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RETAINING AUSTRALIAN OLDER WORKERS - A GUIDE TO GOOD PRACTICE

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CLUSTER PROJECT 10: 60+ AS A NATIONAL ASSET: ABILITY TO CONTRIBUTE TO THE ECONOMY: LABOUR MARKET POLICY AND FLEXIBILITY FOR OLDER WORKERS

ABSTRACT

This paper provides a practical guide to employing older workers based on the recent research literature. The ageing workforce will create major challenges for Australian employers. Forecast labour shortages will see competition for skilled labour increase greatly. Success will depend upon being able to attract and retain skilled older workers. The framework offered in this report provides practical, every day, guidance for managers in tackling workforce ageing issues. Actions business can consider identified in the guide include developing a workforce culture that does not discriminate against older workers, urging efforts from both top managers and line managers in supporting older employees, providing them with training, promoting worker health, designing jobs that fit their needs, offering sufficient recognition and rewards to workers, and assisting their financial and career planning.

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Retaining Australian older workers - a guide to good practice

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Abstract

This paper provides a practical guide to employing older workers based on the recent research literature. The ageing workforce will create major challenges for Australian employers. Forecast labour shortages will see competition for skilled labour increase greatly. Success will depend upon being able to attract and retain skilled older workers. The framework offered in this report provides practical, every day, guidance for managers in tackling workforce ageing issues. Actions business can consider identified in the guide include developing a workforce culture that does not discriminate against older workers, urging efforts from both top managers and line managers in supporting older employees, providing them with training, promoting worker health, designing jobs that fit their needs, offering sufficient recognition and rewards to workers, and assisting their financial and career planning.

Introduction

As Australia is ageing, there will be a bigger proportion of the population aged over 50 in the next 40 years. Many employing organisations are increasingly relying on workers in their mid-to-late-careers. It is essential that they know what the issues and challenges related to the ageing workforce are in order to respond appropriately to demographic changes and likely labour shortages. Based on the extant research findings and best practices, this report offers information and practical tools to assist organisations in attracting and retaining older workers. Specifically, this paper proposes a framework for older workers' employment. This highlights the various aspects at cultural, management and individual levels that can help managers achieve an age-neutral culture and retain skilled older workers.

Older workers and labour market

Defining older workers

Older people in this paper refers to people aged 50 years and over. There is inconsistency in terms of what age constitutes the entry threshold to the category of older worker. The Australian Bureau of Statistics (ABS) uses 65 as the threshold for old age across the general population. In the 2005 Year Book Australia older workers are defined as employed people aged 45-64 years. The United Nations uses 60 as the threshold for old age. Many researchers define older workers as workers aged 50 years and over (Fenwick, 2013) as there are consistently observed sharp declines in labour force participation rates after this age (Taylor, 2006). In addition, Australia provide incentives (e.g. a government wage subsidy) to encourage businesses to employ older workers which are defined as those who are 50 years or older.

The Australian population is ageing

Facts from **2015 Intergenerational report:**

- The number of Australians aged 65 and over is projected to more than double by 2054–55, with 1 in 1,000 people projected to be aged over 100. In 1975, this was 1 in 10,000.
- By 2054–55 there are projected to be 7.0 million Australians aged 65 to 84, compared with around 3.1 million in 2015. This would represent around 18 per cent of the total population, compared with 13 per cent in 2014–15.
- The median age of Australia's population (37.3 years at 30 June 2012) is projected to increase to between 38.6 years and 40.5 years in 2031 and to between 41.0 years and 44.5 years by 2061.

- The number of younger workers is shrinking. As can be seen in Figure 1, growth in the population aged under 15 years is expected to slow to almost zero, while the population aged 55 and over is projected to grow quickly.

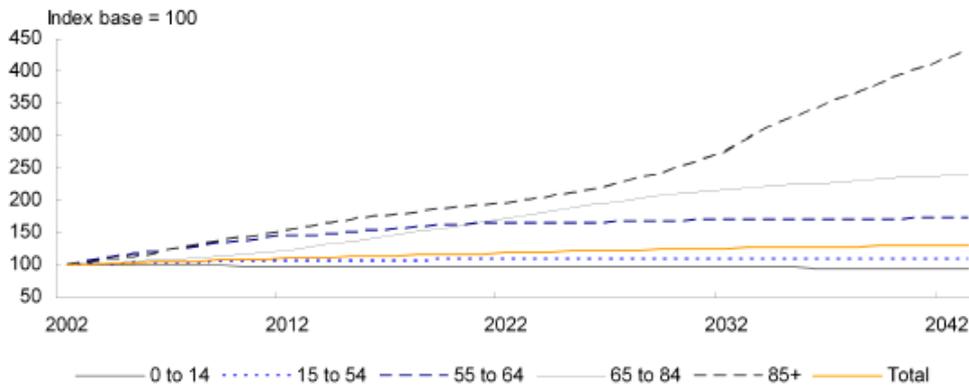


Figure 1: Population Growth Indices by age group

Source: Australia Government, The Treasury.

This is the result of prolonged life expectancy and low birth rate.

- In 2054–55, life expectancy at birth is projected to be 95.1 years for men and 96.6 years for women, compared with 91.5 and 93.6 years today.
- In 2013 the total fertility rate was 1.9 births per woman. For the last 20 years or so the birth rate has fallen below the replacement rate - meaning that without migration Australia’s population would eventually begin to fall.

