

The impact of age diversity in the workplace

Balancing benefits and challenges

As organizations around the world grapple with an increasingly diverse workforce, age diversity is one aspect to emerge as a prominent challenge. Aging populations and shifts in labor dynamics ensure that workplaces are witnessing a blend of different generations. In many situations, this can range from seasoned professionals to fresh graduates. Such a multigenerational mix presents both opportunities and challenges that can significantly impact individual and group performance.

Understanding age diversity

Age diversity in the workplace has become a pressing issue due to several factors. In addition to an aging population, societal shifts that include a declining working-age demographic and labor shortages have all contributed to this phenomenon. For sure, businesses are adapting. However, certain researchers consider diversity a double-edged sword. On one hand, it can lead to richer collaboration and innovation. But on the other, it can hinder performance and disrupt organizational harmony if not appropriately managed.

To understand the impact of age diversity, it is essential to differentiate between the two concepts of objective age diversity and perceived age diversity. Objective age diversity refers to the actual age composition within a group. For example, a team comprising both older and younger employees represents high objective age diversity. In contrast, perceived age diversity encompasses how team members view the age differences among themselves. Individual members may feel alienated or integrated based on how they perceive their similarities or differences in age relative to their colleagues. Prior work outlined three ways to conceptualize perceived age diversity:

- self-to-team dissimilarity, reflecting how individuals view their own age in relation to their team;
- subgroup splits. This refers to how team members see themselves as part of subgroups, which can create divisions within the group; and
- team heterogeneity, defined as the overall perception of diversity based on age among team members.

While both objective and perceived age diversity influence workplace dynamics, perceived diversity plays a crucial role in shaping group processes and outcomes. This suggests that understanding employees' perceptions may be more critical for effective management than merely counting ages.

The complexities of age diversity are underscored by research showing that unmanaged or poorly managed age diversity may negatively affect team performance. For instance, one

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study emphasized that age diversity can lead to conflicts, miscommunication and decreased group cohesion when management is ineffective. But when teams leverage age diversity in a constructive manner, they often experience enhanced creativity and problem-solving capabilities. This is where the intersection of social integration and age diversity becomes particularly important. Positive social integration among diverse age groups can foster collaborations that harness the strengths of each generation. Firm performance benefits accordingly.

Knowledge gaps in age diversity research

Despite the growing interest in age diversity, research attention remains predominantly focused on objective age diversity. This leaves a gap in the understanding of how both objective and perceived diversity interrelate. Only a limited number of studies have explored these dynamics simultaneously to address some of the complexities. Moreover, much of the existing literature relies heavily on theories like social identity theory (SET) and social categorization theory (SCT). But critics claim focus is thus primarily on negative outcomes of age diversity like conflict and division. Only a handful of multilevel studies have sought to explore cooperation, collaborative norms and other beneficial processes associated with age diversity. For instance, work investigating cooperative norms as a bridge between objective age diversity and team performance highlighted the essential role of social integration.

It was noted in other research that various factors can moderate the impact of age diversity on group performance. Scholars have shown that team performance may improve significantly in complex decision-making scenarios where diverse age perspectives provide a broader range of insights. In contrast, there is evidence that age diversity can adversely affect self-reported health in teams handling repetitive or routine tasks. While some studies have investigated these moderating variables, few have delved into the mediating processes through which age diversity impacts outcomes. An exception is earlier work discovering that the interaction between objective age diversity and outcome interdependence can be mediated by reflexivity. However, broader insights regarding the processes linking age diversity and performance remain limited.

Pakistan study and findings

To address such voids, [Mansoor *et al.* \(2025\)](#) highlight the importance of social integration in managing age diversity effectively in a study involving employees and their supervisors working in Pakistan's banking industry. The final sample consisted of 78 groups incorporating 305 group members. Males accounted for over 63 percent of respondents, who varied in terms of such as age, role and job tenure.

Findings highlighted the importance of both objective and perceived age diversity in shaping workplace interactions and outcomes. In addition, the researchers examined the impact of these forms of diversity on group performance and employee well-being. Notably, the data revealed that:

- objective age diversity positively influenced employee well-being; and
- the relationship between perceived age diversity and group performance was positive.

The current study provides a fresh perspective by highlighting this constructive role of perceived age diversity in group performance. Outcomes likewise support previous research suggesting that enhanced social integration fosters feelings of loyalty and obligation among group members. Such an effect ultimately reduces turnover intentions.

However, it was noteworthy that the impact of perceived age diversity on social integration was found to be negative at the individual level. According to the authors, this suggests that employees who felt a lack of age-related cohesion were more likely to experience decreased interpersonal connections within their teams. Given the finding that social integration plays a critical role in turnover intention, it obviously has added importance. When social integration is low, employee desire to leave the firm is likely to increase.

This relationship underscores the need to foster a cohesive environment where diverse age groups can collaborate effectively. In this regard, [Mansoor *et al.* \(2025\)](#) advocate measures to help teams enhance their social integration. Among them are:

- ensuring that contributions of all age groups are valued;
- launching mentorship programs where younger and older employees are paired to elicit intergenerational communication, mutual learning and respect; and
- improving teamwork by recognizing and addressing subgroup dynamics and perceptions.

For companies and leaders, these findings prompt additional recommendations to:

- prioritize initiatives that promote social integration and bridge the generational divide. This can include team-building activities that celebrate diversity and create opportunities for collaboration;
- train managers to recognize the benefits of age diversity, especially in terms of leveraging diverse perspectives to enhance group performance. Understanding that perceived age diversity can serve as both an asset and a challenge will enable leaders to cultivate an inclusive environment that values contributions from all age groups; and
- ensure everyone in the company remains vigilant about the potential pitfalls of perceived age diversity.

Management professionals must be wary of oversimplifying age diversity by only emphasizing objective metrics without acknowledging the perceptions of employees. As scholars pointed out in earlier work, leaders who focus solely on objective diversity might overlook the subtleties of perceived age diversity. Doing so risks team cohesion and effectiveness being seriously undermined.

In the current study, the authors address these issues by proposing a model where perceived age diversity influences social integration and turnover intention. The research contributes to both information-elaboration theory and SET, filling significant gaps in the

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literature by exploring the intricate multilevel effects of perceived age diversity. Further exploration in this area could prove informative.

On this evidence, the business case for embracing age diversity is strong. Fostering a culture of psychological safety and proactively addressing the factors that may hinder social integration, banks and other companies can mitigate turnover intentions and strengthen employee engagement. Recognizing the nuanced impacts of both objective and perceived age diversity within teams should help bolster employee well-being and overall firm performance.

Keywords:

Objective age diversity,
Perceived age diversity,
Social integration,
Turnover intention

Comment

The review is based on: "The multilevel impact of age diversity on group and individual outcomes: role of social integration" by Sadia Mansoor, Muhammad Ali and Erica French, published in *Employee Relations: The International Journal*.

Reference

Mansoor, S., Ali, M. and French, E. (2025), "The multilevel impact of age diversity on group and individual outcomes: role of social integration", *Employee Relations: The International Journal*, Vol. 47 No. 9, pp. 63-81, e-ISSN 1758-7069, p-ISSN 0142-5455, doi: [10.1108/ER-12-2023-0647](https://doi.org/10.1108/ER-12-2023-0647).

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