




“Age-considerate employee engagement strategies in SMEs: Analysis of practices and research opportunities”

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AGE-CONSIDERATE EMPLOYEE ENGAGEMENT STRATEGIES IN SMES: ANALYSIS OF PRACTICES AND RESEARCH OPPORTUNITIES

Abstract

This paper aims to examine the crucial role of employee engagement in the operational success and resilience of small and medium-sized enterprises in the European Union, with a specific focus on the impact of age diversity on engagement strategies. Tailored engagement strategies significantly improve job satisfaction, decrease turnover rates, and promote a cohesive organizational culture. The study is based on an extensive analysis of previous research and scientific publications, providing a comprehensive overview of the current state of employee engagement practices within small and medium-sized enterprises. It explores how various age groups within the workforce perceive and react to different engagement initiatives, emphasizing the necessity for customized approaches. The paper also delves into the specific engagement tactics that have proven effective across different age demographics, such as digital tools for younger employees and recognition programs for older employees. Moreover, the paper discusses the broader implications of these findings for human resources managers and business leaders, highlighting the strategic importance of implementing age-aware engagement practices. It calls for further research to explore the long-term effects of these strategies, particularly in the context of evolving workplace dynamics and technological advancements. By adopting such tailored strategies, small and medium-sized enterprises can not only enhance employee satisfaction and retention but also foster a more innovative and adaptable organizational culture. In conclusion, this study underscores the importance of a nuanced and flexible approach to employee engagement in small and medium-sized enterprises.

Keywords

engagement, small and medium-sized enterprises, age diversity, age awareness, human resources management

JEL Classification

M14, J14, J81

INTRODUCTION

Employee engagement is a pivotal factor in the operational success and resilience of small and medium-sized enterprises (SMEs). In the dynamic landscape of modern business, the ability of SMEs to motivate and retain their workforce directly correlates with their productivity, innovation, and overall competitiveness. According to the European Commission, SMEs account for 99% of all businesses in the EU and employ around 100 million people, emphasizing their critical role in the economy (Lawless et al., 2020). This synthesis of literature explores the nuanced role of employee engagement within SMEs, particularly focusing on how the age of employees influences engagement strategies.

The importance of employee engagement in SMEs cannot be overstated. Unlike their larger counterparts, SMEs often operate with tighter budgets and less formalized management structures, which can either pose challenges or offer unique opportunities for engaging employees. The direct communication lines and flatter hierarchies typical in SMEs can potentially enhance the effectiveness of engagement initiatives. However, the diverse age demographics pres-

ent within the workforce require tailored approaches to harness the full potential of all employees. Effective engagement strategies can lead to a 22% increase in profitability and a 21% increase in productivity for SMEs (Marin, 2021).

The role of an employee's age in shaping engagement strategies is complex and multifaceted. Different age groups bring varied expectations, experiences, and motivations to the workplace. Understanding these differences is crucial for human resources (HR) managers in SMEs as they develop strategies to foster a positive work environment and maintain high levels of employee involvement and commitment. For instance, while younger employees may prioritize opportunities for career growth and development, older employees might value stability and recognition more highly.

The primary purpose of this study is to understand how SMEs implement age-considerate strategies to successfully impact employee engagement. This paper aims to provide insights based on the analysis of previous studies and scientific publications, offering practical recommendations for HR managers and strategists in SMEs to enhance their engagement practices.

1. LITERATURE REVIEW

Employee engagement plays a critical role in the success and adaptability of small and medium-sized enterprises (SMEs). In today's fast-paced business environment, the ability of SMEs to inspire and retain their workforce is closely linked to their productivity, innovation, and overall competitiveness. This literature review delves into the intricate role of employee engagement in SMEs, with a specific emphasis on how employee age impacts engagement strategies.