Government is already making efforts to change the population structure. One approach is to introduce extensive changes to taxes and benefits to assist families. Government is also encouraging employers and employees to have the flexibility to reach mutually beneficial working arrangements - including through part time or flexible work. In addition, immigration has been an important source of labour supply for Australia. Since at least the 1980s, immigration has made the largest

contribution to growth in Australia's working age population (aged 15 years and over) (Treasury, 2015).

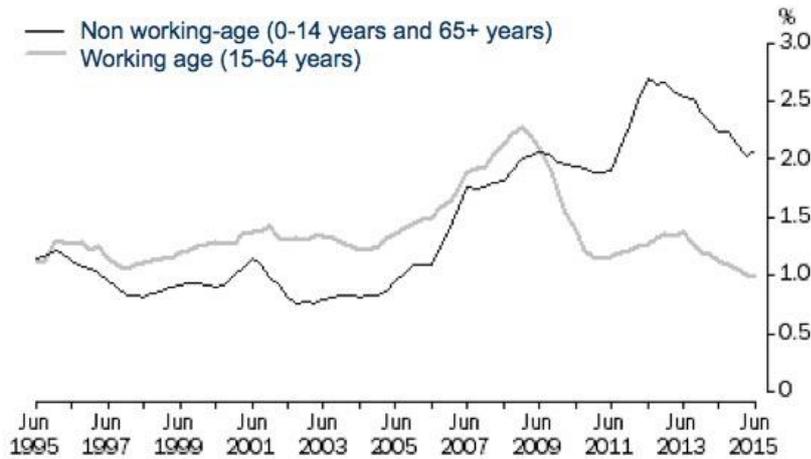


Figure 2. Working-age and non working-age population annual growth rate comparison, Australia- at 30 June.

Source: Australian Bureau of Statistics

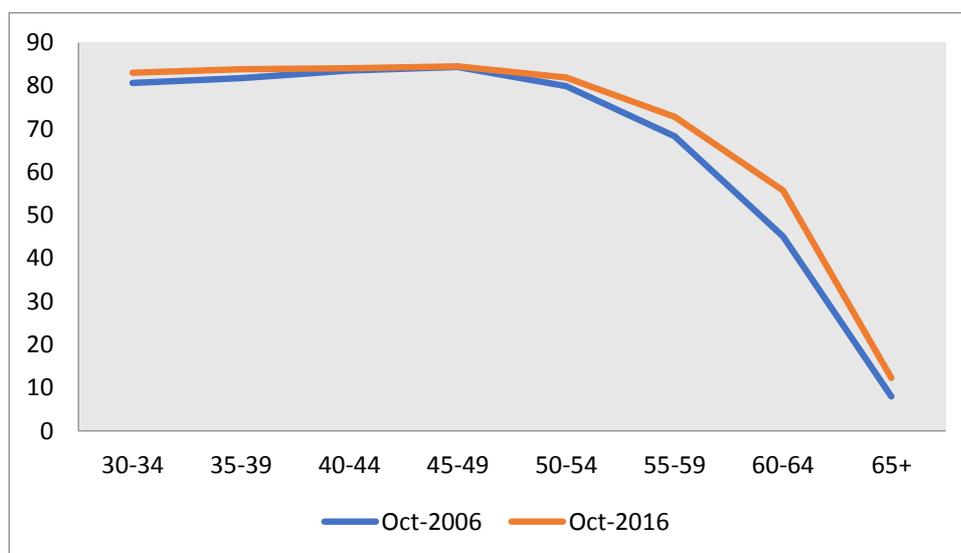
However, despite these efforts, as can be seen in Figure 2, the faster growth in the non working-ages has been evident since 2010. Over the five years to 30 June 2015, the non working-age population (aged 0-14 and 65 and greater) has been growing at 2.3 per cent compared with 1.2 per cent for the working-age population (aged 15-64 years). The main contributor to the increased growth of the non working-age population is growth in the population aged 65 and over.

The IGR projects that over the next 40 years the proportion of the population aged over 65 years will almost double to around 25 per cent. By 2054-55, the participation rate for people aged over 15 years is projected to fall to 62.4 per cent, compared to 64.6 per cent in 2014-15. With a bigger proportion of the population aged over 65 years over the next 40 years, organisations will face a shortage of labour supply.

Older workers and labour for participation

Labour force participation declines dramatically among those aged 50 and over (See Figure 3). In October 2016, 81.8 per cent of Australians aged 50-54 and 72.7 per cent aged 55-59 years were participating in the labour force. This compares with almost half (55.7%) of 60-64 year olds and 12.2 per cent of those aged 65-69 years. The participation rates for the 55-59 and 60-64 age groups increased greatly between 2006 and 2016 (e.g. a 10 percentage point increase among those aged 60-64 years), while the participation rate of people aged 65 years and over remained comparatively low, ranging between 8 per cent and 12.2 per cent over the last 10-year period.

Figure 3. Labour force participation and age



The increase in participation rates has been driven largely by the increased participation of women in the labour force (See Figure 4 and Figure 5). Participation rates for women aged 50-55 increased from 59.4 per cent to 63.7 per cent between 2006 and 2016, and participation rates for women aged 60-64 increased from 34.1 per cent to 44.8 per cent between 2006 and 2016. This increase reflects greater acceptance of women in the workforce in the last 10 years. On the other hand, participation

rates for men aged 60-64 increased by 7 per cent from 2006 to 2016. Overall, older workers, particularly those aged over 55 have low participation rates. They are under-utilised, yet their potential contribution to the economy is very high. Chomik and Piggott (2012) have argued that a five percentage point increase in the participation rates of 50-69 year olds would be worth 2.4 per cent of GDP in 2050. Thus, increasing participation rates among older workers could bring considerable economic benefits.

