



New Zealand's ageing workforce

Engaging and retaining New Zealand's ageing workforce is crucial if organisations are going to be able to retain sufficient skill and labour, says Dr Tim Bentley. He outlines the key findings of a recent study examining older workers' perceptions.

Workforce ageing is a global trend that New Zealand is particularly vulnerable to. The impacts of ageing on society and the economy will be felt all the more if organisations do not have good age policies and practices in place and older workers themselves do not prepare for an extended working life. With this in mind, a group of New Zealand researchers based at AUT, the University of Waikato and Massey University have conducted studies, in collaboration with Diversity Works, considering organisational and worker perspectives on engaging and retaining older workers.

This article overviews the key findings from the most recent

study, which examined older workers' perceptions of organisational practices that relate to the ageing workforce, and the personal, job and organisational factors they believe are most important for their continued positive participation in employment into later life.

Among OECD countries, New Zealand recorded the second highest employment rate of people aged 55-64 years in 2012 and 2013, and third highest of people aged 65-69 years in 2012 (OECD, 2015). As at June 2014, 22 percent of workers in New Zealand were aged 55 years or over (Statistics NZ, 2014). These figures are set to climb over the next decade. If New Zealand is going to



be able to retain sufficient skill and labour within the workforce, serious attention needs to be paid to how best to enable older workers to remain within the workforce beyond the traditional retirement age of 65.

The OECD defines an older worker as an employee aged 55 years and over, an approach adopted by New Zealand's Ministry of Business, Innovation and Employment. We followed this approach with our online survey of 1238 individuals aged 55 years or older who were working across a broad range of New Zealand organisations.

STUDY PARTICIPANTS AND THEIR RESPONSES

Of the 1238 employees and managers who responded to our invitation to participate in an online survey, 412 were male (33.3 percent) and 826 were female (66.7 percent). Approximately half of our participants were aged 55-59 years and the remainder over 59. The older workers who took our survey were employed across 32 organisations throughout New Zealand. Some 89.5 percent were employed in large organisations employing more than 200 employees, nine percent in medium-sized organisations (20-199 employees), while only 1.5 percent came from small organisations employing fewer than 20 employees.

Approximately one-third of our participants were employed in healthcare and social assistance (29.7 percent), while another third came from either financial and insurance (17.5 percent) or administrative and support services (12.3 percent). Of the 1238 participants, 64 percent were non-managerial employees, 10 percent first-line supervisors, and 20 percent mid-level managers. A further six percent were senior managers/executives.

So, what did our study participants have to say?

Retirement, reduced hours and quit intentions. We asked our participants at what age they would prefer to retire and at what age they could realistically retire. At 65.9 years, the preferred retirement age for our sample was nearly one full year beyond the traditional retirement age of 65 years, while the realistic retirement age was nearly two-and-a-half years beyond traditional retirement age (67.4). This finding, that on average older workers will spend 1.5 years in work beyond when they would like to retire, suggests organisations should seek to make efforts to ensure work is engaging and fits with the needs of older workers to accommodate this extended working life.

Reducing work hours. We asked whether our participants planned to reduce their work hours or go part-time. The sample were split fairly evenly between 'yes, plan to reduce work hours' (37 percent), 'no' (34 percent) and unsure (30 percent), and these findings did not differ significantly according to age or level in the organisation.

These findings should be considered in light of previous research that has found the availability of quality part-time work and flexible working hours were two key determinants of New Zealand employees' decisions to work past their expected retirement date. Decisions about reducing work hours and graduated retirement may be influenced by perceptions of organisational or managerial attitudes towards part-time work.

Injury, health and disability. Our findings suggest that the older workers are generally work fit and without health or injury problems that affected their ability to participate in work. Just 17 percent of our participants were affected by injury, health or disability-related factors that had an impact on work performance and experience. The presence of symptoms of ill-health was also rated as being extremely low amongst our participants.

Attitudes and behaviours towards older workers. As previous research has clearly linked age-discrimination to older worker wellbeing, retention and engagement, we asked our participants about their experience of age discrimination in the workforce. Encouragingly, the perceived prevalence of age discrimination was relatively low, with only two percent reporting experiencing age discrimination several times a week or daily during the past 12 months, and a further 17 percent experiencing age discrimination at least now and then. Groups associated with higher levels of discrimination included female workers and those in lower level organisational roles.

Of the more concerning areas of age discrimination amongst the organisations represented in the survey, biases held by managers that affect decisions about older workers were most commonly perceived, with almost one-quarter of respondents our participants agreeing that this was a concern.