The methodology for this literature review was designed to ensure a comprehensive understanding of the current landscape of employee engagement in SMEs and to identify robust, evidence-based insights that can inform effective HR practices. To this end, the literature review was conducted using several academic databases, including JSTOR, PubMed, ScienceDirect, and Google Scholar. These platforms were chosen for their extensive repositories of scholarly articles, books, conference papers, and case studies relevant to business management, human resources, and organizational behavior.

The search strategy incorporated a combination of keywords and phrases to capture the broadest possible range of studies. The primary keywords used were "employee engagement," "SMEs," "small and medium-sized enterprises," "HR management," "age diversity," "workforce age," and "engagement strategies." These terms were often combined using Boolean operators like AND and OR to refine

the search results. For example, searches included combinations like "employee engagement AND SMEs," "age diversity in workplaces," and "HR strategies AND employee age."

Inclusion criteria were set to filter the literature for relevance and quality. Only peer-reviewed articles and books published in English from the year 2015 onwards were considered, to focus on contemporary practices and theories. Studies needed to explicitly address employee engagement within SMEs and consider age-related aspects. Exclusion criteria included non-peer-reviewed sources, articles not available in full text, and studies that did not directly relate to SME settings or employee age.

The analysis began with a descriptive review of the collected literature to categorize the materials according to their focus on either SMEs, HR management, employee engagement, or age diversity. This initial categorization helped in identifying thematic patterns and gaps in the existing research. Subsequently, a thematic synthesis was conducted where data relevant to employee engagement strategies across different age groups in SMEs were extracted and grouped into themes. This synthesis involved comparing, contrasting, and combining results from different studies to draw comprehensive conclusions about effective engagement practices.

The final step involved a critical evaluation of the synthesized literature to assess the robustness of the findings and the consistency of the results across different studies. This critical appraisal aimed to iden-

tify best practices in employee engagement that are supported by strong evidence and highlight areas where the evidence is contradictory or insufficient, suggesting avenues for future research.

This methodological approach ensures that the findings presented in this paper are based on a rigorous and systematic review of the available literature, providing reliable insights into the effective management of employee engagement in SMEs considering the age diversity of the workforce.

1.1. Human resources management in SMEs

Human resources management (HRM) in small and medium-sized enterprises (SMEs) often differs significantly from HRM in larger organizations due to resource constraints and less formalized processes. SMEs typically employ more flexible, informal HR practices, which can be both a strength and a limitation. The flexibility allows for quick adaptations but can also lead to inconsistencies in employee management (Barrett & Mayson, 2007). Effective HRM in SMEs is crucial as it directly affects employee productivity and retention, which are vital for the sustainability and growth of these businesses.

Employee engagement is a key construct in HRM that has been linked to numerous positive outcomes, including improved job performance, job satisfaction, and organizational commitment (Shuck & Wollard, 2010). The concept is often understood through models such as Kahn's (1990) psychological conditions of engagement, which include meaningfulness, safety, and availability. Another significant model is the Utrecht Work Engagement Scale by Schaufeli and Bakker (2004), which defines engagement through vigor, dedication, and absorption. These models highlight the psychological aspects of engagement that HR practices must address to foster a motivated and committed workforce.

Age diversity in the workplace presents both opportunities and challenges for HRM in SMEs. Diverse age groups bring varying skills, experiences, and perspectives that can enhance creativity and problem-solving within the organization (Kunze & Hampel, 2022). However, managing a multigenera-

tional workforce requires HR policies and practices that recognize and cater to the different needs and expectations of various age groups. For instance, while younger employees may seek opportunities for learning and quick career progression, older employees might value stability and recognition (Brachle & McElravy, 2023; Lyons & Kuron, 2014). Understanding these generational differences is crucial for developing effective engagement strategies that can lead to high levels of job satisfaction and organizational loyalty across all age groups.

1.2. Engagement strategies in SMEs

In small and medium-sized enterprises (SMEs), employee engagement is not just a human resources initiative but a core business strategy that drives performance and competitive advantage. The practices and strategies of employee engagement in SMEs often reflect the unique challenges and opportunities within these smaller business environments. Unlike larger corporations, SMEs typically benefit from closer interpersonal relationships and shorter communication channels, which can facilitate more personalized engagement strategies and foster a strong sense of community and belonging among employees (Jones et al., 2024).

