



## **Workforce Ageing – An Issue for Employers**

### **Stage 1 and 2 Report – January 2008**

#### *Contents*

<b>1 – Introduction</b>	<b>3</b>
The ageing of the New Zealand labour force	3
The challenge to employers	4
Characteristics of the postal survey respondents and interviewees	4
<b>2. Recruitment Issues</b>	<b>7</b>
Ease of Recruitment	7
Strategies to assist recruitment	8
Future prospects	10
Views on the recruitment of older workers	10
<b>3 - Prolonging workforce attachment</b>	<b>13</b>
Flexible working conditions	13
The ageing of the consumer base	16
<b>4 - Mixed age workforces</b>	<b>17</b>
Mentoring	19
Managing mixed age workforces	20
<b>5 - Education and Training</b>	<b>21</b>
Retraining older workers to combat skills shortages	24
Attitudes to training and upskilling for older workers	25
Approaches to training for older workers	26
<b>6. Attitudes towards older workers</b>	<b>27</b>
Age discrimination	28
Statements and policies on age discrimination	31
<b>7 – Issues around Retirement</b>	<b>34</b>
Special programmes	34
Raising the issue of retirement	36
How is retirement changing?	38

<b>8 – Conclusion</b>	<b>41</b>
Employers’ views on workforce ageing	41
Highlighting positive responses to workforce ageing	42
Summary and conclusion	43

## **Appendices**

1 – Research process and methodology	46
2 – Age composition of respondents’ workforces	47

## **Tables**

1 Respondent organisations by type/sector (adapted from ANZSIC)	5
2: Workforce size – respondents and interviewees	5
3: Percentage of organisations which employ workers in age and sex categories	6
4: Types of staff sought and difficult to recruit	7
5: Advantages of a mixed age workforce	17
6: Disadvantages of a mixed age workforce	18
7: Definition of “older workers” by business	27
8: Definitions of Age Discrimination	28
9: Expected age of retirement, by workforce size	36

## 1. Introduction

### The Ageing of the New Zealand Labour Force

New Zealand's workforce is ageing. At the time of the 2001 Census, 48% of the total labour force was aged 40 plus, and this had risen to 52% by 2006. The proportions aged 55 plus grew from 14% to 18% over the 2001-2006 period. By 2012, the median age of the labour force is projected to reach 42.<sup>1</sup> Skills and labour shortages are emerging, with serious economic implications if measures are not taken to improve labour force participation rates and to increase productivity. Projections by Treasury indicate that there will be a slowing in labour force growth in the coming decades, due to population ageing and declining birth rates.<sup>2</sup> The growth rate is expected to become negative by the 2020s, as large numbers of baby boomers exit the workforce.

In a paper for the *Employment of Older Workers Summit* in September 2006, Judy McGregor, Human Right Commissioner, cited figures to show that significant increases in participation rates for workers aged 55 plus will be required to maintain the size of the labour force, even without an allowance for growth. The Household Labour Force Survey (HLFS) shows that there has been an upturn in participation rates for men and women aged 60 to 64 and 65 plus, since the 1990s.<sup>3</sup> According to HFLS figures for December 2006, 73.1% of men and 50.6% of women aged 60 to 64 were in the labour force. The corresponding percentages for people aged 65 plus were 19.5% and 9.4%.

A recent Department of Labour report estimates that older people represented half of labour force growth in New Zealand over the period 1991 to 2005<sup>4</sup>. The number of people in the labour force aged 50 plus more than doubled from 267,000 in June 1991 to 547,000 in June 2005. In addition to overall change in the age structure of the population, policy adjustments – increasing the age of eligibility for New Zealand Superannuation and the prohibition of compulsory retirement under the Human Rights Act, 1993 - contributed to this change. Further details on these options and examples of overseas initiatives are available in *Maximising the Potential of Older Workers*.<sup>5</sup>

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<sup>1</sup> Statistics New Zealand 2006 <http://www.stats.govt.nz/NR/rdonlyres/DFB087B8-8425-466F-A1C2-ACE92D12C4ED/0/NZsAgeingPopulation.pdf> [accessed 4/4/2007]

<sup>2</sup> Stephenson, J., & Scobie, G. M. (2002). *The Economics of Population Ageing*. Wellington: New Zealand Treasury.

<sup>3</sup> Household Labour Force Survey, December quarters, [www.stats.govt.nz](http://www.stats.govt.nz) [accessed 21/3/07].

<sup>4</sup> Department of Labour (2007) *Skills in the Labour Market - November 2007* <http://www.dol.govt.nz/publications/lmr/lmr-Skills.asp> [accessed 16/1/08].

<sup>5</sup> Davey, J. (2007) *Maximising the Potential of Older Workers, Update to 2007*. Wellington: New Zealand Institute for Research on Ageing. [http://www.victoria.ac.nz/nzira/publications/recent\\_publications.aspx](http://www.victoria.ac.nz/nzira/publications/recent_publications.aspx) [accessed 16/1/08].

See also: Davey, J. & Davies, M. (2006) *Work in Later Life: Opportunity or Threat?* Social Policy Journal of New Zealand, 27: 20-37..

## The Challenge to Employers

Despite the ease with which myths and stereotypes about ageing and the abilities of older workers can be challenged, many employers still use age, perhaps unthinkingly, as an indicator of performance and employability. Supply and demand factors in the labour market may force employers to change their attitudes. In an address to business leaders, David Morgan, CEO of Westpac said:

*...it is the responsibility of business, assisted by supportive public policy, to realign their workplace structures to coming realities. We should reject early retirement as an acceptable restructuring solution. We should seek more women in our workforces. We should raise participation rates for males in the upper age groups, and increase opportunities for retirees to work part-time... So, given the future that awaits us, how many companies are thinking seriously about the composition of their workforce? Not many. The great majority never give it a thought.<sup>6</sup>*

This research aims to explore the attitudes of employers to ageing workforce issues and to find out what actions and adjustments are already being made to meet the challenges. It is a joint project by the Institute for Policy Studies at Victoria University of Wellington and the New Zealand Institute of Management (NZIM)<sup>7</sup>. Stage 1 was a postal survey of NZIM members, conducted in mid-2007. Stage 2 consisted of 20 face-to-face interviews with respondents from Stage 1. More details of the methodology are provided in Appendix 1.

## Characteristics of the Postal Survey Respondents and Interviewees<sup>8</sup>

Almost all the respondents were senior managers in their organisations. A third were classified as CEO, managing director or director and 22% as owner or proprietor; 38% were human resources (HR) managers or advisors. Among the 20 interviewees, 7 were HR managers or managers concerned with recruitment or personnel; 5 were CEOs or managing directors and the others had a variety of senior management titles including corporate services, operations and general managers.

Out of 167 respondents, two-thirds were in Wellington, Auckland or Christchurch and three-quarters in these centres plus Dunedin and Hamilton; 19 were located in other urban centres and 14 in other areas. The interviewees were concentrated in the

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<sup>6</sup> Morgan, D. (2003) *The Growing Challenge to Sustain Australia's Prosperity- The Implications for Business and Public Policy*. CEDA Luncheon, Sydney.  
[http://www.westpac.com.au/manage/pdf.nsf/C067003F6E93D4F5CA25704A007EF9CA/\\$File/CEDA110603.pdf?OpenElement](http://www.westpac.com.au/manage/pdf.nsf/C067003F6E93D4F5CA25704A007EF9CA/$File/CEDA110603.pdf?OpenElement) [accessed 16/1/08].

<sup>7</sup> The project was managed by Dr Judith Davey. David Chapman, CEO of the NZIM and Boyd Klap FNZIM acted as advisors. Financial support was provided by the Retirement Commission, Public Trust and the Bernie Knowles Rotary Trust.

<sup>8</sup> Throughout the report, those who answered the postal survey are referred to as "respondents" and the Stage 2 participants as "interviewees".

Wellington Region. Three interviews took place in Christchurch and four in Auckland.<sup>9</sup>

Respondents were from a range of business sectors.<sup>10</sup> The categorisation in Table 1 has been adapted from the Australia/New Zealand Standard industrial Classification (ANZSIC). The interviewees also represent a spread of business activities. Public sector organisations were deliberately excluded from Stage 2 of the research. It was unfortunately not possible to include any interviews from the manufacturing sector. The primary industry representatives were horticulture and landscaping businesses. “Other services” included organisations from the accommodation and food, recreational and personal safety sectors.

**Table 1: Respondent organisations by type/sector (adapted from ANZSIC)**

	Postal respondents	Interviewees
Professional, technical and financial services	34	5
Public Administration	20	
Health Care and Social Assistance	19	2
Education and Training	10	1
Other services and diversified	32	6
Manufacturing	17	
Construction and utilities	11	2
Trade and transport	16	2
Primary industry	4	2
<b>Total</b>	<b>163<sup>11</sup></b>	<b>20</b>

There was a range of workforce size among the respondent organisations and interviewees, as shown in Table 2<sup>12</sup>. Excluding responses from three organisations where staff numbers were 3000 or more, the average workforce size for the respondents was 90. The average for the interviewees was 132, as firms with very small workforces were not selected for Stage 2 of the research.

**Table 2: Workforce size – respondents and interviewees**

Workforce size	Postal Survey respondents		Interviewees	
	N	%	N	%
Under 20	58	39	2	10
20-49	30	20	6	30
50-99	22	15	4	20
100-199	11	7	3	15
Over 200	26	18	5	25
<b>Total</b>	<b>147</b>	<b>100</b>	<b>20</b>	<b>100</b>

<sup>9</sup> For reasons of confidentiality, in the following discussion no persons or organisations are named and specific details which may identify them have been avoided.

<sup>10</sup> When referring to the nature of business activity being carried out, the terms “type” and “sector” are used in this report. The term “organisation” is used to indicate the workplaces of respondents. Where the term “business” is used, this includes public sector organisations.

<sup>11</sup> Totals for respondents on the tables vary according to the numbers which answered each specific question. In the case of Table 1, 4 respondents, out of the total of 167, did not answer.

<sup>12</sup> When “size” is referred to in the report, this refers to the size of the workforce as stated in the questionnaire.