Figure 4. Female workers participation and age

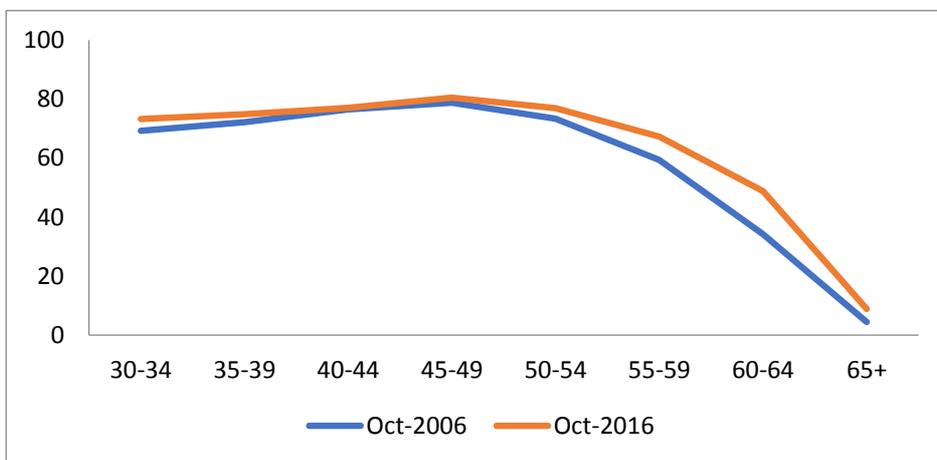
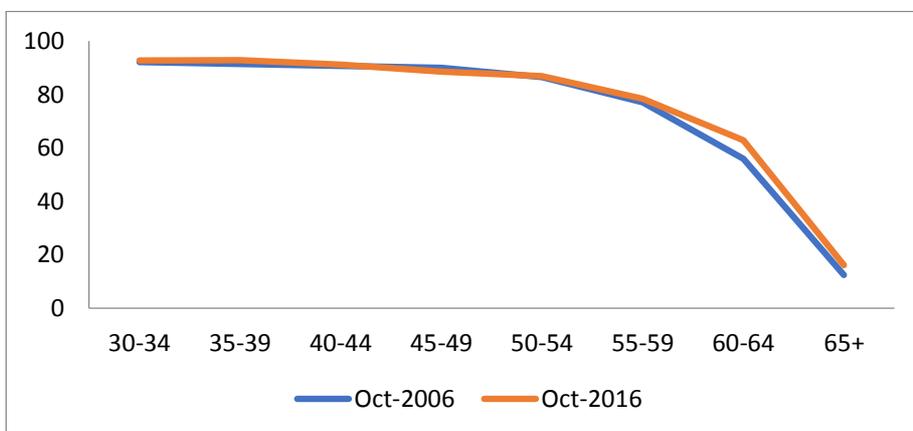


Figure 5. Male workers participation and age



Work and life experience

Work and life at different age stages

The concept of Career/Work-life stages can be used to explore how the experience at the work-life interface differs across the life course for both men and women. The term 'career/work' is used, because people have different work experience. Some people have career professions and they build up skills at earlier employment opportunities and move into higher prestige employment opportunities later on, while others only have work that you do to earn money.

Career/Work-life stages describe the Career/Work -life cycle divided into a sequence of consecutive stages, characterised by certain roles and demands on time and energy in the individual's private life and in their work. Table 1 shows the typical work and life experiences at each age stage.

Table 1 Career/work and life at different age stages

Age	20s	30s	40s	50s	60s
Career /Work	Career/work foundation →	Career/work accumulation →	Career/work consolidation →	Career/work transformation →	Career extension
Life	Independent • Study • Travel • Work	Family formation • Family caring • Loan	Family consolidation • Caring • Sandwich	Empty nest • Caregiving • More → disposal income • Physical health	
	Lots of me time	Little me time		More me time	

1. Career/work foundation (20-29) In this stage people typically start to work and leave the family to establish an independent home and finances. Many young people are still at university. They have full-time or part-time jobs. Travelling and exploring the world is part of their lives. There is plenty of ‘me time’ to do the things they like and to try out new things.

2. Career/work accumulation (30-39) This is the stage where people are accumulating work experiences. They may have clear goal of what they want to become and what career path they plan

to follow. They form their own families. Many get married, have children, and buy a house. Generally aged in their 30s women have heavy caregiving responsibilities and tend to experience career disruptions. There is little 'me time'.

3. Career/work consolidation (40-49) This is usually a period of significant career development. Typically a suitable field is selected and efforts are made to secure a long-term place in the chosen career. Many people hold a senior position and have reached their career peak. 'Sandwich' is used to describe some people in this stage as they care for their ageing parents while supporting their own children. Usually, there is little 'me time'.

4. Career/work transformation (50-59) In this stage, people may re-evaluate their skills, values, interests, personality traits and core priorities, and ask themselves, 'What do I truly want?' Many people perceive this period as an opportunity to pursue new personal or professional goals. People may need to care for their ageing parents. As their children move out of the family home and become more independent, most people have more disposal income and more 'me time'.