However, SMEs also face distinct challenges in engaging their workforce. Limited resources can restrict the ability to offer competitive salaries and benefits, which are often crucial for employee satisfaction and retention. Moreover, the lack of specialized HR departments in many SMEs can lead to inconsistent engagement practices and overlooked opportunities for employee development (Aftab et al., 2022).

Despite these challenges, the benefits of effectively engaging employees in SMEs are substantial. Engaged employees are more likely to exhibit higher productivity, better customer service, and increased loyalty to the company, which are vital for the growth and sustainability of SMEs (Purwanto, 2020). To harness these benefits, SMEs are increasingly adopting innovative engagement strategies tailored to their specific needs. These strategies include flexible working arrangements, opportunities for professional growth, and recognition programs that acknowledge each employee's contributions to the company's success.

1.3. Aon Hewitt Engagement Model

The Aon Hewitt Engagement Model, a widely recognized framework in academic and corporate settings, presents a comprehensive view of the factors influencing employee engagement and the subsequent impact on business outcomes. The model identifies six core drivers of engagement: brand, leadership, performance, the work, company practices, and the basics. Brand refers to employees' perception and sentiment toward the company's reputation and what it stands for. Leadership highlights the influence of leaders and their ability to inspire, guide, and develop their teams. Performance encompasses the processes that ensure employees understand their role, receive appropriate feedback, and are recognized appropriately. The work pertains to how the nature of the work itself and the autonomy it provides contribute to engagement. Company practices include policies and practices that support employees, such as compensation, diversity and inclusion, and talent and staffing strategies. The basics cover essential workplace factors such as job security, safety, and the tools and resources provided to do the job effectively.

At the core of the model is the overall work experience, shaped by these engagement drivers. This includes the external perception of the company and its attractiveness as an employer, the degree to which employees are enabled to perform at their best, and the alignment of the job with the employee's skills and interests. These elements collectively influence specific engagement outcomes, such as positive communication about the employer (Say), an intention to remain with the organization (Stay), and employees' willingness to go above and beyond in their job roles (Strive). Ultimately, high levels of employee engagement are linked to positive business outcomes, including better retention, improved productivity, enhanced customer satisfaction, and growth in revenue and total shareholder return.

1.4. Influence of age on engagement

Understanding the influence of employees' age on engagement within SMEs is crucial for tailoring effective HR strategies. Various studies provide a foundation for understanding the role of orga-

nizational structure and culture in SMEs. For instance, Cahyadi et al. (2022) emphasize the need for leadership styles that accommodate different generational expectations, highlighting that while younger employees may seek dynamic work environments and continuous learning, older employees may prioritize stability and recognition.

Hinzmann et al. (2019) underline the significance of aligning HR practices with the age-diverse values and motivations within SMEs. Millennials and Generation Z, for example, may be more engaged through digital platforms and flexible work arrangements, while Generation X and Baby Boomers may appreciate more traditional recognition of their expertise and contributions. Islam et al. (2022) identify that environmental consciousness in HR practices, such as green HRM, can particularly resonate with younger employees who are environmentally aware and seek purpose in their work. Such initiatives can foster engagement by aligning personal values with company practices.

Haruna and Marthandan (2017) suggest that foundational competencies and skills development are pivotal for enhancing work engagement across all age groups. By providing age-appropriate professional development opportunities, SMEs can improve job satisfaction and reduce generational gaps in engagement. Saad et al. (2022) contribute to this synthesis by examining the dimensions of engagement that differ across age groups and their direct impact on organizational commitment. They uncover that varying facets of engagement, such as emotional, cognitive, and physical engagement, are valued differently by distinct age cohorts. Younger employees, for instance, may exhibit higher physical engagement and seek dynamic work environments that offer collaboration and social interaction. In contrast, older employees may place greater value on cognitive engagement, favoring roles that recognize their expertise and provide opportunities for mentorship. This understanding enables SMEs to fine-tune their engagement strategies to address the specific needs and preferences of each generational segment, thereby fostering a more inclusive and productive workplace atmosphere.

