

Further Information

The research findings provided in this briefing are drawn from recent studies that have been conducted of diversity in New Zealand organisations. The *Engaging Older Workers Productively Survey* was conducted in July 2014 and examined organisational preparedness in New Zealand organisations for an ageing workforce. The survey, carried out in conjunction with the Equal Employment Opportunities Trust, involved over 270 Trust members. The *New Zealand Diversity Surveys* have been conducted quarterly since November 2013 and are helping to build an up-to-date picture of diversity practices in the New Zealand workplace. Undertaken in partnership with the Equal Employment Opportunities Trust and the Northern Chamber of Commerce, the surveys have involved between 750 and 1500 of our study partners' members.

The full report on *Engaging Older Workers Productively: Understanding Organisational Preparedness for an Ageing Workforce* can be downloaded at:
<http://www.workresearch.aut.ac.nz/Media-and-publications/all-publications>

The summary report of *The New Zealand Diversity Survey: Findings from the First Four Quarters* can also be downloaded at:
<http://www.workresearch.aut.ac.nz/Media-and-publications/all-publications>

We would like to acknowledge the contribution of the following researchers in these studies: Professor Tim Bentley, Dr Laurie McLeod, Professor Stephen Teo, Professor Michael O'Driscoll, Professor Natalie Jackson, Dr Maree Roche, Dr Bevan Catley, Brent Wood, and Professor Edwina Pio.

About the Future of Work Programme

The Future of Work Programme is a major research programme of the New Zealand Work Research Institute at AUT University that addresses the challenge of rapid workplace change. The Programme is concerned with people, work (paid and unpaid), diversity, relationships, technology and how people learn and interact. It is a multidisciplinary initiative, bringing together expertise in employment relations, employment law, labour market economics, health, information and communication technology, industrial and organisational psychology, human resource management, occupational health and safety, design, tourism and hospitality and ergonomics.

For further information about the Future of Work Programme visit the New Zealand Work Research Institute website at www.workresearch.aut.ac.nz/ or contact:

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MANAGING AN AGEING WORKFORCE

A Future of Work Programme report in conjunction with the Equal Employment Opportunities Trust



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Our Ageing Workforce

There is little doubt that New Zealand’s workforce, along with its population, is ageing – a situation that mirrors what is happening across the industrialised world. Internationally, the ageing of society and the workforce is a dominant theme in commentaries on the future of work, as the retirement of the baby boomer generation nears. A decreased labour supply, and with it a sudden loss in skills and experience, is expected over coming years across many countries, while an ageing population will put increasing pressure on health and welfare systems. The participation rates of older workers within the national and international workforce are already rising. 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.^{1,2} As at June 2014, 22% of workers in New Zealand were aged 55 years or over.³ Government figures predict that this proportion will rise to 25% by 2020, with many likely to remain working beyond 65. Indeed, the proportion of the labour force aged 65 or over (currently 5%) is expected to increase to 13% by 2036.⁴

A range of reasons are likely to be causing New Zealanders to have a longer working life. Some of these will depend on individual circumstances, such as financial needs, job satisfaction and life satisfaction

(e.g. mental stimulation, physical activity, making a difference, making a useful contribution, being valued). Other factors, operating at a societal level, include the increasing availability of quality part-time work and flexible work arrangements, improved health at older ages, delayed childbearing leading to older parenting ages, a national superannuation scheme that commences at 65 years of age and allows individuals to remain in employment, and a lack of alternative superannuation options.^{5,6,7}

Our ageing population and workforce presents both opportunities and challenges for New Zealand organisations of all sizes.⁸ Findings from our recent New Zealand diversity surveys suggest that while many New Zealand organisations regard the ageing workforce as an important priority, most organisations have neither a policy nor programmes and initiatives in place to address the issue. This ties in with observations from other research conducted here and elsewhere highlighting concerns around negative stereotypes within organisations regarding older workers and a potential lack of preparedness for engaging an ageing workforce positively and productively.⁹

In order to gain a better understanding of the current situation in New Zealand and of the issues that organisations need to address when engaging an ageing workforce, the New Zealand Work Research Institute conducted a survey of EEO Trust members. Respondents (n=272) represented organisations of varying age and size, and came from a range of industry sectors and locations across New Zealand. For the purposes of this study, we define older workers as employees or contracted workers aged 55 years or over. Respondents comprised senior executives, managers, human resources (HR) personnel and other workers. Their average length of

service with their organisation was eleven years, with an average of seven years in their current job role. While the proportion of older workers varied from none to all of the workforce, almost all organisations had less than half of their workforce as older workers, with the average being 25%.

