



JACOBS UNIVERSITY

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It depends on the age: how to make personnel management more successful

The effect of personnel measures on performance and retention depends on the age of the employees. While both younger and older employees react positively to offerings aimed at their development, the pay and benefits practices are relevant only for younger employees. This is reported in a joint study by the University of Mannheim and Jacobs University in Bremen. The researchers see age-differentiated measures as an important basis for the personnel management of aging staffs, because many current personnel practices currently fall flat without any effect.

Current studies usually view personnel management systems from the perspective of employers and concentrate on the goals of the company. In contrast, the research team from the University of Mannheim and Jacobs University places the focus of their work on the employee. "We wanted to find out how the personnel instruments are actually perceived and valued," says the study director Dr. Jörg Korff, psychologist at the Chair for Personnel Management and Leadership at the University of Mannheim. Together with Professors Torsten Biemann of the University of Mannheim and Sven Voelpel, Director of WDN – the WISE Demographic Network at Jacobs University, he surveyed 600 employees ages 18 to 63 in 64 business units at 15 companies. In addition to employee retention, the survey recorded their perception of personnel management and their supervisor's assessment of their performance.

From the perspective of the employees, two groups of measures can be distinguished. Those dealing with remuneration and benefits, such as job security, flexible work hours, and pay. And those designed to promote development, such as initial and continued training, opportunities for advancement, and personnel selection.

The surprising result of the study: For the performance and retention of older workers, expensive and often complex practices designed to support remuneration and benefits no longer play a role. "On the other hand, practices designed to support development are just as important for older employees as for their young colleagues. Regardless of age, they have a positive effect on retention," says Korff.

Employees, Korff continues, do a sober cost/benefit calculation for certain exchange processes, such as personnel practices designed to support remuneration and benefits. For employees, such calculations include, for example, their subjectively perceived position in the company. If it rises with increased age – and this is promoted by the seniority principle – then the cost/benefit relationship becomes unbalanced. "Among young people, higher pay still leads to the subjective obligation to bind oneself closer to the company and to deliver better performance. For older employees, however, this no longer applies," says the psychologist. "Investments for expensive personnel instruments therefore often come to nothing."

In their study, which recently appeared in the prestigious "Journal of Organizational Behavior," the researchers therefore plead for an age-differentiated use of personnel management instruments in companies. In times of demographic change and increasing aging of personnel, the potentials of the personnel measures used can thus be exploited better and the performance of employees increased.

Additional information:

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[Link to the article in the Journal of Organizational Behavior:](#)

<http://onlinelibrary.wiley.com/doi/10.1002/job.2130/full>

About WDN – the WISE Demographic Network

In WDN – the WISE Demographic Network at Jacobs University, scientists and companies work together to find scientifically founded and practice-oriented solutions to challenges related to demography. Through research projects, recommendations for action, and a forum for sharing opinions and experience, the Network offers long-term competitive advantages to company decision makers and personnel managers in the face of demographic change. The WDN was founded at the 11th World Business Dialogue 2007 in Cologne with participation by partner companies such as Deutsche Bahn, Deutsche Bank, Daimler, EnBW, and Volkswagen, among others. Sven Voelpel, Professor of Economics at Jacobs University, heads the Network as Founding Director.

About the Faculty of Economics at the University of Mannheim

The Faculty of Economics at the University of Mannheim is one of the largest and most prestigious economic departments in Europe. In rankings by news and business magazines, the Mannheim Economics Faculty always places in the top group. The Economics Faculty is accredited by AACSB International, the Association of MBAs (AMBA), and EFMD (EQUIS), the world's leading associations of educational institutions in the area of economics.

About Jacobs University

Jacobs University is a private, independent, English-language university in Bremen. Young people from around the world study here in preparatory, Bachelor, Bachelor, and PhD programs. Internationality and transdisciplinarity are the particular hallmarks of Jacobs University: Research and teaching do not follow one single path toward a solution; they approach questions from the perspectives of different disciplines. This principle makes Jacobs graduates sought-after young talent to begin successful international careers.

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