Age and cultural diversity in the workplace: HRM strategies for retaining senior and foreign employees in Angeles City, Pampanga, Philippines

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Abstract	Original Research Article

This study investigates human resource management (HRM) strategies for retaining senior and foreign employees in workplaces characterized by age and cultural diversity. Employing a mixed-methods, predominantly qualitative design, the research draws on 10 interviews with managers, HR professionals, senior employees (aged 50+), and foreign workers, plus four focus groups with frontline staff and community stakeholders across four SMEs in Angeles City, Pampanga, Philippines. Data were analyzed via thematic analysis (Braun & Clarke, 2006) complemented by a cross-case synthesis to identify patterns across organizational contexts. Five core HRM strategies emerged as pivotal to retention: (1) inclusive leadership and psychological safety; (2) structured onboarding and language/cultural support; (3) targeted mentoring and sponsorship for seniors and foreigners; (4) flexible work arrangements and transparent career pathways; and (5) culturally competent performance management and feedback. The study also highlights enablers and barriers, including leadership commitment, resource constraints in SMEs, language diversity, and local cultural norms (e.g., respect for authority, collectivism). Age and cultural diversity shape what retention means in Angeles City. An aging local workforce brings deep organizational knowledge and reliability but may have different health needs and work preferences. A growing foreign presence adds global perspectives and specialized skills but introduces language and cultural integration challenges. Effectively combining these realities requires HRM that explicitly acknowledges differences, mitigates biases, and builds pathways for meaningful contributions from all groups.

These five HRM strategies are interdependent levers that, when tailored to Angeles City's age and cultural diversity landscape, can significantly improve retention of senior and foreign employees. Inclusive leadership sets the tone; structured onboarding and language/cultural support lower entry barriers; targeted mentoring preserves knowledge and accelerates growth; flexible arrangements and clear career paths reduce frustration and disengagement; and culturally competent performance management ensures fairness and motivation. Together, they help build a resilient, high-performing, and globally capable workforce in Angeles City.

Practical implications for SME HR practitioners include low-cost interventions (buddy systems, bilingual onboarding materials, cross-cultural coaching) and scalable career-development tracks. Theoretically, findings advance inclusive leadership theory, aging workforce scholarship, and foreign integration literature by illustrating how context shapes the effectiveness of HRM practices. Limitations include regional focus and reliance on self-reported data; future research should test the proposed framework across additional regions, sectors, and with triangulated quantitative indicators (e.g., turnover by age and origin, performance outcomes).

Keywords: age diversity, cultural diversity, HRM, inclusive leadership, senior employees, foreign employees, retention, SMEs.

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Chapter 1. Introduction

1.1 Background of the Study

Global labor markets are aging, and migration is increasing workforce diversity worldwide. In many developing economies, including the Philippines, most particularly, Angeles City, Pampanga, where a SMEs form the backbone of employment and innovation but confront unique HR challenges as a multigenerational and multicultural workforce emerges. Senior employees offer tacit knowledge, mentorship, and stability; foreign employees contribute linguistic skills, cultural perspectives, and broader networks. Yet age and cultural differences can create tensions around communication, work styles, career progression, and adaptation to new technologies. Effective HRM strategies that acknowledge age-related needs (e.g., flexible schedules, ergonomic accommodations) while leveraging cultural diversity (e.g., inclusive leadership, language support) are critical for retention, productivity, and long-term organizational resilience. Angeles City, Pampanga— a municipality undergoing rapid urbanization and peri-urban growth—offers a compelling setting to examine how SME HR practices adapt to age and culture in a resource-constrained environment.

1.2 Statement of the Problem

Despite growing attention to inclusive HRM, there is a dearth of empirical work that specifically investigates how SMEs in provincial contexts design and implement HRM practices to retain both senior and foreign employees. This study asks: (a) what HRM practices are perceived as effective for retaining senior and foreign workers in Philippines settings; (b) how do organizational, cultural, and regulatory contexts shape the adoption and effectiveness of these practices; and (c) what barriers and enablers influence the sustainability of inclusive HRM in SMEs?

1.3 Objectives of the Study

General objective:

To identify and evaluate HRM strategies that promote retention of senior and foreign employees in SMEs characterized by age and cultural diversity.

Specific objectives:

- Describe HRM practices for onboarding, development, and retention of aging and foreign workers.
- Examine the role of inclusive leadership and culturally competent HRM in retention outcomes.
- Identify barriers and enablers to implementing retention strategies in SME contexts.
- Provide evidence-based recommendations for practitioners and policymakers to foster inclusive, sustainable workplaces.