The respondents were asked to provide information on their workforces by age and sex. Not all were able or willing to do this. Table 3 shows the percentages of respondents who employed workers in the specified age and sex groups. Hence, 71% of the respondents had workers aged 55 to 64, but only 27% had workers aged 65 or older. In the 65 plus age group a higher proportion of organisations employ male workers than female workers. This probably reflects the fact that many of the most senior workers are male. In most cases there were only one or two people aged 65 or older in each organisation. (Appendix 2 provides fuller information on workforces by age and sex).

“Older workers”, defined as aged 55 plus, represented only small proportions of the respondents’ workforces. A third had less than 10% in the age group and only 17% have 30% or more. Among the interviewees, about half were classified as having ‘young’ workforces (a high proportion under 45); a quarter ‘old’ workforces (high proportion 45 plus); and a quarter were fairly balanced in age composition.

**Table 3: Percentage of organisations which employ workers in age and sex categories**

	<b>Males</b>	<b>Females</b>	<b>All staff</b>
Under 25	57	60	58
25-44	79	86	82
45-54	82	78	80
55-64	73	69	71
65 plus	37	18	27

Mirroring overall patterns of male and female employment, respondent organisations which were most likely to have high percentages of female workers were in health care, professional, scientific and technical services and public administration. Those with the lowest proportions were in primary industry, manufacturing, utilities and construction.

## 2. Recruitment Issues

### Ease of Recruitment

Respondents to the postal survey were asked if they were seeking staff at present, and, if so, what types they wished to recruit and what types they have difficulty in finding. Around 60% were seeking staff. The proportions increased with workforce size, from 18% of organisations with five staff or fewer, to 86% of those with workforces of 100 plus. In all sectors more than half of the respondents are seeking staff. Table 4 lists the top ten types of staff being sought, in order of the number of times they were mentioned by respondents. The lists largely coincide, with slight differences in order.

**Table 4: Types of staff sought and difficult to recruit**

Staff sought	Types of staff difficult to recruit
Clerical workers	Technicians
Technicians	Clerical workers
Engineers	Engineers
Managers	Trades people
Nurses and medical professionals	Nurses and medical professionals
Machine operators, drivers and factory workers	Machine operators, drivers and factory workers
Trades people	Managers
Finance professionals - accountants	Architects, designer and planners
Architects, designer and planners	Educational professionals
Educational professionals	Finance professionals - accountants

Only 8% of respondents said that they had no difficulty in recruiting staff; 44% are finding this very difficult, 8% have considerable and 33% some difficulty. Around half said that they are finding staff recruitment considerably or very difficult. High levels of difficulty are being experienced by the construction and utilities sector, health care and social assistance.

Respondents and interviewees suggested a similar range of reasons for recruitment difficulties. The most common related to tightness in the labour market and low levels of unemployment. Next came comments relating to workforce ageing, showing a degree of awareness of this issue and that its effects are already being felt. Organisations in the health sector are very aware of it through the ageing of the nursing population. A third external factor was the emigration of workers from New Zealand.

*Many young people are disillusioned and leave – they can earn bigger money elsewhere.*

Some organisations said they are unable to offer higher wages and this makes it difficult for them to compete within their sectors. An NGO interviewee complained that they could not match salaries in the commercial or public sectors and a financial organisation found themselves in competition with large banks and insurance companies. There are also overseas attractions. The lure of well-paid jobs overseas

and the international recognition of their qualifications meant that many diesel mechanics working for a firm servicing heavy vehicles left in their late twenties, leaving serious gaps of trained workers.

Others respondents complained about the unrealistic expectations of younger workers today and of deficiencies in training. Several interviewees also linked the scarcity of trained staff with the running down of the apprentice system and the lack of government incentives for training. Lack of even the most basic literacy and numeracy and communication skills was being felt by one NGO, which is always seeking support workers for its clients. A retailer commented –

*The move away from the apprenticeship system and the emphasis on academic training does not cater for many people. We need trades as well as lawyers.*

Another factor in recruitment is the type of work and working conditions, which can be either an advantage or a barrier and which cannot easily be mitigated by changes in the working environment or HR practices. Working with animals or plants, working in a charitable organisation, or one with a long-standing and respected reputation may be attractive enough to offset lower wage rates. Some interviewees had sought to create an attractive environment to ease recruitment problems, through high quality facilities, good training programmes and employee support. On the other hand, working conditions can be a deterrent where workers have choices.

*People are pickier now – in a period of low unemployment there are easier jobs ( landscape gardening).*

Working in hospitality or social services can be seen as unglamorous “with hard work and low pay”. Other examples were work in a glass house, which can be hot and difficult, and one firm suggested that staff were less willing to work in a suburban location than one in the CBD.

These influences on recruitment operate in different ways according to the type of firm and therefore what type of staff they want to attract. In most cases the issue came down to finding the “right people for the job” – a difficult challenge for many employers and one which was likely to become more pressing.

## **Strategies to assist recruitment**

Respondents were asked what special measures they use in seeking to recruit scarce staff. In order of the number of times they were mentioned, the following were the leading responses:

- Recruitment from overseas, favoured especially by respondents with larger workforces. Advertising vacancies on a web-site is tantamount to overseas recruitment, and some advertised internationally for very senior staff.

*Recruiting from overseas, where education is still compulsory.*

The interviews showed that international recruitment is being actively pursued for specialised engineers and health professionals, diesel mechanics and in the food trades. Europe, and the UK, were the most frequent sources, but also South Africa and Australia. One interviewee recruited a staff member directly from Manila, recognising that it is in Asia where the main pool of young workers remains. Such a strategy can, however, be risky and one firm brought prospective workers from overseas to see for themselves the local situation with respect to work, housing and schools. Firms may take advantage of new immigrants, not specifically recruited and already in the country.

- Networking, using “word of mouth” often through existing employees. This was especially favoured where workforces are small.
- Use of the advertising media, through newspapers, specialist publications and web sites, often used where workforces are large.
- Offering better conditions of work and work-life balance (as already noted).

*Provide staff meals, uniform, free parking.*

*Wellness programmes, superannuation, medical insurance.*

*Additional holidays, profit share bonuses.*

- Using recruitment agencies.
- Shoulder-tapping, “head-hunting” and poaching from other organisations.

*We target "known" people and use the existing staff for recommendations.*

- Offering better remuneration.
- Offering training and apprenticeships.
- Liaison with trainers, including visits to high schools and universities.

*We approach school leavers with the offer to train them in-house.*

*We run an 18 month graduate student fixed term contract to give exposure to all aspects of our business.*

- Internal development of staff and succession planning.

*Look for younger staff with good attitude and aptitude to train for key roles.*

*We try and up-skill current employees first then try and encourage the better applicants.*

Many respondents used several of these strategies in combination.

*Use of our website, networking with other organisations, use of special recruitment agencies, word of mouth, family/friends.*

## Future prospects

Looking ahead five years, nearly two thirds of the respondents (and over half of the interviewees) expect staff recruitment to become harder; 19% think that the situation will remain about the same and 9% think that it will get easier. Several interviewees were making efforts to adapt –

*It will be easier because we are offering flexibility to all groups of workers.*

*It will become easier as we become more flexible in our offerings, and it becomes more commonplace to work shorter hours. I am concerned, but optimistic if we can change our culture.*

Others foresaw adaptation in the workforce as a whole –

*The labour market and society will accommodate to ageing and scarcities will encourage employers to hang on to staff.*

*I expect the same because of more mechanisation and older workers may want to say on or come back.*

Generally speaking, the larger their current workforce, the more likely that the respondents feel pessimistic about recruitment in the future. In all sectors a higher proportion of respondents think that things will become harder rather than easier, except for professional, technical and financial services and manufacturing, although in trade and transport the highest proportion considered that the environment will remain about the same. Four out of every five respondents who have difficulty recruiting staff now think that things will become worse. Even among respondents who have no difficulty now, the great majority feel that it will be harder in the future.

## Views on the recruitment of older workers

One way of meeting staff and skill shortfalls is to retain older workers beyond the time when they would normally have left the workforce, or to actively recruit older workers. The interviews offered the opportunity to explore these options with a variety of employers. Several interviewees spoke at length about the efforts they have already made to retain older staff and examples are quoted more fully in a later section. Others express a willingness to recruit older workers or to offer more flexible conditions.

*We have a big project under way on flexible working across our organisation and older workers are one of our target groups.*

*We are thinking about recruiting newly retired people for telemarketing – people who have an interest in our area. But how to target them?*

Others, however, have some reservations about recruiting older people, or foresee difficulties in their sectors-

*People past 40 may struggle as the physical elements of the work take their toll.*

*Our industry has a strong tradition of preferring younger workers. How can we convince employers to change their beliefs that younger people fill retail roles better?*

One interviewee complained that he would like to recruit older workers but cannot specify “mature” in advertising.

*For some roles I would like to advertise for a specific age group, but I can't. I have a role for an experienced person in administration and it would be good for the team to have an older person, focussed on quality.*

Another pointed out that employment law and practices do not favour flexibility, being framed around full-time work, 40 years service and then full retirement. For example, the Holidays Act, requires double time for holidays, but people may only be working that one day as relievers. The immigration department's cut-off at age 55 had caused difficulty. Unions may also oppose home-based, part-time and split shift work - “They like a standard set up to control people”.

The willingness to recruit older workers does not necessarily mean that this can easily happen. One interviewee from the hotel industry approached a local Grey Power branch seeking a part-time handyman without success and another was planning to make a similar approach. Employers can find this frustrating when they believe that many older people are seeking work and they themselves are open to flexibility.

Even employers with some reservations about the physical capacities of older workers tended to be positive about their attributes. Again and again in the interviews older workers were described as stable, diligent and hard working, mature in dealing with clients, respectful of privacy, reliable and loyal. They bring experience and life skills to the workplace and are much more likely to stay in their jobs than younger workers.<sup>13</sup>

Several interviewees contrasted the strengths and weaknesses of older and younger workers.

*My experience of older workers is that they bring experience and maturity and are more settled. They think about the business not just about them. Young workers are ambitious and it is 'all about them'. But we need young people for the physical work. Older workers can come up with clever solutions, driven by self preservation. Accidents are often the result of not stopping to think of the possible consequences. Younger workers can learn from observing this thinking process and learn.*

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<sup>13</sup> These are all attributes well documented in other literature, see Davey, J (2007) *Maximising the Potential of Older Workers, Update to 2007*. Wellington: New Zealand Institute for research on Ageing.