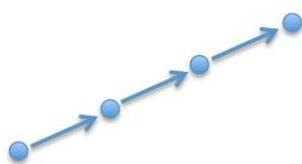
5. Career/work extension (60+) This is usually a period of career extension. Some people may retire at this stage due to poor health, while others may still pursue extending their working life beyond age pension age. People may choose bridge employment before they retire entirely or they may re-enter the workforce as they find life quality after retirement falls below their expectations. Some pursue volunteer work to do something meaningful.

How to use the concept of ‘Career/Work-life stages’

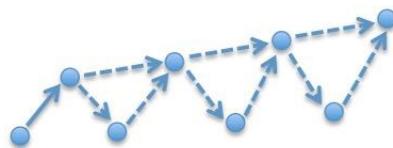
It is critical that managers can keep the concept of career/work-life stages in mind when making management decisions. People at different life stages have their own priorities or financial and time pressures. Jobs should be designed to suit workers’ particular needs.

However, life courses and labour markets are undergoing change. The changing job market and work dynamics also challenge the idea that all workers will follow similar ‘Career/Work-life stages’. For instance, in the ‘Career/Work-life stages’, most formal education takes place when people are aged in their 20s. However, lifelong learning is critical for people at all ages. Older workers, along with younger ones, need to face the technological upheaval and industrial transformation. Thus, providing on-the-job training opportunities to older workers is important.

Furthermore, the traditionally linear work trajectory is not common anymore. As the world of work is changing quickly, many people change jobs or career paths many times during their time course. When people get to their 40s they may still require the opportunity to change work, industry or profession. At the moment the traditional organisation structure makes it very difficult for older workers to change jobs, but work situation requires most of workers to do so. Figure 6 indicates the common new career trajectory. Thus, organisations should give people opportunities to change careers in their late 40s, 50s, or 60s, and provide them with entry-level positions when required.



A. Traditional career trajectory



B. New career trajectory

Figure 6. The traditional and new career trajectories

Similarly, there is a trend towards the casualisation of the labour market. This has a big impact on job security, pay and workers' working conditions. For many workers, particularly women who have left the labour market to undertake parenting, the common way for re-entry into work is via casual employment. This influences their career development path. Therefore, it is necessary for managers to consider the impact of casualisation in job design.

In conclusion, ageing has emerged as a major and urgent issue for individuals, organisations and government. Participation rates of older workers are low. Many people are not following the traditional linear career trajectory anymore. The above changes are expected to impact the supply and require organisations to improve their ability to attract and retain a skilled workforce. Organisations need to understand how to increase participation rates of workers aged 50-65, and offer work opportunities to those aged over 65 and willing to continue working. However, currently too few organisations have a strategic approach to manage their ageing workforces. This paper will help managers better understand older workers and implement unbiased policies.

Build an age-neutral organisation

There are two major focuses of this paper. One is to recognise the current stereotypes that both employers and employees may have in terms of their perceptions of generational differences, and older workers' learning motivation, physical and mental conditions, and productivity and job performance. Age stereotypes impact all age groups, although in this report we are only exploring impacts from mid to later working life and the traditional management frameworks that limit opportunities for workers at older ages. Secondly, managers need to recognise when people in mid

to late working life are internalising and acting out age stereotypes and seek to neutralise this behaviour.

Table 1 outlines some stereotypes that enable managers to project their own behaviour and thinking, and to avoid seeing older workers in a stereotypical way. Building an age-neutral organisation means managers should not make judgments and decisions based on age stereotypes. Such stereotypes can mask the individual differences and needs. For example, ‘generation’ is used by researchers and managers in categorising workers into different groups and assume workers belong to the same group have similar work motivations and learning preferences. However, within generation differences might be larger than generational differences.

In response, it is suggested that a ‘life course’ perspective should be used to investigate the mid to later life workers’ needs and preferences to develop responsive organisational policies and culture. The life course principle of ‘human agency within structure’ implies that individuals have plans, make choices, and undertake actions within the opportunities and constraints of their social worlds, which are shaped by personal history and social circumstances (Settersten, 2003). The stereotype that older workers do not like to learn does not hold. This is reflected in the later discussion that older workers may still actively pursue learning opportunities and career development if they consider themselves in a career growth stage. Older workers may need to take flexible jobs, not because they are physically weak but because they may have caregiving responsibilities due to the life stage they are in. The following table provides some examples of the stereotypes.

Table 2 Age related stereotypes

Typical stereotypes related to older workers		Truths
There are generational differences, thus HR practices should be tailored towards the	HR	Practitioners and researchers tend to mix the concept of ‘generation’ with ‘age group’. Within

unique needs of each generation.	generation differences might be larger than generational differences.
Older workers do not like learning new things.	Many older workers are eager to learn.
Older workers are very slow and their productivity and performance tend to be low than younger workers.	Older workers can be as productive as younger workers.
Older workers are more experienced.	The experience an older worker has accumulated may not be relevant to the position they have applied for.
Older workers are more loyal than younger ones.	Older worker 'loyalty' may be more a function of a lack of job mobility than a desire to stay with the same employer.
Older workers prefer intrinsic reward (e.g. interesting job and fulfilment) more than extrinsic reward (e.g. salary and benefits).	There is inconsistency in whether intrinsic or extrinsic values are more important among older workers.