The dynamics of employee engagement within SMEs are profoundly influenced by the age diversity of the workforce. Different generational

cohorts bring distinct values, work preferences, and expectations to the workplace, necessitating nuanced engagement strategies to harness their potential effectively. Millennials, characterized by their affinity for technology and value-driven work, present unique engagement opportunities and challenges for SMEs. Islam et al. (2022) suggest that environmentally conscious business practices, known as green HRM, significantly affect millennial retention, underscoring the importance of aligning organizational values with those of younger employees.

Generation X employees, positioned between the digital-native Millennials and the Baby Boomers, tend to prioritize stability, autonomy, and work-life balance. Cahyadi et al. (2022) imply that HR practices promoting transparent communication and providing clear career pathways can engage Gen X employees effectively, leveraging their strong problem-solving skills and loyalty. Baby Boomers, often holding a wealth of knowledge and experience, appreciate recognition for their long-standing contributions. Haruna and Marthandan (2017) highlight the potential for leveraging this cohort's expertise through advisory roles or strategic planning committees, promoting intergenerational mentoring and thereby fostering a culture of mutual respect and knowledge transfer.

The recent addition of Generation Z to the workforce brings forward a hyper-connected, socially aware group that values rapid career mobility and a strong digital culture within the workplace. Their digital fluency demands technological engagement tools and a commitment to corporate social responsibility (Hiremath et al., 2024). Furthermore, the integration of age-diversity practices in HRM has been linked to reduced turnover intention through increased work engagement and affective commitment (Sousa et al., 2021). This suggests that acknowledging and valuing the age diversity of employees can lead to a more engaged and committed workforce underpin the existing knowledge with fresh insights.

Additionally, the presence of age-diverse teams in SMEs, when effectively managed, can significantly elevate the level of work engagement and commitment across the organization. Age-diversity practices are instrumental in facilitating a multi-

generational dialogue, leading to a dynamic exchange of ideas and experiences. The generational mix can foster a learning culture and facilitate mentorship opportunities that combine the fresh, tech-savvy perspectives of younger workers with the seasoned, strategic insights of older employees. This intergenerational synergy can be a potent driver for innovation and adaptability in the ever-evolving business landscape (Sousa et al., 2021).

Continuing this trajectory, it is essential for SMEs to create engagement programs that cater to the motivational drivers of different age groups. For instance, tailored training programs can help in bridging the digital skill gap for older employees while also providing leadership opportunities that can leverage their vast work experience. Such strategies not only promote inclusivity but also ensure that each employee, irrespective of age, feels valued and invested in the success of the enterprise, thereby strengthening the overall organizational resilience. Millennials often seek purpose and alignment with their personal values in their work. They thrive in environments that offer flexibility, continuous learning opportunities, and rapid career progression. To engage this cohort, SMEs might focus on developing robust digital communication tools and offering regular feedback that aids personal and professional growth (Gabrielova & Buchko, 2021).

Generation X employees typically value stability, autonomy, and work-life balance. They prefer transparent communication and may be more skeptical of management fads, favoring substantive, evidence-based approaches. Engagement strategies for Gen X might include providing clear career pathways and opportunities for independent project work, which can help in harnessing their strong problem-solving skills (Mahapatra & Pany, 2022). Baby Boomers appreciate recognition for their experience and contributions. They can be engaged through opportunities that recognize their expertise, such as advisory roles or involvement in strategic planning committees. Programs that facilitate mentoring relationships between Baby Boomers and younger employees can also be effective, promoting knowledge transfer and intergenerational collaboration (Majón-Valpuesta et al., 2022).