*Older workers bring more loyalty and a better work ethic. They require less management time. They don't slack off and are not continually looking for their next job. They are more stable. But young workers are more vibrant.*

### **3. Prolonging workforce attachment**

Should older workers be encouraged to stay longer in the workforce? The most common response from the interviewees was “absolutely”, with some adding that it should, however, be their choice whether to retire or stay on. They saw benefits arising for the workers themselves, in terms of economic benefits (for those who may not have sufficient incomes for the lifestyles they aspire to in retirement) and also personal wellbeing -

*It is better for people aged 55 plus to keep active, without being stressed.*

*It gives people a feeling of adding value to the organisation and providing a worthwhile contribution.*

*Retirement can shut down life prematurely.*

Benefits for business -

*Why lose years and years of experience? It makes no sense to allow someone with this experience to walk away.*

For the wider society and economy and at several levels simultaneously –

*If they don't than this is a challenge to the country.*

*Older workers make a contribution to society, and work provides structure in their lives. The organisation gets continuity, learning between old and young, skills, experience and knowledge.*

*The organisation benefits by retaining memory and experience. The individual benefits if working conditions are flexible. Society also can benefit.*

#### **The Role of Flexible Working Conditions**

Older workers may be encouraged to remain in paid work if flexible working conditions are offered. Four options were suggested in the questionnaire, although these may be available to workers of all ages. The vast majority (94%) of organisations offered part-time work. Most (84%) had some form of flexible working hours (often between set start and finish times). Two other options were less common – 51% of the respondents said that their businesses offered phased retirement and 58% allowed working from home. In many cases these two latter options were available only to certain positions within the organisation and subject to negotiation.

*Working from home: can be available in certain circumstances, but definitely not the norm.*

*Working from home is as and when required - mainly head office staff - senior managers when writing reports etc.*

There was no clear relationship between size of workforce and the availability of flexible working conditions. Variations by sector correspond to differing work requirements. For example, working from home is unlikely to be appropriate for many workers in primary industry, construction, trade and transport. It is, however, more commonly available for workers in professional, technical and financial services. Phased retirement was mentioned by around 70% of respondents in professional and financial services and construction and utilities, but by only 25% of those in the trade and transport sector. The option for part-time work is commonly available in all sectors, with the lowest level in construction and utilities, which, along with manufacturing, are also the sectors least likely to provide flexible working hours.

Part-time work and flexible working hours are often associated with female patterns of paid work, given the caring responsibilities with which women are frequently involved. Hence flexible working hours and part-time work were more common among respondents with a high proportion of female staff.

Several interviewees spoke at length about the efforts they have already made to retain older staff by offering flexible working conditions, as the following examples show-

- An NGO in the health sector, with several nurses already in their sixties, offers staff considerable flexibility to get them to stay on in work. They can choose to work only 4 shifts a week and none work full-time in the usual sense. They can choose not to take on night duty or work in the community, which can be physically demanding.
- In another NGO, the HR manager has been challenging the management's traditional preference for full-time work. A break in the middle of the working day allows the change-over of part-time staff without disrupting continuity for the clients. Two workers in their late fifties adjusted their working hours between them when one was recovering from an illness and wanted to work less. A woman well into her seventies who had been an intensive support worker, moved into a coaching position, so that she didn't have to travel so much.
- An organisation, with a large and busy call centre is considering home-based work, using special equipment. This would allow people with caring responsibilities to work a few hours per day at busy periods and could suit many older workers.

An example from retail trade -

- A supermarket manager needed someone to drive a tractor which brought in trolleys from the car park. He employed three men, all in their seventies, to share the task. It has worked well for all parties. The drivers are efficient and courteous and "don't treat it like a race-track". The older workers have hours to suit in a 7-day operation. In the same supermarket an older woman who was finding bakery work too taxing was given the choice of moving to a check-out but instead chose to serve on the Lotto counter.

From a utility company -

- Workers become eligible for their occupational pension and “retire”, but are hired back on separate arrangements. “People retire and we say ‘see you Monday’”. These arrangements can incorporate a specified number of hours per month, on a very flexible basis depending on when special tasks arise, or work only during the monthly ‘billing week’

And, from a financial institution –

- Document processing which usually takes place in a centralised service centre can be carried out by retired workers who have access to branch offices. They operate under special contracts and generally work 10-20 hours a week. According to the HR manager this works well and often their output equals that of workers on a 40 hour week.

Adjustments can be made even in physically demanding jobs.

- Every 6 months a landscaping firm brings in a physiotherapist to advise staff on a group and one-to-one basis. This educates them to stop and think and not to just go ahead and then feel pain in backs and knees. Recently the manager moved an older worker, no longer up to meeting the full physical demands of the job, into inside propagation work.
- An older worker with special skills had lost confidence in his ability to perform physical tasks, such as climbing into confined spaces. He was given an apprentice for these tasks and his job was redesigned. The firm saw his role as the “brains” of the operation. In the same business, operators usually work 12 hour shifts - 4 days on and 4 days off. One worker found this hard so he skips a shift, working half time. But, in case of emergency, he can come in to cover on shifts he is skipping, say for 6 hours.

There were other examples where older workers had been taken “off the tools” as they aged, given supervisory work or assigned as a mentor. Adjustments of this type, however, may be limited and often are made only for highly valued staff that employers do not want to lose.

An example of adjustments across all workers in a much larger firm is the “wellness” programme of a utility company.

- The wellness programme is available to all workers, but has recently been revised with older workers (aged 55 plus) in mind. This covers diet, exercise and stress management, as well as work-life balance, and incorporates annual health checks. Occupational specialists are available to advise on modifying work practices.

The following list summarises flexible work practices which can encourage older workers to stay on –

- Part-time work and job-sharing
- Flexible working hours (allowing travel outside of “rush hours”)
- Offering less demanding types of work or hours of work
- Shifting into relieving or casual positions

- Monitoring health and advising on how to cope with physical demands
- Providing an assistant for physical jobs
- Work from home or in a local office
- Move into mentoring roles
- Long-term leave

There are, however, some limitations and drawbacks, pointed out by the interviewees. Part-time workers may cost employers more if they have to supply more office equipment and facilities, and administrative costs may be higher. One interviewee suggested that “hot-desking” could be an answer to this. Where ‘seven day’ operation is required, as in the hotel and recreation industries, there is a limit to flexibility, both in term of coverage and continuity and also in fairness to other staff. Paying penal rates for part-time workers may also be a burden, even though older people welcome extra money for working weekends and holidays. The option of moving older workers into less demanding jobs may not be available in all organisations. Another interviewee mentioned that low literacy levels could prevent some older workers from moving into supervisory roles.

### **The Ageing of the Consumer Base**

By employing more older workers firms can respond to population ageing, on the basis that clients may react more positively to interactions with people of their own age and that the service providers will have a better appreciation of market needs. Whether this was seen as an incentive to employing older people depended on the orientation of the firms interviewed.

Where the client groups were “corporates”, wholesalers or professionals the age question was not an issue. On the other hand, where firms deal directly with the public, attitudes may be different. Some interviewees were actively analysing and segmenting their customer base, identifying differing needs and noticing the effects of ageing.

*We are acutely aware of ageing and spend money to survey customers and clients, who are mainly 50 plus. It is common sense to have a loose pairing between clients and advisors based on age.*

*Our donors are mainly older people, so we are thinking about the ways in which they prefer to receive information.*

A slight note of warning was sounded by a landscaping company. While they value their older clients, they find that they can be demanding of time and less profitable than professional double income couples, who are unlikely to “want a discussion and invite workers in for cup of tea”.

There is an acknowledgement that further work remains to be done.

*People 50 plus have more wealth and so are more capable of purchasing. But the industry is not yet pitching proportionately to this older well heeled group.*

## 4. Mixed-age workforces

One of the consequences of workforce ageing is that employers will be managing workforces comprised of people of different ages and that younger people may well be in positions of authority over older people. There will no longer be a large pool of younger workers to recruit from. It was therefore relevant to ask respondents about their views on mixed age workforces.

Firstly, 86% of the respondents said that they already had mixed age workforces (and the same was true for 17 out of 20 interviewees). This ranged from 75% of respondents with under 10 workers to over 90% of those with 50 or more. In all sectors over 75% of organisations had workers of differing ages, excepting education and training and health care and social assistance.

An extremely high proportion of both postal survey respondents and interviewees considered that mixed-age workforces are good for business, regardless of workforce size and sector. Out of 133 respondents, 79% said that they had a mixed age workforce and that this was good for business; 12 (9%) did not have a mixed age workforce, but still thought that this would be good for business. Only two respondents did not think that a mixture of staff ages was a good thing, although some others gave a mixed response. Table 5 lists the advantages of a mixed age workforce.

**Table 5: Advantages of a mixed age workforce**

	N	%
Influence of older workers positive	17	12
Older worker have better work habits/discipline	8	6
Mix of stability and initiative/technical knowledge	12	8
Good for customer profile/response	12	8
Mix of experience/skill levels good	48	33
Older workers mentor younger	25	17
Provides continuity/knowledge retention in workplace	4	3
Good in general	10	7
Other	8	6
Total	144	100

The most frequently quoted advantage was the mix of experience and skill levels, which a mixed age workforce can provide.

*Introduces different perspectives, different approaches to problem solving, approaches based on experience plus new ideas and ways of doing things. We learn from each other as each generation has different things to offer.*

*Our team provides a mix of switched-on young people up with IT etc. and experienced mature people who offer history and experience. It all works superbly for achieving outcomes.*

The interviewees also saw a mixed age workforce as a blend of “loyalty and vibrancy”, as an opportunity for old and young to share experiences and learn from each other. This gives a wider range of perspectives in the work of the organisation

and reflects the diversity of society as a whole. Quite a few interviewees linked mixed age to other aspects diversity, such as ethnicity and language. Two mentioned how older and young workers can balance each other in the workplace in terms of risk.