An age management framework

In order to develop a strategic approach to retaining older workers and to establish an age-neutral organisational culture, this paper describes an age management framework, seen the Figure 5 age management pyramid.



Figure 5. Age management pyramid

This framework is a planning and management tool that highlights the key areas that organisations can focus on to attract and retain older workers. The framework is portrayed in the shape of a pyramid with workforce culture at the top, leadership in the middle and individual development at the bottom. In the framework all of the elements are interconnected. The hierarchy shows that culture describes the shared values and beliefs of employees working for an organisation. An organisation’s workforce culture is thought to influence its climate, which in turn impacts employee motivation, performance, and well-being. In the middle of the pyramid, support from both top managers and mid-level managers is critical for older workers, as policies such as offering flexible work or enhancing age diversity workforce require managers to allocate both time and resources to implement. At the bottom level, individual development covers learning, job design, reward and recognition, health and well-being, and financial and career planning. There is no ‘one size fits all’ approach that makes sense. However, managers and employers can use this framework as general guidance to ensure talented older workers are well retained in the organisations, and potential new employees are recruited based on their skills and experiences rather than age. The following sections provide detailed explanations of each element of the framework.

How do I use the framework?

The age management pyramid is designed as a management tool, identifying key areas for organisations to consider and a range of strategies and actions for managers to pursue in attracting and retaining older workers. The discussion of each element of the framework uses the following format:

Facts: drawn from existing studies, the facts demonstrate what issues organisations may have but not aware of, and what are the critical information that managers should know to understand older workers better. For instance, under the age awareness element, one common problem some organisations have is to ‘have unspoken cultural rules about the retirement age’.

Actions: based on the facts, a series of practical and specific strategies managers can undertake are provided. The suggestion for solving the cultural rules about retirement age is to ‘provide encouragement for older workers to continue to work beyond age pension age. Do not pressure them to retire at a particular age’.

Managers should check the ‘Facts’ section first and evaluate if their own organisations face similar issues, then check the ‘Actions’ section for suggested strategies. The pyramid also indicates that when managing older workers, managers need to consider evaluating their organisation culture first. Then check the sufficiency of support from managers. Lastly, they should look at all aspects related to older workers’ individual development. Because each organisation has different situations, managers should apply their own judgement about what the best practices for their organisations are.

Workplace culture

Organisational culture is a system of shared assumptions, values, and beliefs that governs how people behave in organisations. These shared values have a strong influence on the people in the organisation and dictate how they dress, act, and perform their jobs. Every organisation has a unique dominant culture and various powerful subcultures that are fundamental to all actions, operations, and relationships in the organisation. Workplace culture provides guidelines and boundaries for the behaviour of workers in the organisation. In this report, the workplace culture element comprises age awareness and work community. Age awareness has twofold meanings. It refers to both the age-related assumptions that managers or employees have and how older workers conceptualise their own position in the workplace. Work community concerns how to facilitate collaboration between older and younger workers.

Age awareness

Despite the promotion of age-friendly workplace policies by the Australian governments, research has shown that age discrimination continues to affect older workers' deployment, job security, promotion and retention, albeit a minority (Australian Human Rights Commission., 2015). Over a quarter (27%) of Australians aged 50 and over indicated that they had experienced some form of age discrimination during 2013 and 2014 (Australian Human Rights Commission., 2015). In addition, many older workers have negative self-perceptions. Thus, it is necessary to know how to reduce stereotypical attitudes towards older workers as well as help them to establish positive self-perceptions.

❖ *Facts:*

- The proportion of older workers in the workforce is increasing.
- Employer attitudes about age and ageing are stereotypical.

- Age stereotypes relating to productivity and change readiness can affect recruitment decisions and devalue an older workers' contribution.
- Older workers do not necessarily have relevant or useful job experience.
- Little attention has been paid to the intersection of age, gender, race and immigration status. The labour market works in favour of some more than others.
- Negative self-perceptions of ageing and negative age stereotypes are associated with negative employment outcomes.
- Some organisations have unspoken cultural rules about the retirement age. This can place implicit pressure on older workers to leave because it is time to do so.

❖ *Actions:*

- ✓ Be aware of the changing demographic patterns in the workforce.
- ✓ Plan ahead and develop long-term strategies for managing workforce ageing.
- ✓ Organise diversity training or seminars to promote awareness of negative age stereotypes and age discrimination managers may have. Such training should educate participants about procedural (e.g., process fairness) and interactional justice rules (e.g., fairness in offering information about the decision making process and fairness toward affected persons) in order to achieve a lower level of perceived discrimination among employees.
- ✓ Identify areas of decision making where age stereotypes are more likely to exist.
- ✓ Be alert to potential bias in employee evaluations and use more objective methods.
- ✓ Establish a workplace age inclusive culture, which values diverse contributions.
- ✓ Use age neutral language and images.
- ✓ Recruit and select candidates based on required skills and abilities, rather than their age, gender, race and immigration status.
- ✓ Do not make assumptions about skills, abilities and motivations based on an individual's age.

- ✓ Provide intervention programs targeting older workers' negative self-perceptions of ageing, to change negative age stereotypes and therefore promote successful ageing.
- ✓ Provide encouragement for older workers to continue to work beyond age pension age. Do not pressure them to retire at a particular age.

Work community

There is a growing interest in understanding how younger and older workers work together in organisations. Workers have been classified as Baby boomers, Generation X, and Millennials (also known as Generation Y). Many researchers tend to use generation terms to differentiate workers who were born in a particular year bracket. However, the concept may be of little practical utility. The followings are some facts draw from extant research and suggested actions.