Our survey findings suggest that some organisations are not well prepared to deal with an ageing workforce and that the potential impact of an ageing workforce could be significant for many New Zealand organisations.

The New Zealand Situation

Preparedness of New Zealand organisations

- 26% of respondents believed that their organisation was not currently well prepared to adapt to an ageing workforce effectively
- 22% of respondents suggested that their organisation will not be prepared to effectively engage an ageing workforce within the next two years
- 23% of respondents were concerned that senior management did not fully appreciate the likely impact of demographic change on their organisation

The potential impact of an ageing workforce for New Zealand organisations

- 45% of respondents reported that their organisation faced a shortage of highly experienced or skilled workers
- 45% of respondents believed that an ageing workforce will strongly impact their industry sector over the next 5 years
- 44% of respondents believed that an ageing workforce will strongly impact their organisation over the next 5 years

When it comes to addressing personnel shortages, many of our respondents’ organisations seem to have an ambiguous approach to older workers. On the one hand, encouraging existing workers to continue working beyond retirement age is the most common measure used to address personnel shortages. On the other hand, actively recruiting more older workers is the least used measure, well behind the recruitment of more female and more immigrant workers. Further, all four measures have more or less the same proportion

of organisations planning to use them in the next two years (10% or less). These findings suggest that many organisations may be underestimating the potential of older workers in workforce sourcing, especially where skill shortages exist. Worryingly, a recent survey suggested that many HR directors and business leaders acknowledged a ‘silent tipping point’, usually 50 to 60 years of age, beyond which workers are viewed as less attractive by an organisation.¹⁰

¹ OECD, *OECD Employment Outlook 2014*, http://dx.doi.org/10.1787/empl_outlook-2014-en

² OECD, *Scoreboard on Older Workers: 2002, 2007 and 2012, 34 OECD Countries*, www.oecd.org/els/employment/olderworkers

³ Statistics NZ, *Key Labour Force Measures by Qualification, Age and Sex*, 2014.

⁴ Statistics NZ, *National Labour Force Projections: 2006(base)-2061*, August 2012.

⁵ F. Alpass & R. Mortimer, *Ageing Workforces and Ageing Occupations*, Department of Labour, 2007.

⁶ M. McPherson, *Older Workers: Challenging Myths and Managing Realities*, EEO Trust, 2012.

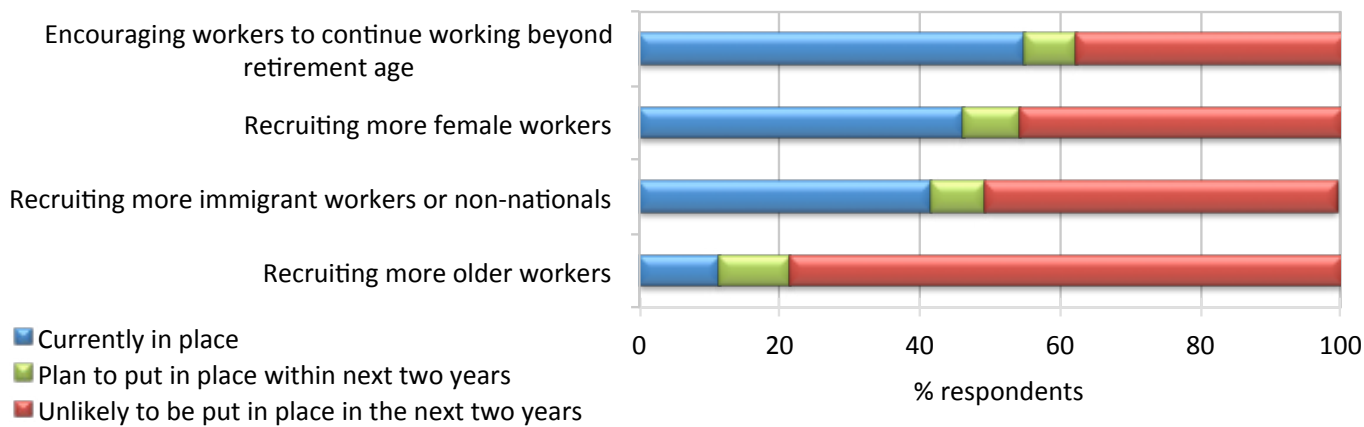
⁷ N. Jackson et al., *Workforce Participation of Older Workers as an Element of New Zealand’s Retirement Income Framework*, NIDEA, 2013.