*Young workers are eager for physical activity – to knock something down or build something – but are more often involved in accidents. Older workers think first, using planning and problem solving skills which come with experience. They can help younger workers to learn.*

*Older people look at the risks. Younger people say ‘why aren’t we doing it?’ As a result, both learn – the older ones keep engaged, the young settle down from being over-enthusiastic.*

Several interviewees mentioned the steadying influence of older workers as opposed to the emotional volatility of the young and opportunities for mentoring and guidance.

*Youthful energy and enthusiasm to be supported by cool heads who have experienced highs and lows.*

*Seniors have a calming influence and provide stability. They can help younger workers, especially those who have failed school. Senior women can help young girls with stresses in their lives. Older workers make a difference by being there and just saying “this is how we do things”.*

On the other hand, mixed age workforce can have disadvantages, the most important being difficulties in personal interactions between the generations (Table 6). Several interviewees expressed this in terms of the differing attitudes of Gen Y and Gen X, as against the baby-boomers and older people.

*Sometimes conflicts in staff environments/socialising.*

*Older workers like fixed working hours and have difficulty with 'young' ones "coming and going"*

*Could cause problems if a younger worker is more senior than an older worker.*

*There may be generational differences that are hard to manage in project groups. The young move at kangaroo pace, the older ones want to toss it around. (59 – PT)*

**Table 6: Disadvantages of a mixed age workforce**

	N	%
Difficulties in personal interactions	10	31
Health problems	1	3
Difficulty in balancing age	4	13
Groups/succession	4	13
Other attributes of older workers	4	12
Other	6	19
<b>Total</b>	<b>29</b>	<b>100</b>

Interviewees talked about younger people being more au fait with new technology and the possibility that older people resent this.

*In the call centre when work is slow, the young ones surf the net and use their phones. There can be clashes with the older people about how they use their time.*

*There can be some conflict. You would think that the experience of older workers would help, but the younger ones are more advanced technically and the older ones can be resentful that they are taking advantage of the technology. I am aware of this but don't have any solutions.*

On their part, younger workers may see their older colleagues as a barrier to their promotion – a fear that would increase the longer that older workers stay on.

*Younger staff might feel that a heavy percentage (of staff) aged 40 plus is a roadblock in terms of their progression. I ask myself how I would have felt - 40 seemed ancient to me once.*

Other interviewees felt that they could see past the stereotypes and that it was individual attitudes which mattered in terms of workplace harmony – “more important to have compatible people than an age mix”. One business had recently called a meeting with senior staff to discuss “Gen Y” and their challenging attitudes. When they looked at individual performance they concluded that many Gen Y members are working well and that “there are stars and plodders at all ages. We need to retain the stars and bring the plodders up to standard and treat people individually regardless of their age.”

## **Mentoring**

The opportunity for older workers to mentor their younger colleagues was identified as an advantage of mixed age workforces. Most of the interviewees did not have formal mentoring programmes, although this could take place informally, for example through “buddying up” for new employees (regardless of age). Older workers are often looked to for guidance and advice on an informal basis – providing assistance not only with work but sometimes with personal problems.

*An older person can explain to a younger one - show how and why. In a busy organisation new people can be tossed in the deep end. If you take them for half a day and show them how things work – why we are doing it this way – then they understand better.*

*Our staff still approach an older woman who worked here, a wise head. They say “Go and have a coffee with J”.*

A type of mentoring is inherent in the apprenticeship system and within work teams. One firm had a group of apprentices on a block course at a polytechnic in another town. Things were not going well, so they sent down an older man to stay with them in the hostel for a few days to address the problems and “calm things down”. One

interviewee suggested that this type of mentoring is “natural” between the generations. But younger people are not necessarily always the recipients. They can assist their older colleagues with technological issues. As one interviewee said “Grey hair does not make you a team leader”.

More formal mentoring arrangements came under the heading of “supervision” for some professionals, usually from an external source. And some interviewees talked about having their own business “coaches”. The NZIM mentoring scheme was mentioned with approval.

## **Managing mixed age workforces**

The interviewees were asked how best mixed age workforces could be managed and if there were any particular HR processes or approaches which would bring out the best in them. There were a range of suggestions. Clear communications, especially about the expectations which management has of workers was seen as a must. At the same time management should realise what each age group wants and needs.

*Gen Y want immediate recognition for their efforts so have brag boards and success charts. Older workers may be embarrassed by this, not wanting to be in the spotlight.*

This requires recognition that work roles must be suited to individual capabilities, while at the same time maintaining fairness and even-handed treatment between workers. Several interviewees acknowledged that they may instinctively or even unconsciously allow age to influence how they treat their workers, even when they try to avoid stereotypes. It appears important that respect for all workers is maintained and that this aspects of the organisation’s culture is set “from the top”.

The general consensus was, however, that it is better not to segregate the age groups at work. A particular difficulty had arisen in one firm where the workforce had polarised into two age groups – those under 30 and those 45 plus. Aiming to reduce conflict, management organised work teams based on age with team leaders accordingly. They found, however, that this reinforced age differences and created injustices and competitiveness. The gap between the age groups was widened in the absence of opportunities for interchanges, and this approach provided no solutions.

Suggestions for the management of mixed age workforces can be summarised thus –

- Clear communication within businesses
- Respect and fairness for all
- Fit roles to individual capabilities
- Do not segregate the age groups.

## 5. Education and Training for Older Workers

The literature on older workers suggests that frequently they are discriminated against in access to education and training. Most interviewees agreed, while emphasising their own liberal views.

*I imagine it is easy to do, but not here. Workers aged 60 go on courses and conferences because they are interested.*

*Yes, but it should not happen. You need to engage people in learning and development throughout life. If they retrain, then they could be retained in workforce.*

Employers often consider that they will not gain sufficient benefit from training if workers do not have a long period of employment ahead of them<sup>14</sup>. Most of the interviewees clearly took a different view, given rapid change in the skills and knowledge needed in many industries and more frequent mobility between jobs.

*Engineering is moving all the time. We sent a 70 year-old worker to learn about new Swedish technology.*

*They think it a waste of money as older workers will be leaving. But workers can move on at any age. You can train young workers and they will move on before long. You need to have an open mind and expect people to stay.*

*Return on investment. But there is a change in attitudes to careers and tenure of jobs is shorter. Now a sixty year-old can give as good a return as a 30 year-old.*

Interviewees were asked about the realistic length of time that education and training in their area would remain current, as this clearly affects the potential return. This of course varied significantly from about six months in areas where technology is changing continuously (for example in specialised computer programmes and new models of vehicles), to a lifetime, with respect to basic literacy and numeracy. In many areas, on-going training is required to maintain professional certification and to keep up competencies. Even where this is not a legal requirement, frequent refreshers are seen to be beneficial, for example in customer service and hospitality.

*It is important to give staff training, incentives, motivation and new ideas. They can become too routine in their presentation and standards can drop (they are not in a railway station buffet).*

The postal survey respondents were asked whether their organisations provided opportunities for education and training for their workers aged 45 and over and four ways of doing this were listed:

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<sup>14</sup> This, and other myths about older workers, is addressed in *Maximising the Potential of Older Workers*, by Judith Davey (2007), accessed at [www.nzira.ac.nz](http://www.nzira.ac.nz).

▪ In-house training (formal courses)	% providing access	78
▪ Payment of all costs for work-related education/ training by an outside agency	“	87
▪ Part-payment of costs for work-related education/ training by an outside agency	“	83
▪ Time off for study/attending courses/taking exams	“	92

Access to these opportunities is high regardless of the size and sector of the organisation. In-house training is more likely to be offered by the larger organisations. This is true for the other types of education/training, but to a lesser extent.

Older workers may gain access to education and training either by applying themselves or by taking up opportunities offered by their employers. Over 90% of respondents said that these two avenues were available in their organisations.

*If people want to attend a course that is relevant to work, we pay.*

*Employer runs continuing education - staff attended where appropriate. Other staff undertake training after consulting with superior.*

*At times we ask "who wants to do this" - particularly conferences etc.*

Rather fewer (65%) said that access was by employer selection and that participation was compulsory. There are no clear differences by size of workforce. Some negotiation between employees and employers is usually involved, especially in smaller organisations, and opportunities arranged on the basis of personal development and work needs. Where participation is compulsory, this is usually more clearly work-related and may involve the enhancement of basic competencies.

When the respondents were asked about the criteria used in selecting staff for education and training, age was not mentioned, although three people answered “length of service”. The main criteria were the work needs of staff and the requirements of the business.

*Education and training must be relevant to the business and to individual's current or future role.*

*Anything to address skills gaps in the business - also, give (opportunities to) more mature employers if they want to participate, some don't and we just accommodate them.*

A few suggested that opportunities for training might be based on the performance and attitudes of the employee.

*Enthusiasm, potential of the person, academic ability, general attributes.*

*Their enthusiasm and attitude towards challenging themselves and extending their capability.*

*A reward for good performance, regardless of age.*

In order to focus more closely on age-related factors, respondents were asked “How long would you expect an employee to remain with the business once they have been given significant education/training opportunities?” One in five had no explicit requirements -

*Do not monitor – it’s up to them.*

*Welcome to stay as long as they want.*

The majority, however, have some expectations that people will stay after training, with variations according to the nature of the training and age of staff –

*Varies, we have this discussion with people but nothing is binding.*

*Would expect several years but can’t really control that.*

*Depends on age - younger staff would leave after 3-4 years, older staff stay longer.*

One to five years was the most common expectation, regardless of the size of the organisation. Few had rules on bonding and repayment of training costs –

*Must stay on at least 6 months otherwise pay back (cost of training).*

*Education policy requires minimum 2 years, or we seek partial reimbursement.*

These responses vary by sector. Public administration and organisations in the health care and social assistance sectors were the most likely to have some expectations that their staff will remain once they had been given education or training opportunities.

Knowing that employers are concerned about the cost-effectiveness of providing education and training for older workers, respondents were asked if there is an age beyond which they would not consider this worthwhile. Three quarters said unequivocally no –

*No, I really believe in lifelong learning.*

*Not age dependent, rather skill and competency based.*

*Not if the training would be of benefit to either or both parties.*

Some qualified this by saying that age could be a consideration if retirement or resignation was clearly planned in the near future. The larger organisations were more likely to take this into consideration and also to suggest a specific age – most commonly 60. Others gave a range from 55 to 70 and a few suggested that each case would be considered on its merits. In all sectors of business two-thirds or more said they would not limit access to education or training by age, with the exception of manufacturing (47% said no limit).