❖ *Facts:*

- In a highly age diverse workforce, higher levels of perceived age discrimination may occur.
- Older workers are not necessarily more experienced or knowledgeable than younger workers.
- There can be greater performance variation within the same age group than between age groups.

❖ *Actions:*

- ✓ In a highly age diverse workforce, managers need to ascertain if there is high age discrimination in the organisation and should facilitate communication between workers of different ages and encourage them to work collectively.
- ✓ Develop mentoring programs whereby both older and younger experienced and knowledgeable workers have the opportunity to pass on their knowledge and expertise to less experienced workers.

- ✓ Using the ‘generation’ concept to differentiate workers is not appropriated. Managers need to be aware that within-generational differences can be as large as multi-generational differences. Do not ignore individual capabilities and needs.
- ✓ Establish and support mixed-age teams.

Leadership

Both top managers and line managers play a critical role in issues of older workers’ employment. The age stereotypes top managers hold can influence the perceptions of other employees in the organisation. Furthermore, as line managers closely worked with older workers, providing resources and support to line managers indirectly influences the flexible work options and other supports t available to all workers including older workers.

❖ Facts:

- Negative age stereotypes held by the top management can play a crucial role in the development of negative age subgrouping processes in organisations.
- Implementing flexible work presents operational challenges.
- Managers play an important role in improving older workers’ person-job fit, and prevent and help remedy obsolete expertise resulting from experience concentration.
- Older workers who feel supported and valued by their line managers are less inclined to opt for early retirement.
- Line managers’ abilities and opportunities for action influence the extent to which they provide support to older workers.

❖ Actions:

- ✓ Top managers participate in awareness training to challenge their own age stereotypes.
- ✓ Top managers support and demonstrate a genuine commitment to recruit and retain older workers.
- ✓ Top managers are trained in age-friendly employment practices.

- ✓ Promote an age-diversity climate among employees of all ages.
- ✓ Encourage age-diverse collaboration.
- ✓ Senior management takes up flexible options themselves, setting an example for other workers to facilitate a positive culture change in the organisation.
- ✓ Adjust jobs to changing goals and motives to improve older workers' current person - job fit; Use proactive career planning to improve older workers' future person - job fit.
- ✓ Use formal training to help older workers reduce the negative consequences of experience concentration and improve their employability.
- ✓ To ensure older workers who take up flexible work have high output, managers should set timely and clear goals, and regularly evaluate their work quality and productivity.
- ✓ Line managers provide support and recognitions to older workers.
- ✓ Provide sufficient human and budgetary resources that enable managers to combine flexible work arrangement with demands on organisational effectiveness and acceptance by co-workers.
- ✓ Line managers show appreciation for older workers' work.
- ✓ Improve line managers' coaching abilities.
- ✓ Provide line managers with the requisite discretionary space.

Individual development

Individual development in this report concerns the learning, job design, health and well-being, reward and recognition, and financial and career planning. Learning is critical for older workers to update their knowledge and skills, and acquire the necessary level of adaptability. Job design requires that employers and managers consider the impact of life and career stages on the job structure and job content that suits older workers' needs. The element of health and well-being concerns factors that are related to the improvement of older workers' physical health and overall

experience or affect towards both the job and the organisations. Reward and recognition concerns any differences in the work motivations between older and younger workers, and the methods to ensure older workers are motivated in work. Financial and career planning concerns ways to improve older workers' financial literacy and help them make plans for their career and plan for future retirement.

There is a wealth of evidence to demonstrate that opportunities for training and development for older workers, regardless of their employment sector, are more limited than for younger workers. One explanation for this is the existence of negative age stereotypes, such as older workers' learning ability and their learning motivation being weaker than their younger counterparts. However, age should not be used as the criterion to decide who gets training and who does not. Older workers are a complex group that cannot be universalised with such stereotypes. The facts and actions we can consider are as follow:

❖ *Facts:*

- The stereotype that 'old dogs can't learn new tricks' is not true.
- Older workers can learn as well as younger workers provided training methods are tailored to individual learning styles and capabilities.
- Many older workers expected to decide for themselves the knowledge they want to learn and understand their own priorities well.
- Older workers may experience learning anxiety.
- Willingness to learn unrelated to age. Older workers are a complex group for whom the universalised assumption that they are not interested in participating in continuous learning does not hold. Learning orientations vary within the older worker group.

❖ *Actions*

- ✓ Provide both younger and older workers equal learning opportunities.

- ✓ Tailor training towards older workers' learning and development needs. Some older workers have worked in their field for a long period and do not require basic training. Training should deepen rather than simply repeat what older workers know already.
- ✓ Provide different training methods, such as on-the-job and formal seminars for older workers and allow them to choose the methods that fit their own learning style.
- ✓ Allow older workers to decide for themselves the knowledge they want to learn.
- ✓ Address the possibility of anxiety related to learning.
- ✓ Promote awareness and the importance of life-long learning and motivate older workers to continuously improve their abilities through training.

Job design

Job design includes both job structure and job content. Job structure refers to the way work is organised and how this flexes to the needs and preferences of workers at different points across their work life course. For example, for older workers seeking to transition to retirement it might be flexible/blended work or bridge employment. Job content refers to the tasks and activities required by a job, continuing challenge is important for some in later working life while others may be seeking to reduce job stress.