1.4 Scope and Limitations

Scope

The study focuses on four SMEs in Angeles City, Pampanga, across manufacturing, services, and retail. Data were collected via semi-structured interviews and focus groups with managers, HR staff, senior employees (50+), and foreign workers. The study uses a mixed-methods approach with a qualitative emphasis; data interpretation is contextual to Angeles City's local norms and regulatory environment.

Limitations

Findings are context-bound and may not generalize to all Philippine regions or sectors. Self-reported data may be influenced by social desirability bias. Language, translation, and cultural nuance may affect interpretation. The cross-sectional design limits causal inferences.

1.5 Significance of the Study

Theoretically, the study contributes to inclusive leadership theory, aging workforce literature, and foreign integration in the SME context. Practically, it offers actionable HRM interventions (low-cost and scalable) for SME owners and HR practitioners. Policymakers and SME associations can leverage findings to craft targeted programs (e.g., language training, cross-cultural coaching, and age-inclusive career ladders) that support retention and inclusive growth.

1.6 HR Definition of Terms
1.6.1 Definition
Age Diversity

Variation in employee ages within an organization, including seniors (e.g., 50+) and younger workers (e.g., 18–35).

Cultural diversity

Variation in employees' cultural backgrounds, languages, and norms within the workforce.

HRM strategies

The collection of practices related to recruitment, onboarding, development, performance management, compensation, and retention designed to optimize workforce performance and well-being.

Inclusive leadership

Leadership that fosters belonging, psychological safety, equitable participation, and the removal of barriers to participation for all demographic groups.

Senior employee

An employee in the later stage of their career, often 50+ years, with extensive experience and potential mentoring responsibilities.

Foreign employee

An employee born outside the host country and who has relocated for work, contributing linguistic and cultural diversity.

1.6.2 Measurement
Retention indicators

Turnover rate, average tenure, and intention-to-stay measures collected via HR data and survey instruments.

Inclusion/psychological safety

Scales or interview prompts assessing perceived inclusion and safety to speak up.

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HRM effectiveness
Perceptions of onboarding quality, mentoring, language support, flexibility, and career progression opportunities.

1.7 Structure of the Research

1.8 Summary
This chapter establishes the study's rationale, aims, and structure, framing the central question: how HRM strategies can retain senior and foreign employees in age- and culturally diverse workplaces within Philippine SMEs, with special attention to Angeles City's local context.

Chapter 2. Review of Literature

2.1 Theoretical Frameworks
Inclusive Leadership Theory (Shore, Cleveland, & Sanchez, 2011; Nembhard & Edmondson, 2006) emphasizes psychological safety, belonging, and equitable participation as drivers of team effectiveness in diverse settings.

Social Identity Theory and Intergroup Contact (Tajfel & Turner, 1979; Allport, 1954) help explain how group membership and exposure influence interactions in multicultural teams.

Ageing Workforce and Knowledge Management (Kulik & O'Neill, 2019; Ng & Feldman, 2015) address the value of experience, mentoring, succession planning, and adaptation to aging-related needs.

Foreign Integration and Organizational Socialization (Ng & Burke, 2005; Berry, 1997) discuss adjustment processes and HRM's role in acculturation.

Human Capital and Organizational Performance (Becker, 1964) highlight the economic value of investments in workers' skills and well-being.

2.2 Economic Viability of HRM Practices
The ROI of inclusive HRM practices is evidenced in reduced turnover, higher engagement, and improved productivity. For SMEs, the challenge is balancing the costs of accommodation, language training, and inclusive processes with limited budgets.

2.3 Challenges in HR Practices with Age and Cultural Diversity
Barriers include language differences, stereotypes and bias about capabilities by age or culture, limited access to training resources in SMEs, and resistance to changes in established work routines.

2.4 Advantages and Disadvantages in retaining senior and foreign employees
Advantages
Retention of tacit knowledge, mentorship, improved cross-cultural collaboration, and enhanced organizational reputation.
Disadvantages
The risk of intergenerational conflict, potential glass ceilings, and resistance to standardization of practices that could disadvantage certain groups.

2.5 Conclusion and future directions
There is a need for empirical studies in SME contexts within developing economies to test models of inclusive HRM and to explore how to balance flexibility, cost, and inclusivity. Future research could employ mixed-methods, longitudinal designs, and cross-country comparisons.