## Retraining older workers to combat skills shortages

Most of the interviewees agreed that retraining older workers could be a way to combat skills shortages. Several emphasised the case with respect to technology, especially computers.

*It is vital. Workers now aged 40-70 have missed out in earlier decades when work was mainly hands-on. Many are functionally illiterate but literacy is coming more to the fore and increasingly needed – also workplace communication and technology.*

Some stressed the need to build on the strengths and experiences which older workers already have. It could be insulting to undervalue what they already know, but the situation requires care and sensitivity.

*Older workers bring different things to the training context. The odds are that they do already know stuff. But don't take knowledge for granted – go through the elements of training with a check-list. They may have forgotten and may need refreshers. Work contexts are different now.*

Other were less enthusiastic, pointing out that education and training may not compensate for physical deficiencies; that older workers in their area were already well educated and possibly were more in need of coaching and mentoring. Another person thought that access to retraining would not prolong workforce attachment – “People leave because of expectations – what they think society expects.”

There was considerable support for the proposition that employers should be proactive in encouraging education and training for older workers, although many interviewees extended this to all workers. Several gave examples of what they themselves had done.

*Older workers may assume that they are ineligible, or that they know it already. We have encouraged our PAs to take courses on Outlook and all are over 65.*

*We are about to move our nurses onto a new computer-based patient information system, so they will need training. The mentor for one-on-one support is a woman in her seventies – so they can't say they are too old to learn it.*

*A long-serving member of our staff – a 58 year-old man - was afraid of computers but we encouraged him to learn. He has depth of practical experience and can't be replaced. He said 'you would be better with someone else', but I say 'no way'.*

*You are never too old to learn. I consider applications for training from anyone. I sent one lady in her seventies on a university diploma course.*

Or plan to do -

*We left (decisions on education and training) to our branches, not wanting to have a 'head office' direction. But regional managers – with an average age of 42 – think only of younger workers. We may have to look at this and suggest encouraging training. We have not been recording the ages of people on courses, but are now starting to do this and to identify people who have not been on courses for a long time.*

## **Attitudes to training and upskilling for older workers**

How do the attitudes of older workers influence their access to training and upskilling? The interviewees had varying responses. Some had never struck any negative attitudes on the part of older workers and others thought that the response could be variable at any age.

*There are those that tolerate training and those that are excited by the prospect but attitudes to training are not age driven.*

*Anyone can be resistant. There is a Luddite effect, but it can happen at age 35.*

Some older workers may not put a high priority on education and training, thinking that they already know what they need to do their jobs adequately. There were some cases where older workers had been unwilling to learn, but interviewees described how they overcame it.

*We upgraded the control equipment to electronic touch screens. Some older workers found it difficult and were slower to pick it up – a couple questioned whether they should leave. But we gave them one-to-one help and most got over it.*

*We often hear the comment 'that's for young people' and they are reluctant to change. But, through training, we change their attitudes, and show them it isn't as hard as they thought. Then they can see the benefits – quicker and more accurate diagnosis of problems.*

*If older workers are reluctant to change this makes it hard. They have grown up in a mechanical world and haven't developed computer awareness. You have to force them into it through something they are familiar with. We now have on-line information instead of manuals. The older workers go looking for hard copies – the younger ones go on-line. So we removed hard copies from library.*

In other cases it was more a case of apprehension and lack of self confidence than opposition.

*We are pushing them outside their comfort zone and they may be scared of the classroom environment, not having been there since school. One of our supervisors was resistant to a training opportunity, so I went along with her. Once the first day was over she really enjoyed it and was looking forward to the next. She just needed a safe environment.*

*A lot of people are fearful of new things and 'giving it a go' because they are not sure they will grasp it. They may not have had an easy working life, not been encouraged and lack confidence.*

*Older workers can be unsure of themselves and may hold themselves back by the attitude that they are going to be discriminated against.*

## **Approaches to training for older workers**

Several of the interviewees did not agree that older workers require any special approaches to education and training. The others were split between those who suggested different techniques and those who favoured general encouragement or sensitivity to their needs. Older workers may respond better to one-to-one tuition, a "hands-on" approach and training taken at a slower pace than for younger workers.

*They need more time, more explanation, context and practice time to build confidence. It's a great change for them – they have not grown up with technology.*

*Learning styles differ. I can envisage different media being used, different pace, style and delivery, but the course content being the same. I think it will become more common to target courses to age groups. But you need a large workforce for this to be effective and the costs need to be factored into budgets.*

Employers may need to encourage older workers – sometimes with a degree of coercion.

*Talk to them at performance appraisals to show the benefits of training. Some people have had bad experiences and need to feel they are valued as a person.*

*Sometimes to overcome (older workers') reluctance to accept training requires employers to be persuasive and even forceful to influence them to participate.*

Trainers themselves need to be experienced and require sensitivity.

*Tutors and facilitators need to be aware of older workers and explain information differently and with sensitivity. They need to know how people of different ages will relate to course material.*

*In a mixed age group, trainers need a more gentle approach for older people, especially for IT courses. They need to make sure that the older people have grasped it and this requires patience.*

The balance of opinion seems to be against having special course for older workers, as this appears discriminatory. After all, they will have to work with their younger colleagues later.

## 6. Attitudes towards Older Workers

In order to obtain information on the attitudes of respondents towards older workers, first they were asked how they would define the term by age. Very few put this before age 55; 25% thought 55 plus, 34% 60 plus and 23% 65 plus. Only 9 out of 133 who answered this question said 70 plus. A few felt that the term “older workers” was meaningless or not applicable to their organisation’s activities. There were some differences by type of business (Table 7). People responding from the professional, technical and financial services sector were most likely to suggest that older workers were 65 plus. Some organisations in public administration, education and training considered that “older workers” could be people younger than 55.

**Table 7: Definition of “older workers” by business type (row %)**

	under 55	55 plus	60 plus	65 plus	70 plus	Other (and variable)	Total
Professional, technical and financial services	0	22	19	41	15	4	100
Public Administration	9	9	36	27	0	18	100
Health Care and Social Assistance	6	13	50	19	6	6	100
Education and Training	10	40	30	10	10	0	100
Other services	7	29	29	18	11	7	100
Manufacturing	0	25	50	17	0	8	100
Construction and utilities	0	30	60	0	0	10	100
Trade and transport	0	29	14	43	0	14	100
Primary industry	0	50	50	0	0	0	100

The age at which workers become “older” may be related to their sex, type of work or position within the business. When asked about this, about half the respondents said that these attributes would not make any difference, and others said that the individual ability of workers was what mattered.

*Varies more according to the person, not sex or occupation. Some people are old at 40, some at 80.*

*Depends on the mental flexibility and the ability to grow and change, i.e. a secretary in same job for 20 years is probably 'old' at 30.*

A fifth of respondents, however, felt that whether a worker was “older” depended on the physical demands required of them. These tended to come from the primary industry, manufacturing, construction and utilities sectors.

*If manual labour is required an older person may be unsuitable.*

*Construction work is male dominated but also very physical. Without supervisory skills ageing workers become less productive.*

*We are fortunate that we have a variety of roles. Our younger employees do the more physical work and the older employees less physical work.*

There could be variation in terms of role –

*Entry level 'old' may be around 40. In senior roles 55 may not be that 'old'*

And there were some indications that age and sex could interrelate, for example –

*Possibly male managers tend to work to an older age than most.*

*Office admin - 45 years for females. Managers 55 years plus (definition of older workers).*

A final comment sums up the views of several respondents –

*Sex should have nothing to do with it provided the person is fit to do the job; (however) my experience would indicate is ageism is alive and well in NZ*

## **Age Discrimination**

Age discrimination is illegal in New Zealand and has been so for over a decade, but it is still widely reported, as illustrated in the 2006 Equal Employment Opportunities Trust on-line survey<sup>15</sup>. It is seen as a persistent barrier to the retention and advancement of older people in the workforce.

**Table 8: Definitions of Age Discrimination**

	<b>N</b>	<b>%</b>
Making hiring decisions based on age	29	19
Making adverse work decisions based on age	44	29
Making any decisions purely on age	35	23
Treating older people differently	1	1
Rejecting/disc against older people	16	10
Negative or positive action purely based on age	2	1
Other	7	5
Set out in legislation	4	3
We do not discriminate	13	9
<b>Total</b>	<b>151</b>	<b>100</b>

Postal survey respondents were asked how they defined age discrimination. Several replied by asserting that they did not discriminate and others referred to the provisions set out in legislation. The responses showed that the majority saw the issue only in relation to people of any age (Table 8).

*When decisions are made on an age-related basis alone without considering experience/skill/capability.*

*Not being given/offered employment because of age, be that young or old.*

*Assumption that someone is "less" than someone else based on age.*

<sup>15</sup> Equal Employment Opportunities Trust, 2006, *EEO Trust Work and Age Survey Report*. EEO Trust, Auckland. [www.eeotrust.org.nz](http://www.eeotrust.org.nz) [accessed 18/1/07].

Several interviewees also considered that young people can be discriminated against in the workplace because they lack experience or because they are seen as low on the pecking order. Some employers see them as “an easy target to pay less”. Others begrudge the time needed to train and mentor them. Around one in ten of the respondents, however, mentioned older people specifically in relation to age discrimination –

*Rejecting older applicants without interviewing and assessment.*

*Not employing a person because they are deemed to be too old for the job and don't have the physical ability or computer literacy to perform the job.*

*Expecting that someone will retire at a particular age - or not hiring them because of their age.*

Interviewees were asked whether they considered that age discrimination was present in their sector of business. Over half thought that it was. Consistent with information from other sources, discrimination was often thought to occur in recruitment. One interviewee spoke from personal experience -

*Young women in (recruitment) agencies look at you as if you had no brains or skills. You are not taken seriously. It is humiliating to be treated like that and it puts older people off applying for jobs. I don't know what you can do but others have had same experience.*

Others had some interesting theories on the importance of personal presentation and demeanour.

