One reason for this could be that intrafirm demographic change is a creeping process. Thus, the obviously rising average age of employees may not seem to be worrisome, as long as there is no effect on day-to-day business. However, it might be shortsighted to focus on current business and to ignore arising issues. For example, as the ‘baby boomer’ generation ages, a significant part of the workforce will retire at the same time. On the one hand, employees and their implicit knowledge will leave the firms; on the other hand, the recruitment of a qualified workforce in the external labour market might be hampered by skill shortages in some regions. Thus, it is necessary to develop HRM strategies based on long-term considerations. The existing resource-based theory focuses on general competencies or HR systems without considering the challenges of changing workforce demographics. This paper derives more specific strategies to manage an ageing and shrinking workforce from the resource-based view of the firm.

Paper 3

The third paper, ‘HRM and the employment of older workers: Germany and Britain compared’, by Schröder *et al.* is an empirical study which examines HRM policies and practices towards older workers in Britain and Germany. Whereas it is widely suggested that older workers have to be better integrated into the labour market, youth-centric HRM is still prevalent. However, HRM is shaped by multiple and contradictory pressures from the international and national institutional environments. The authors test this dynamic by analysing two national surveys, the German firm panel and the British Workplace and Employment Relations Survey (WERS). Their findings suggest that the institutional environment shapes HR policies and practices distinctively in both countries. Schröder *et al.* find that age discrimination at the workplace is more prevalent in Germany than in Britain, which can be explained by divergent institutional pressures. As a result, they argue that although both countries will have to continue fostering an age-neutral HR approach, this has to take country-specific institutional pressures into account.

Paper 4

The next paper, ‘Does the ageing workforce hamper the innovativeness of firms? (No) evidence from Germany’, by Verworn and Hipp, argues that due to demographic changes, the personnel structure of the workforce in countries like Germany and Japan will change considerably in the next few years. At the same time, companies need creative and skilled human resources to innovate. Ageing employees, skill shortages and knowledge losses due to the retirement wave of the ‘baby boomers’ might hamper the innovativeness and rate of change of whole nations. Knowledge management, qualification programmes and high recruiting efforts are becoming critical for the

further success of enterprises in these countries. Verworn and Hipp analysed data from the 2001 German Community Innovation Survey to explore the impact of personnel structure (the share of older employees, skill shortages, share of highly skilled employees) on innovation input and output. Overall, they did not find support for a high share of older employees in a company having a negative effect on innovation output. However, companies with a high share of older employees tend to invest less in further training (considered innovation input). This contradicts the call for lifelong learning. In accordance with the authors' propositions, a high share of highly skilled employees had a positive effect on innovation input and output. Companies which experienced skill shortages tended to be more likely to invest in further training. However, they were, somewhat surprisingly, more innovative than companies which did not suffer from skill shortages.

Paper 5

In 'Individual competencies that older workers use in successfully adapting during their careers', Cunningham and Sweet argue that some older workers are more successful than others in maintaining a high level of functioning despite losses in psychological and biological capacities. In this grounded theory study of the careers of eight older workers, the authors sought to develop a framework relating successful career development and Protean competencies. The participants in the sample illustrated different levels of career development, some being more successful than others. Cunningham and Sweet identified ten competencies relating to:

- 1 replacing beliefs about chronological age with beliefs of psychological age
- 2 taking steps to improve health
- 3 adjusting preferences to fit life's circumstances
- 4 cultivating relationships to improve work and career
- 5 developing relationships which recognise a diversity of interests
- 6 developing relationships for mentoring others
- 7 developing a sense of self in relationships
- 8 redefining the contract with the organisation
- 9 finding aspects of work which are meaningful and fulfilling
- 10 replacing job worth with self worth.

One of the most frequent observations underlying these findings was the variation among the respondents in their beliefs about their ability to control the events they encountered in their lives. The transcripts suggest there might be a relationship between a person's beliefs about the ability to control and adapt during the ageing process. One possible explanation for this observation is that the respondents' sense of being 'in charge' illustrates their relative career development level. As the findings of this study confirmed, ageing is as much about growth and development as it is about loss and change.

Paper 6

In the last paper in this first section, 'HR practices as predictors for knowledge sharing and innovative behaviour: *a focus on age*', Slagter argues that innovation is critical in today's highly competitive business environment for enabling sustained competitive advantage. Innovative behaviour and knowledge sharing, on the employee level, can contribute significantly to successful innovation. This study hypothesises that certain HR practices predict innovative behaviour and knowledge sharing among employees. It focuses on the moderating effect of age; the workforce is ageing and effective knowledge sharing is necessary to retain organisational knowledge levels when baby boomers retire. Based on data from a large sample of employees, the findings suggest that several HR practices contribute significantly to knowledge sharing and/or innovative behaviour. In addition, the author found that age moderates the relationship between the HR practices and innovative behaviour: older employees experience a higher level of innovative behaviour when offered HR practices as opposed to younger employees. The study discusses various practical implications that result from these findings.