⁸ N. Stokes, *Finding the Gold in Silver Hair: Challenges and Opportunities for SMEs*, The Executive Connection, 2014.

⁹ W.S. Conen et al. Employers’ attitudes and actions towards the extension of working lives in Europe, *International Journal of Manpower*, 33, pp. 648-665, 2012.

¹⁰ D. Knight, *50 Shades of Grey*, KPMG, 2014.

Measures to address staff shortages



This briefing document provides guidance for managers implementing or reviewing organisational systems and practices for engaging older workers within their organisations.

The document summarises the issues and implications of an ageing workforce, and the key lessons learned from the studies that we have conducted.

The information is presented under the following headings:

- attitudes and behaviours towards older workers
- organisational benefits of employing older workers
- strategies, policies and HR practices related to older workers
- optimising work for older workers
- leadership and management



Attitudes and Behaviours Towards Older Workers

Under the Human Rights Act 1993 and Employment Relations Act 2000, it is unlawful to discriminate on the grounds of age in employment (other than in cases where the job is affected by age limits). To reduce the possibility of age-discriminatory behaviour, be this intentional or unintentional and at the individual level or more pervasively, organisations need to understand the nature of negative stereotypes about older workers, develop a culture of valuing older workers, and recognise and publicise the benefits of employing older workers.

Negative stereotypes about older workers

While 70% of respondents in our survey did not believe that there were widely held negative stereotypes about older workers in their organisations, negative stereotypes about older workers persist among some employers, managers, young workers, clients, and within wider society.

Perceived prejudice against older workers can affect both the employment prospects of older workers seeking employment and the experiences of workers already in employment.

Commonly held negative stereotypes about older workers reported in other studies relate to health and safety, physical and cognitive abilities, resilience, job performance and productivity, training and promotion, and technology. Many commentators have debunked such stereotypes as myths, providing well-reasoned arguments and research evidence to refute them.^{11,12} Although we do not have the space to rehearse such arguments here, we wish to draw attention to the ongoing prevalence of such negative stereotypes so that organisations can take positive action to counter them and to change (negative) attitudes towards older workers.

¹¹ F. Alpass & R. Mortimer, *Ageing Workforces and Ageing Occupations*, Department of Labour, 2007.

¹² M. McPherson, *Older Workers: Challenging Myths and Managing Realities*, EEO Trust, 2012.

Negative stereotypes about older workers

Examples of negative stereotypes reported by respondents in our survey highlight the ongoing existence of negative stereotypes about older workers.

Older workers are adverse to change

- “Negative perception with mature employees being inflexible – the reality is quite different.”
- “Not likely to change their habits and move with new technology or practices.”

Older workers lack technology skills or are reluctant to embrace technology

- “Younger staff have the erroneous impression that older staff are not IT savvy.”
- “The perception is that older workers are less equipped to deal with the rapid changes in evolving technology, take longer to learn, and are less willing to adopt new learning.”

Older workers are unable to do the job

- “Discriminatory attitudes around the productivity and speed with which older workers perform.”
- “The physical nature of the work may lead to stereotyping physical ability to do the job.”
- “We sometimes equate older workers’ age as a cohort to less favourable health and safety statistics.”

Older workers lack commitment or do not want to progress

- “There is a sense that professional development doesn’t matter for the over 60s.”
- “There is a perception that the older workforce is not as money hungry as a younger person and therefore more likely to spend less time within the working environment.”