*Older candidates have trouble getting employment. The younger ones are enthusiastic and well trained for interviews. They have been to more interviews as they change jobs more often. Older workers have had more stable careers. Older candidates not as energised, although the women seem to present themselves better and are more socially skilled. Also the interviewers are younger – people in their thirties and forties. Bear in mind that the best candidate is not necessarily the best employee.*

*It comes down to your image and attitudes. If person dresses in a cardi and doesn't present a bright image, they may be overlooked. If they show willingness to learn and an ability to take on new or different stuff that's another matter.*

Where physical demands are inherent in the work, interviewees may feel that discrimination is justified. Sectors which are knowledge-based are considered less likely to discriminate because knowledge tends to correlate with experience and experience with age.

*I am sceptical about taking on an older worker who doesn't have same level of fitness. But they are good in the front line and reliable. They don't call in sick in busy season.*

*If people in their fifties applied I would ask for a medical examination. You can't get away from the physical aspects of the work. I have been caught before.*

Age discrimination may be less prevalent now compared to the past, because the labour market is tighter and there is reduced unemployment. Employers now cannot afford to discriminate, according to several interviewees.

*It's foolish to discriminate when the labour pool is shrinking as in last 10 years, with New Zealanders going overseas.*

*Discrimination does occur but not like the 90s when unemployment was high. Now we struggle to find employees. It has changed a lot.*

Two interviewees, from very different sectors, felt that they needed more firm evidence before they could come to any conclusions on age discrimination. In one case, the ages of employees had not been recorded "because HR thought it was illegal". The other concluded that without clear evidence of discrimination exhortations were useless, and, further, the costs of discrimination needed to be assessed so that measures against it were not simply "social engineering for its own sake".

Clearly age discrimination against both younger and older workers is based on implicit stereotypes.

*Age discrimination exists in New Zealand, but without people being aware, not actively or deliberately. Everyone uses stereotypes and makes assumptions around age and we don't ask if they are true. This influences our decisions about employees. Delusions rule the roost.*

Older workers may be seen as "too hard to train, have reached their peak"; they have "stopped learning and lack energy". Younger people are not expected to stay long in any job and this may hamper their access to education and training.

*We are unlikely to meet the needs of a young worker going like a meteor – we expect them to move on.*

*I have to check myself when looking at young workers. It's not true that all Gen Y don't have the work ethic.*

Is it therefore meaningful to identify older workers as a special group or would this just lead to even more stereotyping? The interviewees were divided on this, some thinking that they should not be treated any differently from other workers.

*No – just see people and treat them all the same. Some older workers would feel discriminated against if they were treated differently.*

*No, this would be to put them on a pedestal and separate them.*

*It carries with it danger and is not a good thing, bringing with it baggage about a 'natural' working age and 'natural' retirement age. The concept of retirement is modern. And 100 years ago the term 'teenagers' didn't exist.*

*I don't want to be in a special support group for older workers, it would be demoralising.*

Others preferred to see workers as individuals rather than categorising them. But, in answering the question, many interviewees continued to point out the special qualities of older workers, which indeed set them apart.

*You tell them what we expect and that's it. – – you don't have to tell them 10 times about grooming etc.*

Do older workers need special measure to assist them to remain active in the workforce longer? Again, interviewees were divided between those who disagreed (for reasons noted above) and those who said, yes -

*Because they have needs and issues which employers need to know - what is needed to make them efficient and empowered. The central issue is what cohorts need to be effective, healthy and comfortable. It would be wise for employers to look at this.*

*It is useful to break down groups and segment them into smaller chunks. The marketing department have been doing it for yonks. You have to stereotype realistically.*

One HR manager, with considerable UK experience noted that some companies there (B and Q (hardware), ASDA (supermarkets)) actively promote the fact that they employ older workers and have special policies and rewards to encourage them, such as grandparenting leave and winter leave.

*It's not negative stereotyping, it's around being flexible. And it has paid off in customer service. If this is stereotyping then it may be good.*

Several interviewees agreed on the basis that the economy needs older workers as demographic change takes hold. Growing labour shortages may work in favour of older workers, enhancing their worth.

*Older workers could be seen as a specific resource with special needs. We need them in the workforce and it is good for their health.*

*We need to keep them going because of the shrinking workforce. Keep them going to (age) 105 – there is a major problem looming.*

## **Statements and Policies on Age Discrimination**

Three-quarters of the respondents had no explicitly stated policy on age discrimination as part of their business documentation, and neither had 17 out of 20

interviewees. Sometimes they felt this was not necessary or did not apply to them. Or they considered that their practices speak for themselves without formal statements –

*Only policy is - if you can do the job you will be rewarded with ongoing employment.*

Comments from interviewees were along similar lines –

*Culture is such that don't need to specifically state it.*

*Here we live it. We don't need to make a statement.*

Many of the interviewees expressed cynicism about empty formality.

*It's more important to see things visibly happening in organisations, through actions and behaviour displayed by management and executive. I hate 'book shelf' documents.*

*It's only a piece of paper. I am fed up with political correctness.*

*We already have a lot of statements and certificates. How many things can you hang on the wall? It's about doing.*

*To have one is setting yourself up for a fall.*

The general view was that action is more important than formal statements or legislation, which do not in themselves prevent discrimination.

*A statement may be necessary but not enough, if you can't prove it is being implemented. Some people assume that if this is the law then it is being observed. But if a statement is not upheld it is mere verbiage.*

According to the postal survey, organisations in education and training (33%), trade and transport (31%) are most likely to have formal age discrimination policies. The least likely sector to have such policies is construction and utilities (10%). Where they do have such statements, they are frequently linked to general policies on discrimination ("gender, religious or ethical belief, disability, marital status, family responsibilities, sexual orientation and ethnic origin"), EEO or industrial relations. The same was true from the interview findings. House rules, compliance training, values statements, codes of conduct, admin manuals and other measures cover material aimed at combating all types of discrimination as well as harassment and so on. Nevertheless, a small number of interviewees saw some value in anti-age discrimination statements and intended to develop them – "A thought for the future." One said -

*When I bought this company it didn't have a health and safety policy so I made one up and it paid dividends. If the same applied to age discrimination – then yes, a policy must be a good thing too.*

Only five postal survey respondents had experienced complaints about age discrimination (97% had not). These may have been minor and/or not upheld.

*Job application: Formal (Human Rights) application carried out - complaint not upheld.*

*Social outings were too physically challenging and person felt excluded.*

*Employee mistook performance for age issues – was “counselled.”*

## **7. Issues around Retirement**

### **Special programmes**

Only a third of postal survey respondents said that their organisation offered a superannuation scheme (other than Kiwi Saver), generally covering all employees, although some respondents say that only senior workers can take advantage of them. The proportions offering superannuation are under 20% for smaller businesses but higher for organisations with 50-99 staff (50%) and 100 or more staff (61%). There was considerable variation by sector, from 73% of respondents in construction and utilities to only 5% for those in health care and social assistance. Depending on how representative the respondents are of their sectors, this may or may not reflect the overall situation with respect to superannuation coverage.

Apart from superannuation schemes, few respondents (only 17 out of 142 who replied to the question) offered any other benefits or programmes to their retired employees. Over half of these were organisations with workforces of 100 plus. Such benefits were found in all sectors of business but most commonly in organisations in the professional, technical and financial services group. A range of benefits were offered, including:

- Social club membership
- Memberships at reduced rates (access to services provided by the organisation)
- Retired members club, access to company-owned holiday houses
- Staff discounts
- Retention of company shares issued to them.

Other “benefits” were in the nature of phased retirement, such as:

- Relaxed hours of work
- Flexible work hours leading into retirement
- Fixed term contracts as relievers.

Only one in four respondents said that their organisation provided any kind of pre-retirement advice/planning. This usually took the form of seminars, sometimes arranged in-house and sometimes by outside firms.

*Attendance at retirement seminars made available cost free to all staff irrespective of age.*

*We run internal workshops as needed for staff over 40 covering financial planning, health and wellness.*

*Have experts in on regular basis to talk about saving/budgeting/wills/trusts, etc.*

*Planning for those within 10 years of likely retirement age. This involves looking at personal circumstances and developing a plan specifically for the individual.*

Pre-retirement advice is more common in larger organisations (39% of respondents with 50 or more workers provided this service as against only 13% where the workforce was less than 10). There are also differences by sector. Public sector organisations were the most likely to offer this service to staff, followed by those in the construction and utilities sector.<sup>16</sup>

The question of pre-retirement advice and planning was pursued in more depth in the interviews. Only two of the interviewees had formal programmes and neither of these approximated the traditional approach (“old fashioned money seminars”). One firm saw the seminars as a “retention tool” and the other called them “recareering”. Both used external facilitators, provided them free of charge to workers and their spouses and both covered options to continue working, with flexible conditions. Both businesses were strongly oriented to retaining their older workers wherever possible.

Other interviewees were not against the concept of pre-retirement advice, but did not supply it, either because they thought they were too small, that they could not afford it, or that the issue had not arisen – none of their staff were near retirement. Some felt there was no advantage in it for employers and others that it was not their responsibility.

*It seems to be outside employers' orbit and responsibility – it's pastoral care. We don't advise young couples about buying a house.*

*Our employees are mainly women who are second bread-winners. There is no call for advice.*

Pre-retirement advice could even be seen as counter-productive, or even risky, if it was construed as a directive to retire –

*We don't want them to go to pre-retirement discussions – we don't want them to retire. There is no such thing as retirement any more.*

*I would feel uncomfortable; it's like discrimination and could look like constructive dismissal. You have to be careful, it can be negatively interpreted. People would ask, "Why are you raising this?"*

*It's good to have advice so long as it is not stereotyping and seen a pre cursor to the door slamming shut.*

Others felt that more general information would be useful throughout the community.

*People need to be encouraged to look at the bigger picture earlier – from their twenties - but not by employers.*

*It is government's responsibility to educate people to be healthier and responsible.*

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<sup>16</sup> This may not be representative, given the non-random nature of the responses.

## Raising the issue of Retirement

The respondents were asked at what age they would expect employees to retire. Over half chose the 65-69 age bracket. This was the case for organisations of all sizes, although the larger ones were more likely to suggest 60 to 64, as shown in Table 9, and respondents in organisations with under 10 workers were most likely to suggest that people might retire at age 70 plus.