Generation Z, the newest entrants to the workforce, values technology integration, social justice, and rapid career mobility. They are digital natives who expect a high level of tech-savviness and social responsibility from their employers. Engaging this generation requires a blend of technological engagement tools, opportunities for social impact, and transparent pathways for advancement (Goryunova & Jenkins, 2023). These strategies underscore the importance of recognizing and addressing the varied motivational drivers across different age groups. By implementing age-specific engagement practices, SMEs can not only enhance individual job satisfaction but also foster a cohesive, collaborative, and resilient organizational culture. This approach ensures that all employees, regardless of their generational cohort, feel valued and motivated, thereby contributing positively to the organization's goals.

The opportunities and risks associated with the engagement of diverse age groups within SMEs are crucial for fostering a culture of innovation and adaptability. The interplay between the digital proficiency of younger workers and the deep-seated expertise of older employees can spark comprehensive business strategies, as Del Giudice et al. (2021) have demonstrated. Their study on smart manufacturing SMEs reveals the positive outcomes on digital innovation when age-diverse strengths are combined. Innovation teams that span various generational cohorts can enhance problem-solving capabilities and creativity, owing to the broader range of perspectives they bring. Pesch et al. (2015) underscore the beneficial effects of communication style and age diversity in innovation teams, suggesting that such diversity can lead to more effective decision-making processes.

However, the failure to engage different age groups adequately can lead to significant risks such as increased turnover rates, as employees who feel undervalued or misunderstood by their employers may leave, causing substantial recruitment and training costs, and the loss of valuable organizational knowledge (Hemphill, 2020). Workplace dynamics also suffer when engagement strategies are not aligned with the diverse needs of each age group, which can result in conflicts and reduce organizational efficacy. Singh et al. (2021) detail how the intellectual structure of the multigenerational

workforce must be understood to contextualize and harmonize work values across generations, thus avoiding misunderstandings that could undermine team cohesiveness. The profound impact of age diversity on team dynamics and organizational culture is well-documented by Charas (2015), who contends that enhancing team dynamics at the board level improves corporate performance. Moreover, inclusive cultures, as shown by Blumentritt et al. (2005), are linked to better venture performance and innovation, supporting the need for SMEs to integrate diverse perspectives into their operational and strategic frameworks for a resilient and adaptable organizational culture.

In summary, as the business environment continues to evolve, the ability to create an inclusive culture that acknowledges and values the unique contributions of each generational cohort becomes increasingly significant. SMEs that embrace this diversity can expect to see improved performance, employee satisfaction, and loyalty (Hemphill, 2020).

2. GENERALIZATION OF MAIN STATEMENTS AND DISCUSSION

Human resources management (HRM) within small and medium-sized enterprises (SMEs) markedly contrasts with HRM in larger firms due to limited resources and less structured processes. SMEs generally utilize more adaptable and informal HR approaches, which can serve as both an advantage and a drawback. This adaptability enables swift adjustments but may also result in inconsistencies in managing employees (Barrett & Mayson, 2007). Efficient HRM in SMEs is essential as it has a direct impact on employee productivity and retention, which are critical for the sustainability and expansion of these businesses.

Employee engagement is a crucial aspect of HRM associated with various positive outcomes, such as enhanced job performance, higher job satisfaction, and stronger organizational commitment (Shuck & Wollard, 2010). This concept is often interpreted through frameworks like Kahn's (1990) psychological conditions of engagement, encom-

passing meaningfulness, safety, and availability. Another important framework is the Utrecht Work Engagement Scale by Schaufeli and Bakker (2004), which characterizes engagement through vigor, dedication, and absorption. These models emphasize the psychological facets of engagement that HR strategies must address to cultivate a motivated and dedicated workforce.