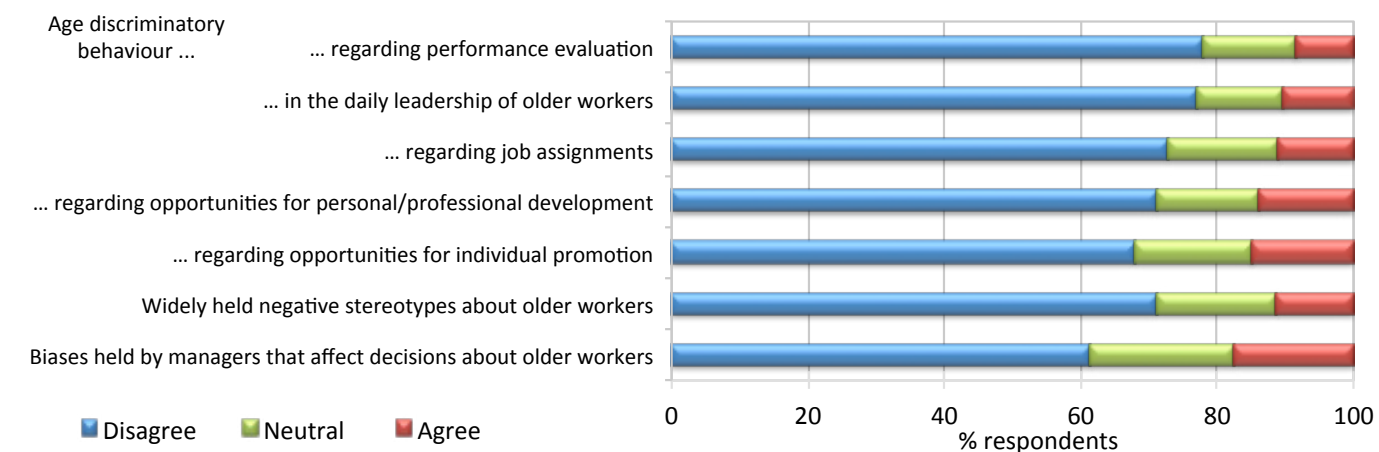
Older workers limit the career opportunities of younger workers

- “An attitude of older workers blocking the advancement of younger workers.”

Such negative stereotypes can intentionally or unintentionally influence how people behave towards or make decisions about older workers. This can have negative consequences for organisations, workplace relations, older workers themselves, and for clients. Such consequences can be inter-related. Encouragingly, less than 20% of our survey

respondents felt that age discriminatory behaviours towards older workers were a significant issue in their organisations – whether related to day-to-day leadership and decision making, opportunities for promotion and professional development, job assignment, or performance evaluation.

Stereotypes, biases and age discriminatory behaviour



Even so, the respondents did highlight a range of negative consequences that can result if negative stereotypes about older workers are allowed to persist. In particular, older workers represent a significant talent pool available to employers. Similarly, an organisation’s failure to engage its older workers productively can lead to an inability to capitalise on the historical and institutional knowledge that older workers possess, or even the loss of such

knowledge as older workers exit that organisation. Both of these can have a consequential impacts on the delivery of services to an organisation’s clients. However, as one of our respondents noted, with some lateral thinking and flexibility, the needs of older workers can be better accommodated in terms of, for example, work-life balance or type of employment benefits.

Consequences of negative stereotypes about older workers

- Failure to recognise or consider the needs of older workers
- Failure to engage with older workers
- Overlooking strong talent in recruitment processes
- Early departure of older workers
- Loss of knowledge and skills (including institutional knowledge)
- Not capitalising on skills and capabilities of existing older workers
- Poor workplace relations including exclusion, conflict, bullying
- Reduced service quality

Valuing older workers

Contrary to the negative stereotypes mentioned above, the message that came through from many of our survey respondents was that within their

organisations older workers were appreciated and managed in an age neutral way.

Valuing older workers



Indeed, many of our survey respondents had positive perceptions of older workers. For example, older workers were perceived to be reliable, particularly in terms of their dependability, work attendance or strong work ethic. Similarly, respondents valued older workers' loyalty and commitment to the organisation. They were considered to add stability to

the workforce. Finally, the maturity and the life skills that they could bring to a job role were particularly valued. Specific qualities mentioned included wisdom, composure, responsibility, confidence, balance, judgement, motivation, initiative, emotional intelligence, interpersonal skills and relationship management.

Positive perceptions of older workers

Reliability

- "The older worker is reliable, takes less sick leave and generally has a committed work ethic."

Loyalty and commitment

- "The older staff are generally more committed to the success of the business overall and in their personal performance."

Stability

- "Older workers are more likely to stay in an organisation than younger workers due to attitudinal factors and the stage of life they are at. That leads to a stable workforce that has a good work ethic."