Job structure

Solutions to meet the needs of ageing workers and solve a predicted labour shortage problem include flexible/blended work and diverse modalities of transitional or gradual retirement, such as bridge employment, phased retirement, re-entry and partial retirement.

Some key concepts:

- Flexible/Blended work refers to ‘time independent and location-independent working enabled through high-tech ICT (Information and Communication Technology) software, devices, and infrastructure’ (Van Yperen et al., 2014, p. 1).
- Bridge employment refers to jobs that follow career or full-time employment and precede complete labour force withdrawal or retirement from work (Cahill et al., 2013).
- Phased retirement is the alternative of working shorter hours for the same employer.
- Partial retirement refers to a job change from a career job to a new full-time or part-time position (Kantarci & Van Soest, 2008).
- Re-entry means re-entering the labour force after retiring (Cahill et al., 2011).

Both flexible work and diverse modalities of transitional or gradual retirement are necessary for older workers. However, managers need to be cautious that flexible work should not be provided only to older workers. All workers may benefit from flexible work to meet their work and personal life responsibilities. The following facts provide the foundations for actions suggested to managers.

❖ *Facts*

- Flexible work options are most valuable at transition stages, which involve substantial external responsibilities, such as education, family formation and pre-retirement.
- Not all types of work are suitable for providing flexible work.
- HR managers are likely to hold negative views of flexible working (e.g. part-timers are less committed).
- Although many organisations have flexibility programs, not many employees take flexible jobs, as culturally it is not appropriate to do so.
- Bridge employment keeps older workers active and productive in the workforce, and prevents the negative psychological outcomes associated with the cliff edge of conventional retirement.

- Employees working reduced hours may receive lower incomes and often have fewer opportunities to obtain a promotion and they perceive a loss of status, social exclusion and under-employment.
- Many older workers want to maintain or increase their hours of employment.
- Many older workers may not be aware of the flexible work options offered by organisations or lack of familiarity with what is reasonable to request.

❖ *Actions*

- ✓ Offer Blended/Flexible work opportunities equally to all workers at different transition stages.
- ✓ Reduce the negative connotations of flexible working among managers, such as part-timers are less committed.
- ✓ Offer bridge employment, phased retirement (partial retirement) and re-entry to older workers.
- ✓ Clearly define job responsibilities for workers who take flexible work and set communication routines to ensure those job sharing can work seamlessly and efficiently.
- ✓ Provide equal promotion opportunities to people with flexible work arrangements.
- ✓ Do not make assumptions about older workers' expectations regarding working hours.
- ✓ Develop awareness of flexible work options for older workers and familiar them with what they can request.

Job content

Job characteristics and the time spent on a given job might lead to a loss of productivity and motivation. Poor job quality has negative effects on older workers' health and well-being. The following investigated the facts about the characteristics of the jobs that managers should consider

in order to reduce the probability of older workers' premature departure from working life. Actions for managers are also described.

❖ *Facts:*

- Age per se is not the core reason that may lead to a loss of productivity and motivation but rather the specific job characteristics and the time spent on a given job.
- Job stress is related to reduced workability (one's perceived mental and physical capacity to work). Job stress leads to premature departure from working life.
- Including learning and development when designing a job is considered important to retain older workers.
- Older workers who have high demands at work and low control over their tasks are more likely to experience high work stress.
- With increasing age, employees working in jobs high in complexity and control perceive more future work opportunities than do workers having more restricted jobs.
- Poor quality of work in terms of an effort - reward imbalance is associated with retirement intentions, as retirement is considered as a relief from the burden of work.
- BMW redesigned a production line and demonstrated that older workers can be as productive as younger workers.
- There is a trend that the number of physically demanding jobs will decrease, while the number of cognitively demanding jobs will increase.

❖ *Actions*

- ✓ Improve the complexity and control in jobs in order to boost older workers' confidence that there will be future work opportunities, thus keeping them in work for longer.
- ✓ Increase the quality of work (adequate rewards based on older workers' contribution, low physical demands, low psycho-social demands, and high social support at work).

- ✓ Designing a job to include learning and development in order to retain older workers. As with younger workers, older workers should be encouraged to learn new skills and undertake new projects.
- ✓ Brainstorm ideas with all workers and make modifications to the work environment and work content, such as using flexible magnifying lenses and adjustable worktables, improving posture, lighting and other aspects of the physical environment if they are needed.
- ✓ Offer frequent job rotations to improve productivity and reduce health issues.
- ✓ Train older workers and support those who need to transfer from physically demanding jobs to cognitively demanding jobs.

Reward and recognition

Rewards motivate individuals because of their ability to satisfy various human needs. Employers' recognition shows employees that their work is valued. Both reward and recognition are closely related to work motivation. Understanding what motivates workers and providing rewards accordingly are critical in managing employees. The followings are facts related to reward and recognitions, and these are followed by suggestions for actions.

❖ Facts:

- Employees of all ages considered recognition and respect as the most important HR practice in influencing decisions to remain in, or return to the workforce.
- There is inconsistency in the extant literature on whether intrinsic or extrinsic motivations are more important for older workers than younger workers. Some research shows that age is positively related to intrinsic motivation (autonomy, achievement, development or challenging work assignments, interesting work, working with or helping people and job

security), while other research shows that both intrinsic and extrinsic motivations are important for older workers.