2.2 Practitioner papers

Practitioner Paper 1

The first practitioner paper, 'The coming leadership gap: an exploration of competencies that will be in short supply', by Wolff *et al.*, argues that demographic trends show that the workforce in the developed world is ageing: approximately 50% of senior-level managers will be retiring in the next ten years. This mass exodus of senior managers will leave many companies with a leadership crisis. But the leadership skills that are most threatened by the retirements have yet to be identified. What core leadership skills will become especially rare as senior leaders retire; and what are the implications for the kinds of leadership development activities that might mitigate the effects of these losses? Wolff *et al.* draw on two existing archival databases to explore these questions. Together, these databases allowed analyses to identify leadership skills that are likely to become both especially rare and especially desirable in the next ten years. Although many competencies were displayed to a greater degree by leaders at higher levels in the organisation than those at lower levels, four particular competencies show especially large gaps between senior- and mid-level manager populations. This study contributes to our understanding of the effects of demographic trends on leadership by identifying competencies that are likely to be in short supply as ageing managers retire. Implications for leadership development practices are discussed.

Practitioner Paper 2

Kuebler *et al.* in 'Enterprises face the ageing demographic: some options to overcome demographic challenges in a multinational company', build on the fact that businesses worldwide are facing a tide of retiring workers whose experience and knowledge will be lost in the next several years. Each geographic region and industry has unique challenges. Their paper reports on some threats, opportunities and a variety of current approaches which companies can take to examine the issue, and upon which to engage in strategic

conversations within their business. The authors hope that, by beginning the discussion of the ramifications of the issue, some specific strategies and programmes can be developed to provide competitive advantage in the marketplace.

2.3 Think pieces

Think Piece 1

The first three think pieces deal with the knowledge management challenge of demographic change and baby boomer retirement. The first paper, 'Reducing risk: building the business case for investing in knowledge retention', by DeLong, reports that research shows that executives are increasingly concerned about an ageing workforce and the increased impacts on performance due to lost knowledge. But surprisingly few initiatives have been implemented to directly manage this risk. DeLong contends that a major barrier to improved knowledge retention is the failure to develop an effective business case or Return on Investment (ROI) analysis for investing in solutions. He outlines six principles that will increase the chances of effectively evaluating threats and acquiring the resources needed to retain critical organisational knowledge. One important distinction made is that workforce analysis and workforce planning are not equal to an effective cost/benefit analysis that evaluates potential talent management, knowledge management, or mentoring solutions.

Think Piece 2

The second paper, 'The Leaving Expert Debriefing to fight the retirement wave of the ageing workforce', by Hofer-Alfeis, introduces the Leaving Expert Debriefing (LXD) as a planning and conducting process for knowledge transfer from the leaving expert to the successor(s). Various knowledge transfer and development actions for different shapes of knowledge are typically defined focusing on strategic, business-critical knowledge areas. Additionally, the transfer is executed and controlled via the LXD process. An LXD process model is presented and some steps are described in detail. Two real, quite contrary leaving expert issues are discussed and experience from many LXD moderations is shared.

Think Piece 3

The third paper, 'How Hewlett-Packard minimises knowledge loss', by Gotthart and Haghi, argues that large organisations are prone to reorganisation and workforce reductions, and many industries are now facing the challenge of an ageing (and retiring) workforce. Organisations are forced to make changes in the employee base, which intensifies the potential for knowledge loss. The need for knowledge retention is becoming more and more apparent. There are of course many methods, like documentation and job mentoring. In order to minimise the impact of knowledge loss when an employee leaves, HP has implemented a documentation process for knowledge transfer at an appropriate time. This 'Knowledge Briefs' programme consists of a submission process, a review process, a measurement system and an incentives scheme. The programme has proved to be successful for many years, and shows a significant ROI.

Think Piece 4

The last think piece, 'An ageing workforce: a major challenge to German SMEs', by Leyhausen, focuses on the result of a 2006 survey on the ageing workforce in German Small- and Medium-Sized Enterprises (SMEs). SMEs have to deal with the impact of the demographic change more professionally and seriously than they do today. Due to strong employer brands by German blue chips, SMEs have to be proactive to manage the effect of the demographic change on their business right on time. Therefore, SME managers need to identify the impact of ageing for every single unit in their company to set up appropriate tasks.

3 Outlook

In a knowledge economy, dealing with ageing employees' competencies and the imperative to keep organisational capabilities up to date in order to remain competitive are challenges for both the present and the future. While, on the organisational level, current research on dynamic capabilities addresses this issue, the special issue at hand offers first insights into the relationship between strategic, organisational and HRM issues, focusing in particular on the last topic. Future research is needed that sheds light on the relationship between biological age and the updating behaviour of employees with regard to their different types of knowledge. Furthermore, we lack knowledge on the intragroup dynamics of knowledge and experience exchange between employees with diverse knowledge bases. On the organisational level, the impact of values and norms of the corporate culture on the updating behaviour of employees is of importance. The same is true for structural aspects such as working structures, compensation structures, the design of HR development systems or incentives resulting from career structures. Finally, whether firms invest more in the better use of already existing knowledge or in the detection of new knowledge is a strategic issue. Hence, different needs for organisational design, working group composition and individual updating behaviour emerge. We therefore intend to stimulate research in these fields, both qualitatively and quantitatively, in order to keep our insights on the ageing issue in the business context up to date.