**Table 9: Expected age of retirement, by workforce size (column %)**

Expected age	Number of workers					Total
	0-5	6-9	10-49	50-99	100 plus	
55-59	0	0	7	6	3	4
60-64	0	13	26	29	39	25
65-69	63	47	54	53	50	53
70 or above	31	27	7	12	3	12
No expectation	6	7	0	0	3	2
Other	0	7	6	0	3	4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

In most cases, retirement is raised firstly by the employee themselves. Half of the respondents said that this was the case and others agreed but qualified their response, referring to individual performance. In other words, if performance was not satisfactory then retirement might be raised before the employee brought it up.

*I am only interested in the work outcome. So the issue would have to be raised by the employee.*

*Most likely to be raised by the employee expressing difficulty with aspects of the physical work. (We have) already had this with workers in their 40's and 50's.*

*Employee, unless age was contributing to incompetence.*

In most other cases retirement was a matter for mutual discussion and could be raised by either party, often in the context of a performance review.

*Mutual discussion regarding the situation and capability to perform.*

*Depends on the issue. If performance was not affected then the employer would not need to make a move. If performance becomes an issue, the employer would need to act.*

*Could be raised by either employee or employer. If employee raises it, it could be any time but normally when the pension becomes available. If the employer raises it, it would normally be at the annual performance review, or as a result of restructuring.*

Few respondents suggested that retirement would be raised unilaterally by employers. One respondent hinted that this could, in some cases, be construed as constructive dismissal and was therefore to be avoided.

Larger organisations appear to be more likely to leave the question of retirement to be raised by the employee – 75% of organisations with 50 or more staff gave this response, as opposed to 41% of organisations with under 10. In small organisations employers may play a larger part in bringing up the question of retirement. One in five respondents in workplaces with under 10 employees gave this response, but only one out of 53 (2%) where staff numbers were 50 or more.

The picture painted by the interviewees was similar. In most cases employees are expected to raise the issue of retirement, often in the context of regular performance appraisals or reviews. Some interviewees took pride in the fact that employees could easily raise such matters and that mutually acceptable arrangements could be arrived at in an informal way.

*It is part of our flexible working programme. We ask - can we do this and still deliver for the company? It's how you do it; we want the best outcome for everyone.*

*You have to be open and honest. You ask them to think about reaching (age) 65. It's still OK if well couched, not insulting or disrespectful.*

*The right person with the right communication would never raise the possibility of constructive dismissal. But it is still a sensitive issue. Bad communication can relay it crooked.*

Others were more uncertain about how to manage discussions about retirement plans.

*Raising it looks like discrimination to a person who is feeling vulnerable. How would you deal with people aged 70 and losing abilities? What would you do – give them a booklet, ask about their plans?*

*At what point do you start talking? How would it be raised? It is very individual – linked to context and performance. And it would have to be dispassionately, non-threatening, not a bludgeoning process.*

*It's a dilemma – you can't assume what a person is going to do. You may be talking 5 to 6 years in advance. If the worker is not sending out signals – you can fish for it. But they do not respond you don't have much to work with.*

*There is no safe way to bring it up even though I would not hold people to it. You can ask a 30 year old about their future plans so why not at 65?*

Many employers would probably welcome a process which allows them to make plans for retirement and succession without risking untoward reactions. Employees might also like to discuss their plans and aspirations in a safe environment where they will not be penalised. One interviewee looked forward to an improved process.

*At present it is controlled by the managers and subject to stereotypes and prejudices and we leave it to the employees to bring (retirement) up. We need an employers' initiative – so that employers can control the triggers and get on to front foot. We need a more structured and centralised approach–*

*perhaps to develop a pack for employees 55 plus, laying out the options. It is not unlawful to have a genuine, informative discussion, only to require someone to retire.*

In whatever way retirement was raised, this could provide the opportunity to discuss options for staying on, given the widely-perceived need to retain older workers. Many of the interviewees said that this regularly occurs. In some cases the worker requests reduced hours, part-time or casual work. Some ask for continued full-time jobs, but with less stress and physical demands, with less emphasis on monetary rewards. Casual work and relieving are other possibilities. Such conditions might be offered by the employers, especially to valued workers who would be difficult to replace. In some ways it is easier for older workers to request flexible conditions than younger ones, where this might affect their career prospects.

There may, however, be limits to what is possible.

*For some people replacement is the best option. I would look at requests, within budget constraints and availability. There are no guarantees because we don't have office jobs for all.*

*It depends on what is proposed, the perceived value of the employee, scarcity, skills and what is feasible. There could be a minimum number of hours to be economic.*

*It's not easy. It depends on the position especially in small organisation as everybody is 'one off'. How are we going to fill the other parts of the job?*

The arrangement would clearly have to benefit the organisation as well as the worker, but examples have already been cited where flexible hours can promote efficiency and where part-time workers can be highly productive. There are many examples of the benefits which such arrangements can bring.

*We would be asking them rather when they are **not** going to retire.*

*I can't understand why employers let people go.*

*Shift work allows them to wind down – it works beautifully for us.*

## **How is Retirement changing?**

Most of the interviewees commented on changes in the concept of retirement, and expect further evolution. The old “cliff edge” approach where people move from full-time work one day and total retirement the next, often as a compulsory move, now seems rare.

*It is artificial to suggest that people work flat out to 65 and then there is a void. A sudden stop is not good for either side.*

*I can't imagine going from 40 hours to nothing - Lights on, lights off.*

*When retirement was compulsory people felt useless.*

Many people now see retirement as a time of transition, within which some paid work may still be undertaken, using the flexible conditions which have been discussed through out this report. Older people can thus achieve a balance between work, leisure and other activities.

*People want more control but don't want to finish (work) completely. They want a little bit of both worlds – social interaction, time money.*

*You don't have to retire to get leisure. We are putting out this message and workers are receptive to it.*

*With such arrangements people could go on working into their 80s.*

Changes in the labour market are also helping older workers to be more confident in their planning.

*They know they are not going to be 'elbowed out' at a specified age or after so many years. They can have an air of surety if they are fit and able and have right attitude, if they are positive about earning and learning, even if it means changing jobs - and older people are doing this.*

More than one interviewee though that the transition was now beginning earlier.

*They don't think of retirement as a 'bang', but easing in from full-time work to a less full work life. I don't think that full-time work is extending – people are beginning the transition and easing out earlier.*

And another saw the change as moving back to an earlier concept of retirement.

*My grandfather worked in a bakery until he was 87. My father quit and did nothing. Receipt of NZS will become the only milestone.*

Financial circumstances may be playing a part in this. On the one hand, part-time work will assist with retirement income and the maintenance of standards of living, but some interviewees thought that staying on for financial reasons only was not a good thing.

*Finance is a huge driver. When people see the financial effects of going down to four days some workers back away. But it's not good to stay on full-time just for the money.*

*People keep working because they have to, you can't continue your way of life on New Zealand Superannuation.*

*Many look forward to retirement because they are tired - counting the days But then many work for financial reasons after eligible for superannuation as they haven't made their own provisions.*

A few spoke up for retirement and were looking forward to their own.

*I look forward to stepping down and doing voluntary things I couldn't do before - things which our mothers did but which we never have time to. Society needs it. It's a bit frightening to think of working till 70. We deserve some time to do things while our health is good. I want to have time to do things I have had in mind for ages.*

*Retirement means not having to get up at 7 a.m. and go to work.*

“Retirement” may therefore be conceptualised in several ways. Almost all the respondents considered that leaving a full-time job and doing no more paid work would constitute retirement, but they were evenly divided on whether working part-time or on a casual or consultancy basis for the same firm or for another business would mean that the person involved was retired. Clearly “retirement” can be a fluid concept, both for employers and for employees.

## 8. Conclusion

### Employers' views on workforce ageing

Over half of the interviewees thought that employers were not taking workforce ageing seriously enough, whether through ignorance or complacency. They thought that many employers still actively discriminate against older workers, even though this is illegal. Employers must surely be aware of emerging labour shortages, and, by discriminating, they are making the situation worse – “creating their own shortages.”

*Most don't understand and haven't turned their minds to it. It may be hard to accept change especially in old organisations. Managers are mainly technical experts.*

Most contrasted these attitudes with their own awareness; although some interviewees accepted that they had not given the subject enough thought themselves. All agreed, however, that population ageing is not something that employers can ignore.

*Ageing is not a new issue and it is not going away.*

*We are forced (to take it seriously) in our company. We responded to the survey because we believe that it is an issue for us.*

Four interviewees felt that at least some employers were showing some concern about ageing, but “thought is easy, action harder”.

*There's a lot of talk about it, but little positive yet. It probably needs a crisis before we act, but what will this be?*

*Demographic change will lead us to significant change in society/economy. Hard to say if we are doing enough about it and how policies should change.*

The rest were uncertain how to answer, given limited experience outside their own operations.

Who will encourage employers to meet the challenges of ageing, to see its advantages and be more flexible in dealing with it? Although one or two interviewees thought that government had a role, most considered that employers had take action themselves. Although few had specific suggestions, interviewees hinted that ITOs, employers' associations and NZIM could all help in disseminating information on workforce ageing and in suggesting responses which would benefit business. Clearly the forces of supply and demand in the labour force should ultimately lead employers to give greater attention to retaining and valuing older workers, but information and education is also required.

## Highlighting positive responses to workforce ageing

Interviewees were asked to sum up their own organisation's response to workforce ageing. Over half expressed high levels of awareness and were positive about employing older workers.

*If you can find me some older workers or if they came for interview I would hire them on the spot.*

*We don't want to lose valuable knowledge and maturity; you can't train this into people. If you can't recruit – why now substitute older workers?*

*We want to create an environment for workers 45 plus to be able to keep them in the workforce as long as possible.*

*We will be pro-active and increasingly use older workers, developing programmes to suit them and not creating obstacles – make (this) an easy place to work.*

*We want to be a role model, employing older workers and encouraging and nurturing people who want to continue to work, making it easy for them.*

Some considered that they employ on merit, skill and experience and therefore see no difference in employing older workers.