HR practices supporting mature-age workers. We asked our participants to rate the extent to which their organisation currently engaged in a wide range of age-related human resource practices. While none of the HR practices included was perceived as in use by more than half of our sample, the findings show that older workers rated their organisations as moderately strong on flexible working practices, performance management and recognition and respect issues. However, our participants perceived their organisations to be weak on areas associated with manager training, compensation management and some aspects of job design—areas also found to be important for retention and engagement of older staff.

We also asked our participants to rate the degree of importance that various HR practices have for their continuing engagement and retention in the workplace. International studies have found recognition and respect to be of particular importance in older workers' retention, and it was therefore unsurprising to find these

practices were rated as most important to our sample's continuing engagement in the workforce in the present study.

The other highly rated practice was flexible work options—practices becoming increasingly important to workers as a means of gaining autonomy and enhancing work-life balance. The relatively high rankings for compensation options and job design are in contrast to the perceived provision of these practices in our participants' organisations, and indicate clear priorities for organisations that wish to be effective in retaining skilled and experienced older workers.

PERSONAL RESPONSES

Next we asked our participants to tell us, in their own words, what personal, job and organisational factors would enable them to continue working within their organisation as they age. The most important organisational factor that older workers mentioned was flexibility, in line with previous research, with over half of the respondents who answered this question reporting their desire or need to work from home, have the opportunity for flexible or reduced hours, or the opportunity for extended or flexible leave.

Having a comfortable and safe working environment was important to many respondents, while others mentioned more specific features, particularly relating to mobility and ergonomics. The stability of their job was recognised as important by a large number of participants, many of whom acknowledged the potential for age discrimination and job insecurity created by frequent restructuring. Others raised a number of financial, health-related and comfort-related benefits, along with the importance of continuing training and development opportunities.

Our participants also reported a range of job-related factors that would enable them to continue working in their current organisation. Approximately one-quarter reported that aspects of job design were most important. These participants explained that, as they age, they will require a reduced workload, less physical activity, and/or a workload that allows for more time seated.

Desirable shifts and reduced travel also emerged as important. Furthermore, one in five participants mentioned the importance of the nature of the work itself, using words such as interesting, challenging, and meaningful to explain the type of work that would encourage them to stay, while many reported factors relating to their experience as mature workers, such as the desire to be given responsibility and opportunities to use their skills and knowledge.

Personal factors mentioned most frequently related to health: the primary determinant of whether older workers would be able to continue work. One in five respondents reported that they continued to work for financial reasons, particularly needing to

support dependents or ill family members, having to pay a mortgage, or wanting to save for travel.

Our study suggests that many of New Zealand's older workers are expecting to remain in the workforce beyond the traditional retirement age of 65, do not have short-term plans to quit their job or reduce their work hours, and enjoy relatively high levels of wellbeing and health. These findings suggest that, given appropriate job design and working conditions, there is no reason an organisation should be concerned that their older workers cannot maintain their productive participation in work. The relatively low level of reported age-discrimination in the sample supports this finding, and is encouraging.

It is clear that older workers perceived HR practices that apply to the whole workforce—notably those related to flexible working arrangements, performance management and recognition and respect—to be most commonly applied in their organisations. Flexible working arrangements seem to be particularly important towards enabling the continuing employment of older workers. Moreover, recognition and respect is a key characteristic of a healthy and productive workforce, and was identified as the most important HR practice enabling continued employment.

Unfortunately, those initiatives targeting the engagement, performance and retention of older workers were relatively uncommon in our participants' organisations. The lack of focus on job design that might have enabled greater work retention and performance, including creating new roles and redesigning jobs, is most concerning. Indeed, job design was the most commonly reported job-level factor that would enable mature-workers to continue their employment. This finding suggests that retention of older workers is likely to increase with greater focus on redesigning roles to be more appealing or less strenuous on ageing workers.

The perceived absence of training for managers in relation to older workers is also of concern as management attitudes and their adoption of good practices need to be informed through such initiatives. Opportunities for training and development among older workers were found to be relatively low, this being a concern as research overseas has demonstrated the importance of training and promoting learning amongst older workers. With this in mind, a concerted effort to provide learning opportunities for mature-age workers is recommended, especially as they tend to be employed in part-time, casual, or seasonal jobs, severely diminishing their likelihood of securing training and development.

The full report on this study can be found at: www.workresearch.aut.ac.nz

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