Age diversity in the workplace offers both benefits and challenges for HRM in SMEs. Diverse age groups contribute unique skills, experiences, and viewpoints that can boost creativity and problem-solving within the organization (Kunze & Hampel, 2022). However, effectively managing a multigenerational workforce necessitates HR policies and practices that acknowledge and address the distinct needs and expectations of various age groups. For example, younger employees may prioritize opportunities for learning and rapid career advancement, whereas older employees might value stability and recognition (Brachle & McElravy, 2023; Lyons & Kuron, 2014). Recognizing these generational differences is essential for crafting effective engagement strategies that can result in high levels of job satisfaction and organizational loyalty among all age groups.

In SMEs, employee engagement transcends being merely an HR initiative, serving instead as a fundamental business strategy that drives performance and competitive edge. Engagement practices and strategies in SMEs often mirror the unique challenges and opportunities within these smaller business contexts. Unlike larger corporations, SMEs typically enjoy closer interpersonal relationships and shorter communication channels, facilitating more tailored engagement strategies and fostering a strong sense of community and

belonging among employees (Jones et al., 2024). However, SMEs also encounter unique challenges in engaging their workforce. Limited resources may hinder the ability to offer competitive salaries and benefits, which are often critical for employee satisfaction and retention. Furthermore, the absence of specialized HR departments in many SMEs can lead to inconsistent engagement practices and missed opportunities for employee development (Aftab et al., 2022).

Despite these obstacles, the advantages of successfully engaging employees in SMEs are considerable. Engaged employees tend to demonstrate higher productivity, superior customer service, and greater loyalty to the company, which are crucial for the growth and sustainability of SMEs (Purwanto, 2020). To capitalize on these benefits, SMEs are increasingly implementing innovative engagement strategies tailored to their unique needs. These strategies encompass flexible working arrangements, opportunities for professional development, and recognition programs that appreciate each employee's contributions to the company's success.

By understanding and leveraging the unique dynamics of their work environments, SMEs can develop powerful engagement practices that not only enhance employee satisfaction but also drive business success (see Table 1).

2.1. Identification of trends and future prospects

Research indicates that the integration of technology into engagement practices is crucial for younger employees, particularly Millennials and Generation Z. This demographic responds favor-

Table 1. Key priorities in past studies on employee engagement in SMEs

Priority	Key Findings	References
Importance of Employee Engagement	Linked to productivity, innovation, and competitiveness in SMEs	Shuck and Wollard (2010); Marin (2021)
Age Diversity	Requires tailored engagement strategies to meet the needs of different age groups	Lyons and Kuron (2014); Kunze and Hampel (2022); Hinzmann et al. (2019)
Technological Integration	Younger employees respond well to digital tools and feedback mechanisms	Dingli and Seychell (2015); Islam et al. (2022)
Stability and Recognition	Older employees value job security and recognition	Brachle and McElravy (2023); Adla et al. (2020)
Flexible Work Arrangements	Enhances job satisfaction across all age groups	Weideman and Hofmeyr (2020); Haruna and Marthandan (2017)

ably to digital tools for performance feedback, recognition, and professional development, reflecting their familiarity and comfort with technology. Conversely, Generation X and Baby Boomers may prefer more traditional forms of recognition and opportunities for mentorship and leadership roles, which align with their career stages and professional experiences.

Flexibility in work arrangements is another significant trend, as it caters to the diverse needs across different age groups. Remote work options, flexible schedules, and phased retirement plans enhance overall job satisfaction and loyalty among employees. Promoting an inclusive culture that values diversity and encourages cross-generational collaboration is also critical. This involves organizing team-building activities and implementing health and well-being programs tailored to various life stages, thereby fostering understanding and respect among employees of different ages (see Table 2 and Table 3).

Ongoing research needs to focus on longitudinal studies to gain insights into how engagement evolves over time and the lasting impacts of specific strategies. Cross-cultural research can identify best practices effective in different cultural contexts, providing valuable lessons for SMEs operating globally. Additionally, exploring the role of emerging technologies, such as artificial intelligence and machine learning, in personalizing engagement initiatives could unlock new opportunities for enhancing the employee experience.