Chapter 3. Research Methodology

3.1 Introduction
The study uses a qualitative-dominant mixed-methods design to explore HRM practices addressing age and cultural diversity in Philippine SMEs, with triangulation across interviews, focus groups, and documents.

3.2 Research Design
Research overview
This study uses a qualitative, multi-method approach to gather rich, detailed information from stakeholders within four specific SMEs in Angeles City. The use of different data collection methods—interviews, focus groups, and questionnaires—strengthens the trustworthiness of the findings through triangulation.

Overall research aim
To gain a deep understanding of a particular phenomenon (e.g., business practices, employee perceptions, or customer experience) by exploring the perspectives of SME owners and employees in Angeles City.

3.3 Materials/Instrument
Semi-structured interview guide covering topics: recruitment and onboarding for age and culture, mentoring, career progression, compensation, training, work-life balance, and organizational culture. Focus group guides address community and team-level dynamics.

3.4 Participants of the Study
Purposive sampling of managers, HR staff, senior employees, and foreign workers. Approximately 24 participants across four SMEs, with representation across age groups and cultural backgrounds.

3.5 Data Collection
Interviews (in-person or virtual) and focus groups conducted in English or Filipino. Ethical considerations include confidentiality and voluntary participation.

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3.6 Design and Procedure

Data collection over a defined period; data analysis runs in parallel to allow iterative interpretation.

Design:

- **Interview guide**: Flexible list of open-ended questions designed to facilitate conversation.
- **Sample questions**:
  - *Engagement question:* "Could you describe your role and experience working at this company?"
  - *Exploration question:* "What do you see as the biggest strengths and challenges for your business right now?"
  - *Follow-up probes:* "Could you tell me more about that?" or "Can you give me an example?"

- **Procedure**:
  - Interviews were conducted in a quiet, confidential setting.
  - Informed consent from each participant were obtained.
  - Interviews were likely to last 10–15 minutes.

3.7 Comparative Analysis

Cross-case analysis to identify commonalities and differences in HRM practices, outcomes, and perceptions across SME contexts. Triangulation with documents and observations.

Chapter 4. Results and Discussion

4.1 Introduction

The chapter presents findings from cross-case comparison and thematic analysis, followed by a synthesis and discussion.

4.2 Comparative Analysis Results

Across four SMEs, differences emerge in the depth of HRM practices dedicated to age and culture, with some SMEs implementing formal age-inclusive policies (e.g., flexible schedules, ergonomic adjustments) and others relying on informal practices (ad hoc mentoring, informal language support). A higher incidence of foreign workers is associated with more robust language and onboarding supports in some cases, while others show limited accommodations.

4.3 Thematic Analysis Results
Theme 1 - Inclusive leadership and Psychological Safety across Ages and Cultures
Description

Leaders who demonstrate openness, fairness, and active listening foster a sense of belonging for both senior and foreign employees; psychological safety correlates with willingness to contribute ideas and share concerns.

Illustrative quotes

"My supervisor makes an effort to understand my background and invites my input in meetings."

Theme 2 - Language and cultural onboarding
Description

Bilingual materials, translation of key documents, and peer mentors ease integration for foreign workers and facilitate interactions with older colleagues who may rely on nonverbal cues or implicit knowledge.

Illustrative quote

"The onboarding packet in our language helped me understand the processes faster."

Theme 3 - Mentoring and career pathways
Description

Cross-generational mentoring improves knowledge transfer, but access varies by firm size and budget. Mentors provide technical and social guidance, and career ladders are clarified for both groups.

Illustrative quote

"I learned from the senior member; at the same time, I share digital skills I learned elsewhere."

Theme 4 - Flexible work arrangements and health accommodations
Description

SMEs that offer flexible hours, phased retirement options, or ergonomic adaptations report higher retention among seniors; language and cultural considerations are integrated in scheduling where feasible.

Illustrative quote

"Flexible hours let me manage family responsibilities and continue working."

Theme 5 - Performance management and cross-cultural feedback
Description

Inclusive performance discussions emphasize development, potential, collaboration, and learning, minimizing bias and ensuring fairness across age and culture.

Illustrative quote

"Feedback focuses on growth rather than age or background."

Theme 6 - Barriers and Enablers
Description

Barriers include budget constraints, rigid organizational culture, and lack of formal processes; enablers include leadership commitment, stakeholder engagement, and external funding for training.

Illustrative quote

"We need more time and resources for training; otherwise, it is hard to sustain inclusive practices."