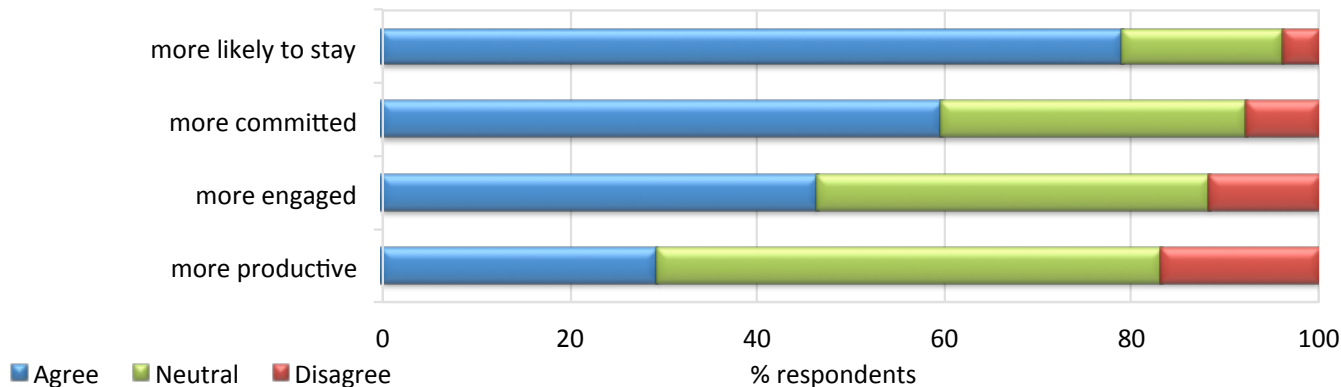
Maturity and experience

- "Because of the type of work we do the maturity and enhanced emotional intelligence that is acquired as a result of life and work experience is highly regarded."

Overall, our survey suggested that older workers are generally perceived to be more likely to remain with an organisation, often more committed to the

organisation and more engaged with their work, and no more or less productive, than other workers.

Older workers are perceived to be...



Organisational Benefits of Employing Older Workers

Older workers are a valuable human resource – repositories of knowledge and expertise who have much to offer employers. The respondents in our survey identified a range of advantages and business benefits that organisations can derive from employing older workers.

A commonly reported benefit – and one from which other benefits flow – is the retention of job-related skills, expertise, knowledge and experience, be these in relation to an industry sector, a profession, or a job role. The requisite expertise and skills of some industries or professions can be highly specialised, sometimes taking years to acquire, making these workers a valuable asset (in its broadest sense) to the organisation. The retention of workers with those skills and accumulated expertise can add to an organisation's reputation and credibility. Older workers who have been with an organisation for a considerable time can have knowledge or experience beyond their operational role, potentially including the organisation's history and the people in it, an understanding of its scope, operations and customers, or a strategic overview.

"We tend to be dismissive of the experience that older workers often have within the organisation. Sadly this means that there is no culture of valuing and learning from the past"

This institutional knowledge and memory is an important resource in enabling organisations to learn from past experiences. Failing to capitalise on this prior knowledge and experience – or worse, the premature loss of these and failure to replace them – can be detrimental for an organisation.

Some organisations are using their older workers to provide on-the-job training, coaching or mentoring of less experienced or younger workers. The benefits of such intergenerational knowledge transfer are multiple. Organisations are able to productively engage their older workers, develop their less experienced staff, increase their internal talent pool, and ensure that valuable (institutional or specialist) knowledge is retained.

Older workers often have the experience, life skills and maturity to be able to deal confidently with customers and clients. As one respondent noted: “Customers like to interact with people who have experience and can guide them.” More specifically, the nature of some industry sectors means that the retention and employment of older workers is essential to providing a quality client service. Older workers may have in-depth knowledge of products or services, have greater credibility or established relationships with clients, provide continuity for clients, or be able to empathise with older clients and their needs. Moreover, older workers have often worked in an industry sector for a long time so that they may have established industry networks and contacts of potential value to their employer.

Employing older workers make sense from a HR management perspective. As noted earlier, older workers are more likely to stay with an organisation, which reduces staff turnover and provides workforce stability. The need for organisations to engage their experienced older workers productively can be doubly important, both in terms of retaining knowledge and experience, and reducing the costs associated with recruitment, especially where skill shortages exist.

Age is an important dimension of workforce diversity (other dimensions include gender and ethnicity) and older workers contribute to this diversity. Benefits that derive from this include diversity of

thinking and perspectives, balancing work culture, helping to represent community demographics, and being (more) able to respond to rapidly changing conditions. Many of our survey respondents commented on the need for employers to attract and retain workers of all ages. From a purely pragmatic point of view, this makes sense, as workers of different ages complement each other and in working together can deliver synergies for the organisation. However from a leadership and management perspective, consideration needs to be given to their different interests, attitudes, needs, goals and expectations.