2.2. Achievements and recommendations

The findings from the literature review underscore the strategic importance of customized, age-aware engagement practices in SMEs. Recognizing the

diverse motivations and preferences of their workforce enables SMEs to implement more effective engagement strategies, which not only boost employee satisfaction and retention but also foster a cohesive and innovative organizational culture. By focusing on personalized engagement strategies and fostering a strong sense of community, SMEs can overcome resource constraints and leverage their unique advantages to create a motivated, loyal, and high-performing workforce.

Future research should continue to explore the dynamics of HRM in SMEs, particularly in relation to age diversity and engagement strategies. Understanding the evolving needs and expectations of a multigenerational workforce will help SMEs develop more effective HR practices. Additionally, investigating the impact of specific engagement initiatives on organizational outcomes will provide valuable insights for HR practitioners in SMEs.

By systematically addressing these factors, SMEs can not only enhance employee satisfaction and retention but also drive long-term business success. The integration of innovative HR practices, aligned with the unique context of SMEs, will be crucial in navigating the complexities of employee management in these dynamic and resource-constrained environments.

This study examines how employee engagement varies among different age groups within small and medium-sized enterprises (SMEs). The findings highlight the need for customized engagement strategies to address the diverse needs and preferences of a multigenerational workforce.

The study confirms the importance of tailored engagement programs in promoting employee satis-

Table 2. Prospects for future research

Research Focus	Expected Insights	References
Longitudinal Studies	Insights into how engagement evolves over time and its sustained impact	Crowe (2016); Hemphill (2020)
Cross-Cultural Research	Identification of best practices effective in different cultural contexts	Aftab et al. (2022); Sousa et al. (2021)
Emerging Technologies	Role of AI and machine learning in personalizing engagement initiatives	Goryunova and Jenkins (2023); Del Giudice et al. (2021)
Sector-Specific Studies	Understanding engagement practices in different industries	Haruna and Marthandan (2017); Singh et al. (2021)
Psychological and Emotional Dimensions	Role of emotional intelligence in managing a diverse workforce	Shuck and Wollard (2010); Kahn (1990); Hinzmann et al. (2019)

Table 3. Engagement strategies by age group

Age Group	Engagement Strategy	Description
Millennials and Gen Z	Digital Tools	Utilize digital tools for performance feedback, recognition, and professional development.
Generation X	Traditional Recognition	Implement traditional forms of recognition, mentorship, and leadership roles.
Baby Boomers	Stability and Leadership	Provide opportunities for stability, recognition, and leadership roles.
All Age Groups	Flexible Work Arrangements	Offer remote work options, flexible schedules, and phased retirement plans.
All Age Groups	Inclusive Culture	Foster an inclusive culture with team-building activities and health and well-being programs.

faction and productivity. Similar to previous research (Crowe, 2016; Haseeb, 2019), it shows that Millennials and Generation Z employees respond well to technology-driven engagement tools. This supports the idea that younger generations, who are digital natives, prefer digital interaction and feedback mechanisms (Dingli & Seychell, 2015). On the other hand, the study highlights the importance of career development opportunities and recognition for Generation X and Baby Boomers. This finding aligns with Adla et al. (2020), who emphasized the value older employees place on job security and career progression. The paper also reveals that flexible work arrangements significantly enhance job satisfaction across all age groups, supporting Weideman and Hofmeyr's (2020) findings and emphasizing the universal appeal of work-life balance.

The differences in engagement preferences among age groups can be attributed to their varying life stages and career priorities. Younger employees, typically early in their careers, prioritize learning, rapid feedback, and technology integration. This matches their familiarity with digital tools and their desire for career advancement. In contrast, older employees, often in more advanced career stages, value stability, recognition, and opportunities for meaningful leadership roles. This divergence in priorities requires a differentiated approach to engagement strategies. The success of flexible work arrangements in enhancing engagement across all demographics can be explained by the growing demand for work-life balance and the increasing acceptance of remote work, accelerated by the COVID-19 pandemic. This trend reflects a broader shift in work culture, where flexibility is no longer a perk but a necessity for maintaining employee satisfaction and retention.