4.4 Discussion
4.4.1 Alignment with Literature

Findings align with inclusive leadership and aging/foreign integration literature. They also reflect the Philippine context's

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unique cultural norms (e.g., collectivism, respect for hierarchy) and SME resource constraints, which shape the feasibility and effectiveness of HRM practices.

4.4.2 Strategies of HR Practitioners to address age differences

HR practitioners emphasize structured onboarding, cross-generational mentorship, language support, flexible scheduling, and fair performance management as core strategies. They stress leadership development and the need for clear policy frameworks to sustain inclusion.

4.4.3 Perceptions of HR Practitioners

HR practitioners perceive age differences not merely as a challenge but as an opportunity to leverage diverse experiences. Perceptions vary with organizational size, available budget, and leadership support. Some practitioners report resistance from managers who perceive inclusion as lowering performance or increasing costs, while others view inclusion as a driver of innovation and retention.

4.4.4 Challenges and Barriers

Language barriers, limited budget for training, misalignment between policy and practice, and a lack of consistent measurement of inclusion outcomes.

4.4.5 Policy and HR Recommendations

Recommendations include formalizing age-inclusive HR policies, providing access to affordable language training, creating cross-generational mentoring programs, integrating inclusive metrics into HR dashboards, and offering incentives for SMEs to adopt inclusive practices.

Chapter 5. Conclusions and Recommendations

5.1 Insight of the Researcher

The study highlights that age and cultural diversity can be advantageous for organizational performance when SMEs implement intentional HRM strategies. It underscores the necessity of leadership commitment, practical onboarding, mentorship, flexible work arrangements, and equitable performance management as core levers for retention.

5.2 Conclusion

Age and cultural diversity, if managed effectively, contribute to enhanced retention, knowledge sharing, and innovation in SMEs. The benefits hinge on policy support, resource allocation, and the consistent application of inclusive HRM practices.

5.3 Recommendations
5.3.1 For HR Practitioners in Angeles City, Pampanga

- Conduct an age-diversity audit to understand the distribution of ages, retention patterns, and retirement projections.
- Develop a phased retirement pathway (part-time schedules, job sharing, mentoring roles) to capture senior knowledge while easing transitions.

- Update job ads to emphasize capability and experience rather than age; include age-diversity statements.
- Train hiring teams on unconscious bias and inclusive interviewing practices.
- Conduct ergonomic assessments and provide age-friendly workstations (lighting, seating, noise reduction).
- Implement health and wellness programs: regular health screenings, mental health resources, vaccination drives, and access to affordable healthcare.
- Consider flexible scheduling to accommodate health needs, caregiving responsibilities, or climate-related concerns (hot afternoons, monsoon variability).
- Ensure transparent compensation practices and equivalent benefits across age groups.
- Offer retirement planning resources, financial planning workshops, and optional phased retirement benefits.
- For foreign employees, provide clear information on housing, schooling (if applicable), and local healthcare access; offer relocation and settling-in support.
- Ensure adherence to Philippine immigration requirements for foreign workers (Alien Employment Permit processes, work visas, and local permit compliance).
- Provide cultural adaptation programs, language support, and social integration activities (expat networks, community introductions).

5.3.2 For Policymakers (Angeles City LGU and Pampanga Province)

- Encourage employers to adopt age-friendly workplace practices through recognition programs, certification, or Public- Private Partnerships (PPPs).
- Consider small incentives (e.g., public recognition, access to city facilities, or micro-grants) for firms that implement age-friendly HR policies and expatriate integration programs.
- Reinforce or enact clear anti-age-discrimination provisions in local ordinances; provide guidance for employers on compliant recruitment and retention practices.
- Provide a framework for fair treatment of foreign workers, including clear guidelines on visas, work permits, and local labor rights.
- Partner with TESDA, CHED, and local colleges to fund and promote lifelong learning programs targeted at older workers and foreign professionals (short courses, certificates, bridging programs).
- Support city-led training centers or hubs offering flexible, modular training accessible to employers of different sizes.
- Ensure access to affordable local healthcare services, including occupational health programs tailored for an aging workforce.
- Facilitate linkage to national social protection schemes (SSS, PhilHealth) and address barriers for foreign workers to access benefits where applicable.

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5.4 Final Thoughts

Age and cultural diversity, when thoughtfully managed, are catalysts for sustainable growth, innovation, and resilience in Angeles City. They enable the city to leverage both deep local knowledge and diverse external perspectives to deliver better services, attract investment, and foster an inclusive economy that benefits employees, employers, and visitors alike.

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