“Older experienced workers are the institutional memory, which can be usefully combined with younger workers’ more up-to-date exposure to new thinking”

Employing older workers can enable workforce flexibility, for example, where such workers opt for graduated or phased retirement (working reduced hours in the lead up to retirement or working part-time after retirement) or other flexible work arrangements such as flexi-time, part-time work, telework, sabbaticals, unpaid leave, or casual work. Such working arrangements can enable organisations to actively plan and manage their HR capabilities; for example, allowing an organisation to match their workforce requirements to their operational needs.



Benefits of employing older workers

Retention of job-related skills, expertise, knowledge and experience

- “In this sector, age and experience very much go hand in hand.”
- “The biggest advantage has to be ‘experience’ - a long history in the organisation and great knowledge of what has worked and not worked in the past.”
- “Our older workers are technically qualified and experienced. They give credibility to their role.”

Intergenerational knowledge transfer and mentoring

- “Our older worker staff have built up knowledge that they can pass on to people coming into the organisation.”
- “[Older workers are] able to coach and mentor younger workers - able to pass the baton to younger workers to develop them.”

Client service

- “Our strength is our customer relationships. We find older workers that have reasonable length of service with the business are well respected by our customer base who themselves are often older business people. A bit of ‘grey hair’ helps our business be successful.”
- “Older workers in our organisation are often high skilled, experienced group with extensive networks who bring work and connections to our organisation.”

Workforce stability, diversity and flexibility

- “Older workers also tend to be less transient or job-hopping ... providing a sense of continuity for in-house knowledge, customers and senior managers.”
- “Older workers help provide greater diversity in the workplace and a broader view and greater depth to ideas and problem solving.”
- “[Older workers] can job share with reduced hours, more readily work part time and so reduce staffing costs.”

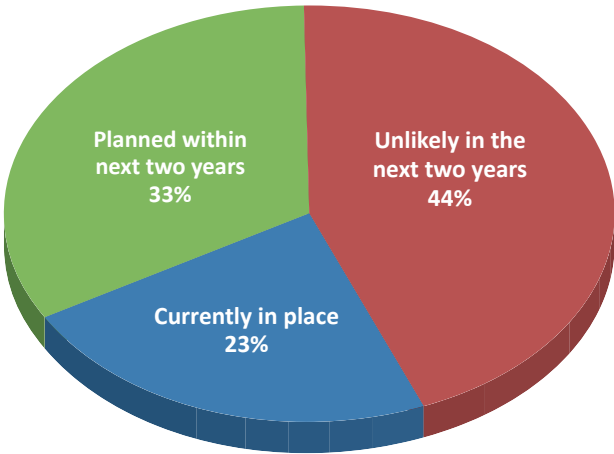
Strategies, Policies and HR Practices

A number of the organisations in which our survey respondents work already have in place or plan to introduce measures to effectively engage and manage an ageing workforce.

Just under one quarter of the respondents’ organisations currently have an **effective age strategy** in place; i.e. strategy and planning around an ageing workforce. Of those that do not, 43% are intending to implement such a strategy in the next two years.

The presence or absence of an effective age strategy is related to the size of an organisation, with two-thirds of large organisations having or planning to implement a strategy in the near future compared with half of medium-sized organisations and just over one-third (36%) of small organisations.¹³

An effective age strategy



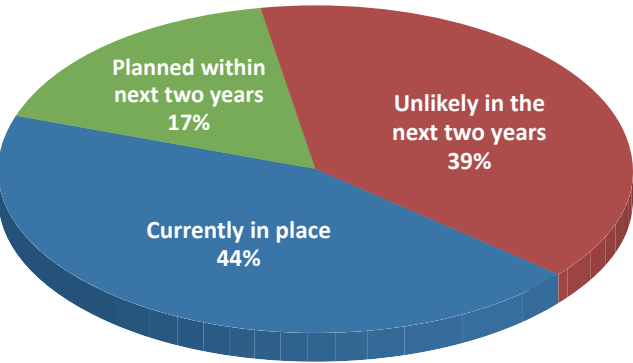
¹³ For the purposes of our study, large organisation have 200 or more employees, medium-sized organisations have 20-199 employees, and small organisations have 0-19 employees.