*It's more about attitude and values, the skills and experience that people bring to the job than age.*

Others took the view that ageing is only one aspect of workforce management and therefore perhaps should not be made problematic.

*(It's) one facet of many in workforce planning. It doesn't need change of policy or a disproportionate focus.*

*Don't treat (workforce ageing) as an illness which needs fixing. Don't patronise older workers, but pick up on the benefits.*

Almost all the interviewees had given workforce ageing some serious thought. Several commended the research for highlighting an important issue for employers. There may, however, be limits to how employers can respond.

*We are adaptable where we can be, where we can break the job down, but it's not always practical.*

*If (older workers) are staying on and not coping we have to manage based on performance, which is difficult.*

Nevertheless, the postal survey and interview results indicate considerable awareness of the implications of workforce ageing and a generally sympathetic view of older workers. This may not be representative of all employers, according to a Hudson Group survey.

*More than half of organisations surveyed do not believe that New Zealand employers view the ageing workforce as a serious business issue. This is despite the fact that statistics clearly show the ageing population threatening to drain the labour market.<sup>17</sup>*

The 167 respondents and 20 interviewees represent a good range of organisations by location, workforce size and activity sector. It must, however be recognised that they may not be typical in terms of their attitudes and actions. Employers with less positive attitudes may have chosen not to respond, as would others who do not think that workforce ageing is relevant to them or, indeed, a serious issue at all.

The research has highlighted a number of ways in which employers can respond positively to the challenge of workforce ageing and some innovative approaches. These include:

- Offering flexible working conditions - hours of work, part-time, casual, relieving positions;
- Modifying work roles to accommodate the needs, capabilities and strengths of older workers;<sup>18</sup>
- Ensuring that older workers have access to appropriate opportunities for education, (re)training and refresher courses, encouraging where required;
- Building on the strengths of mixed age workforces, such as opportunities for complementary work, mentoring, etc.;
- Exploring ways in which transition out of the workforce can be managed so that it benefits both worker and employer.

## **Summary and Conclusion**

The NZIM/IPS research project concludes that the respondents and interviewees have a generally positive attitude towards older workers<sup>19</sup>. This is based on findings with respect to the provision of flexible working conditions and retirement; their views on education and training by older workers, on mixed age workforces and age discrimination.

Flexible working hours and part-time work are widely available in the respondents' organisations, although these provisions may not be specifically targeted at older workers - they may also accommodate female staff with caring commitments. The interviews highlighted a range of innovative provisions which have enabled organisations to prolong workforce participation, while meeting the needs of both workers and business.

Older workers may be overlooked in terms of education and training opportunities by employers who question whether the pay-back periods are long enough to justify this

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<sup>17</sup> The Hudson Group (2004) *New Zealand Ageing Population: Implications for Employers*.

[http://www.hudsonresourcing.co.nz/documents/nz\\_july\\_december\\_2004\\_summary.pdf](http://www.hudsonresourcing.co.nz/documents/nz_july_december_2004_summary.pdf) [27/6/05]

<sup>18</sup> This option is discussed in Davey, J. and Davies, M. (2006) Work In Later Life – Opportunity or Threat? *Social Policy Journal of New Zealand*, Issue 27: 20-37.

<sup>19</sup> A similar conclusion was reached by McNair, S., Flynn, M. and Dutton, N. (2007) *Employers' responses to an ageing workforce: A qualitative study*. Department of Work and Pensions, U.K.

investment. However, most of the respondents and interviewees, especially those in large organisations, appear open to offering education and training to older workers, with a few provisos. Most do not state an age beyond which such opportunities would not be offered and many do not require workers to be “bonded” to stay on after receiving training (although they may have expectations that they will remain for several years).

Most of the respondents and interviewees already have mixed age workforces and consider them good for business, as they provide a combination of youth and experience and opportunities for the mentoring of younger staff. They require sensitive management and a balance between fairness and the recognition of differing needs. The respondents recognise that having variety in age structure allows them to relate well to a diverse and ageing consumer population.

Most respondents and interviewees have a broad view of age discrimination. They appreciate that it can occur with respect to people of any age when decisions are made on hiring, promotion, working conditions, access to education and training, which are based solely on age rather than ability and potential. Nevertheless many do not have written policies on age discrimination, often taking this “as read” within other policies or not considering it necessary. Many saw this as a paper exercise, without value unless it is transformed into action. When asked to define “older” workers and on what basis this would be done, respondents generally avoided stereotypes (while recognising that they can implicitly influence thinking), although there was recognition that the demands of physical work may present more of a challenge to older people. There were also hints that males occupying senior positions might work longer than women workers (reflected also in the age/sex structure of many workforces).

There are other areas, however, in which the respondents may be less “age friendly”. Only one in three have superannuation schemes for their workers (although the question specifically excluded new Kiwi Saver). Few provide other benefits for retired staff and few offer pre-retirement advice or planning. Larger organisations are more likely to have these provisions, as they are better placed to do so. The interviewees expressed mixed views on pre-retirement advice. It may be better framed in terms of how older workers can be retained in employment, where their contribution is still valued (perhaps under the rubric of “life planning”).

How “retirement” is conceptualised is clearly changing for both employees and employers, in the context of workforce ageing, greater longevity and better health in later life. It is now more likely to involve a period of transition that a “cliff edge” shift from full-time work to being completely out of the workforce. More open discussion about the transition to retirement and the options surrounding it, would be of mutual benefit, aiding the transition for employees and facilitating succession planning for employers. Achieving this might require adjustment to existing HR rules and processes. There is clearly some reticence about raising the topic of retirement with employees for fear of this being seen as contrary to anti-age discrimination laws. Most respondents leave it to the employees to make the first move, unless their competence and work performance are clearly slipping.

The ageing of the New Zealand workforce is an aspect of general population ageing, which is characteristic of most countries around the world. This trend will continue as smaller groups of younger workers follow the baby boom bulge through the population. Those who participated in the NZIM/Institute of Policy Studies survey are clearly feeling the effects of a tight labour market, increasing scarcity of young and newly-trained workers, and international competition for skilled staff. Some explicitly relate this to population ageing. Most expect that recruitment problems will become worse in the future. Emerging skills and labour shortages will have serious economic implications if measures are not taken to improve workforce participation rates and to increase productivity. These are issues which should concern employers, but how they meet the challenge is to a considerable extent dependent on their attitudes towards older workers.

*Businesses that anticipate these changes and actively recruit and train mature workers will be well placed to maximise their business potential and achieve success in the new market environment.<sup>20</sup>*

This research has highlighted examples where employers have responded positively to the challenges of workforce ageing (listed in pages 14-16 and summarised on page 43). Businesses which successfully meet the challenge will be those which:

- See older workers as a valuable resource and as part of their recruitment, retention and succession strategies;
- Seek to retain older workers on their staff by offering a variety of flexible working conditions;
- Appreciate the role which older workers can play in relation to the ageing of their customer/client base;
- Build on the advantages of a mixed age workforce, incorporating the mentoring role of older workers;
- Offer education, training and re-training opportunities to workers of all ages, recognising the special needs of older workers;
- Avoid stereotypical views and the myths surrounding older workers;
- Pursue policies and action to combat age discrimination in all its forms;
- Create an environment and processes in the workplace where transition out of the workforce can be safely discussed by employers and employees;
- Are open to phased retirement and willing to consider innovative ways to manage the transition for older workers.

The responsibility for fostering these responses lies mainly with the employers themselves although there is a role for business and professional organisations (including the HR profession) and government. There are clearly advantages in positive responses to workforce ageing. But, if age is used unthinkingly as an indicator of performance and employability, this may result in negative outcomes for older workers, and ultimately for business and for the economy as a whole.

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<sup>20</sup> Robson, WBP (2001) *Ageing Populations and the Workforce: Challenges for Employers*. Winnipeg: British-North American Committee.

## ***Appendix 1 – Research Process and Methodology***

Planning for this research project began in 2006 with a proposal developed and submitted to the Victoria University Pipitea Human Ethics Committee. Ethical approval was received in February 2007 (and for Stage 2 in November) and funding confirmed by May. The NZIM provided support through access to its membership databases and handling of the questionnaires and responses.

Stage 1 of the research was a postal questionnaire to NZIM members with the aim of exploring the attitudes of employers to ageing workforce issues. This questionnaire was posted out on June 1 to 1200 corporate members of NZIM and 800 other NZIM members in Auckland and Wellington. Replies were requested by June 29. NZIM members were alerted to the survey through the institute's regular monthly email newsletter. In total, 167 replies were received, including 17 through an on-line facility which was provided by NZIM. The response rate was low, but not out of line with rates achieved in other NZIM surveys. As the questionnaire was clearly aimed at employers, many members may not have responded as they are not in this category. Some questionnaires were returned as the addressees could not be found. Information from the questionnaires was coded and entered into a database for statistical analysis. A report on Stage 1 was completed by the end of August.

One-third of the postal respondents said that they were available for a face-to-face interview in Stage 2 of the study. . The 56 responses offered a good range of organisations of different workforce sizes and from different sectors of business. Twenty face-to-face interviews were carried out by Judith Davey in November and December 2007. It was originally intended that these would take place only in the Wellington Region, but there were offers from elsewhere. So, to give better coverage, this range was extended, with 4 interviews in Auckland and 3 in Christchurch. These interviews were recorded and subjected to thematic analysis. This report combines Stage 1 and Stage 2 findings.

## **Appendix 2 – Age Composition of Respondents’ Workforces**

Number of respondents/organisations with staff in specified age groups, by sex

<b>Under 25</b>	<b>M</b>	<b>F</b>
None	56	53
Under 10	54	56
ten to 49	15	21
50-99	3	
100 plus	2	1
	130	131
<b>25-44</b>		
None	27	19
Under 10	59	60
ten to 49	23	42
50-99	11	4
100 plus	10	7
	130	132
<b>45-54</b>		
None	24	29
Under 10	74	68
ten to 49	17	26
50-99	9	6
100 plus	7	2
	131	131
<b>55-64</b>		
None	35	40
Under 10	70	71
ten to 49	16	15
50-99	8	3
100 plus	2	1
	131	130
<b>65 plus</b>		
None	83	108
Under 10	42	23
ten to 49	6	0
50-99	0	1
100 plus	0	0
	131	132