Despite the valuable insights from this study, several areas need further investigation to de-

velop more nuanced and effective engagement strategies. Future research should adopt a longitudinal approach to examine the long-term effects of engagement strategies across different age groups, providing a deeper understanding of how engagement evolves over time and its sustained impact on employee satisfaction and organizational performance. Given the global nature of modern business, comparative studies across different cultural settings are essential. Research should explore how cultural contexts influence engagement strategies and identify culturally sensitive best practices for SMEs operating in diverse regions. The rapid advancement of technology offers new opportunities for enhancing engagement. Future studies should investigate the role of emerging technologies, such as artificial intelligence and machine learning, in personalizing engagement initiatives for different age groups. With the rise of remote work, it is crucial to understand its impact on engagement levels among different generations. Research should focus on identifying strategies to maintain connectivity and motivation in remote work environments.

Engagement strategies may vary significantly across industries, and sector-specific studies are needed to explore how different industries, such as manufacturing, technology, and services, approach engaging a multigenerational workforce. Further research should delve into the psychological and emotional dimensions of engagement, examining the role of emotional intelligence in managing a diverse workforce and fostering an inclusive and engaging work environment. Finally, studying the impact of national policies and regulations on age diversity and engagement can provide valuable insights for policymakers and business leaders. Research should assess how legal frameworks supporting age diversity influence engagement strategies and outcomes.

By addressing these research gaps, future studies can significantly enhance the understanding of how to effectively engage a diverse workforce in SMEs. This will not only contribute to academic knowledge but also provide practical insights for SMEs seeking to optimize their human resource practices in an increasingly complex and varied work environment.

CONCLUSION

The purpose of this study was to explore the role of age-aware engagement strategies in enhancing employee engagement within SMEs. The findings demonstrate that acknowledging the varied motivations and preferences of different age groups enables SMEs to develop more effective engagement strategies. This method not only enhances employee satisfaction and retention but also cultivates a cohesive and innovative organizational culture. The evidence indicates that a one-size-fits-all strategy to engagement is insufficient; instead, strategies must be adaptable to the unique characteristics of each generational cohort.

For younger employees, particularly Millennials and Generation Z, integrating technology into engagement practices is crucial. This demographic responds well to digital tools for performance feedback, recognition, and professional development. Conversely, Generation X and Baby Boomers may value traditional forms of recognition as well as opportunities for mentorship and leadership roles.

Flexibility in work arrangements, such as remote work options and phased retirement plans, also caters to the varying needs across age groups, enhancing overall job satisfaction and loyalty.

Fostering an inclusive environment that values diversity and encourages collaboration across generations significantly improves engagement. This includes arranging team-building activities that promote mutual understanding and respect among employees of different age groups, as well as introducing health and well-being programs tailored to various life stages. Regular and open communication, using both digital and face-to-face methods, ensures that all employees feel heard and valued, which is crucial for maintaining high levels of engagement.

The study highlights the need for ongoing research to refine and develop engagement strategies. Longitudinal studies can provide insights into how engagement evolves over time and the lasting impacts of specific strategies. Cross-cultural research can uncover best practices that are effective in various cultural settings, providing valuable insights for SMEs with global operations. Furthermore, investigating the impact of emerging technologies, like artificial intelligence and machine learning, on personalizing engagement initiatives could open new avenues for improving the employee experience.

In conclusion, this study underscores the importance of a nuanced and flexible approach to employee engagement in SMEs. By adopting tailored, evidence-based strategies, SMEs can create a dynamic and supportive work environment that leverages the strengths of a diverse workforce. This approach not only enhances employee well-being and organizational performance but also ensures that SMEs remain competitive and resilient in a rapidly changing business landscape. Effective engagement of a multigenerational workforce is not just a goal but a strategic imperative for the sustained success of SMEs.

AUTHOR CONTRIBUTIONS

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