❖ *Actions:*

- ✓ Recognise the contribution of employees of all ages.
- ✓ Seeking input from older workers about what they value most and aligning it with organisational objectives and broader objectives is the best basis for determining what approach will be most successful.

Health and well-being

One of the key strategies to improve workforce participation is to improve health and reduce illness, injury or disability. In the 2010 Australia social trend report, 23 per cent of respondents reported that personal health or physical abilities would be the main factor in their decision when to retire (Australian bureau of statistics., 2010). Health issues are strongly related to early retirement behaviour in Australia, with 19 per cent of men and 14 per cent of women retiring due to sickness, injury or ill health (Autralian bureau of statistics., 2015). Thus, organisations need to pay attentions to the health and well-being of their employees.

❖ *Facts*

- Ageing is associated with a general decline in physical health, such as muscle strength, bone density, and aerobic capacity. However, physical and cognitive decline may not impact older workers' job performance. Most jobs do not require a worker to perform optimally in terms of their mental and physical capacities. Increasing job knowledge may increase an older worker's capacity to respond to novel situations.

- Older workers experience a lower overall frequency of work-related injuries. However the injuries they experience tend to be more severe and are more likely to be fatal. Older workers entering new roles may be prone to injuries in the same way as younger people.
- Relatively little research had considered the unique health and safety issues confronting workers aged over 60.
- Every dollar spent on health promotion programs for all workers at the workplace reduces medical costs by \$3.72 and absenteeism costs by \$2.73.

❖ *Actions:*

- ✓ Do not judge workers' work performances based on age.
- ✓ Assess the physical, environmental and organisational risk factors in the workplace for older workers.
- ✓ Effective work design and ergonomics. Re-engineer jobs to consider the special health and safety challenges that older workers may face.
- ✓ Promote physical activities and good health, and increase job control.

Future making

One of the main reasons that older workers re-enter the workforce is a lack of enough wealth to support the lifestyle they planned to have after retirement. Many older workers have limited financial knowledge and cannot plan well before they retire. Thus, employers and managers should help older workers plan wisely and see the benefit of prolonging their work life. The facts and actions we can consider are as follows:

❖ *Facts:*

- Those who plan for retirement accumulate three times as much wealth as those who do not.
- There is a positive effect of financial literacy on retirement preparations.
- Fewer than 20 per cent of workers believe they engaged in successful retirement planning.

- Workforce re-entry can serve as a backup plan when an individual's standard of living in retirement falls short of expectations.
- Older workers tend to experience high earning losses than younger workers when they have periods of non-employment.
- Nearly four out of five Australian older workers say they have either never - or not recently - planned their careers, and believed it is not necessary to do so (National seniors., 2015). However, planning is vital for older workers to broadening work options, improving salary and extending working lives.
- The traditional career path of long-term, full-time employment in one organization is not common any more. An increasing number of workers are expected to switch careers throughout a lifetime. Many older workers plan to start a new career in their late career life.
- Casualisation is another challenge presented to all workers including older workers. Older workers may face job insecurity stress. Job uncertainty is statistically related to uncertainty in all life domains, such as divorces, relocations, and health issues. Older workers may lack the resources such as social networks, economic capital, general and technical knowledge to help them cope with the situation.
- Both boundaryless and protean career concepts emphasis that in a modern society careers are not bounded within any single organisation and individuals should proactively manage their own careers.

Boundaryless career: the antonym of the 'bounded' or 'organizational' career. It means people are independent of organisations, vocations and other bounded traditional career principles.

Protean career: individuals are career actors. They drove their careers based upon their own psychological success and decisions.

- Age stereotypes are barriers of organisational career management and older workers tend to get less organisational support for their career development.

- Many older workers may experience career plateaus.

❖ *Actions:*

- ✓ Encourage workers to begin planning for their retirement early.
- ✓ Organise financial knowledge and financial planning workshops, and provide specialist superannuation advice.
- ✓ Help older workers develop accurate expectations of future retirement benefits.
- ✓ Encourage older workers to work longer or take bridge employment rather than retire completely once they reach certain retirement age.
- ✓ Discuss career planning with employees of all ages. Organise seminars promoting the benefit of later life career planning.
- ✓ Offer the entry-level job opportunities to older workers who want to start a new career.
- ✓ To help older workers make career transitions, firms can train older workers to develop control (increasing influence on their career situations), confidence of themselves and have a positive and optimistic attitudes to the future.
- ✓ Provide resources such as social networks, economic capital, general and technical knowledge to help older workers cope with stress related to job casualisation.
- ✓ Assist older workers in managing their own careers, and promote boundaryless and protean career attitudes among workers at all ages.
- ✓ Critically reflect whether organisations' selection and placement procedures allow employees' career development over the life span.
- ✓ Use non-discriminatory recruitment advertisements to attract both younger and older workers.
- ✓ Help older workers to avoid career plateaus through discovering new challenges and ways of performing daily tasks.

Conclusions

The ageing workforce has created a major challenge for employing organisations. Forecast workforce shortages in Australia will see the competition for skilled labour increase greatly. Success will depend upon being able to attract and retain skilled older workers. The framework offered in this paper provides practical guidelines for managers in tackling workforce ageing issues. Actions business can consider include developing a workforce culture that does not discriminate against older workers, urging efforts from both top managers and line managers in supporting older employees, providing training to them, promoting health, designing jobs that fit their needs, offering sufficient recognition and rewards to individuals, and assisting their financial and career planning.

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