Over 40% of respondents' organisations currently have a **diversity policy that promotes respect for older workers**. Adding those who are planning to introduce such a policy in the near future increases this proportion to just over 60%. Almost three-quarters (73%) of large organisations have or plan to have a diversity policy promoting respect for older workers, compared to 53% of medium-sized and 44% of small organisations. Organisations reported to have a strong appreciation of the value of older workers are more likely to have, or plan to introduce, a diversity policy that promotes respect for older workers.

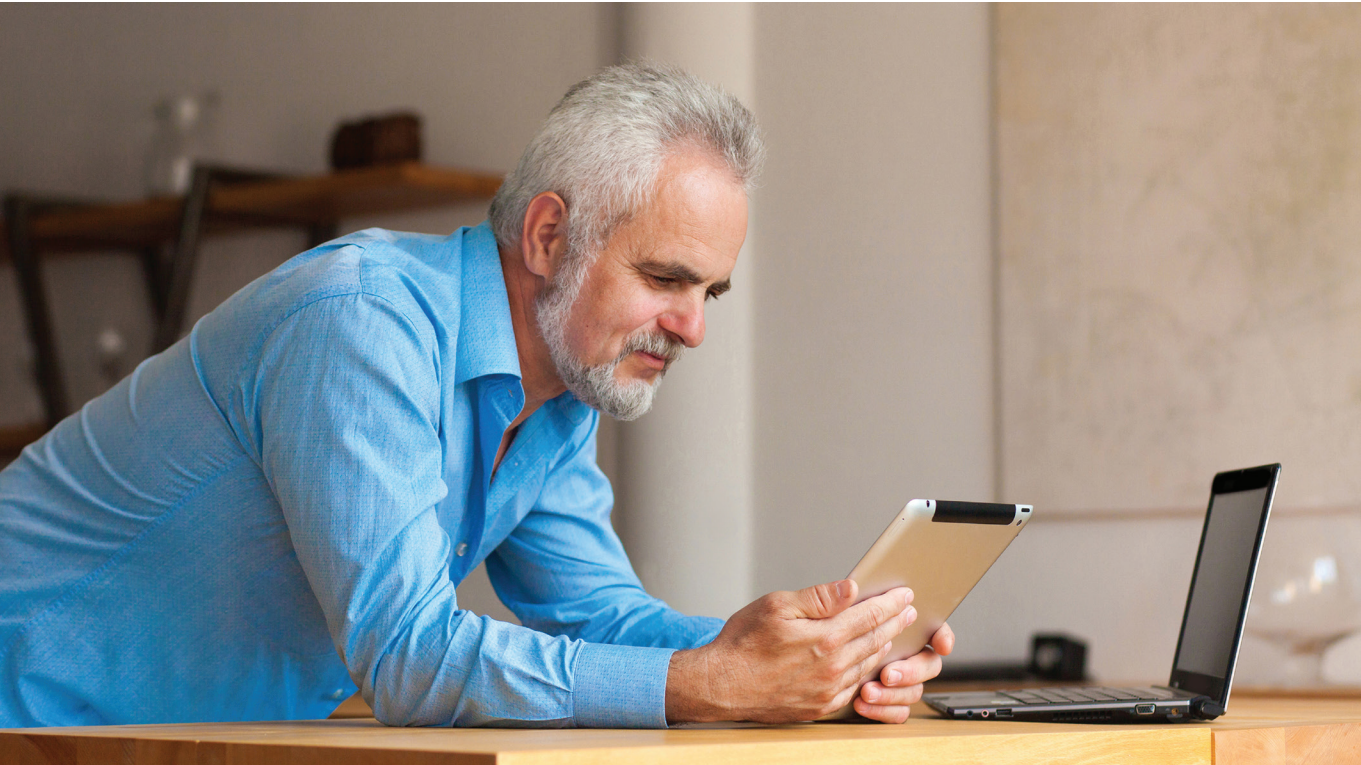
“Organisations need to know the demographics of their workforce and communicate with employees to determine their plans for retirement, development, etc., and ensure that the company has plans, systems and programmes in place to ensure that older workers continue to be respected members of the workforce.”

There are a range of **HR practices related to older workers** that an organisation can adopt to manage, engage and motivate their older workers, in areas of recruitment and retention, work practices, skills development, and performance management. We asked our survey respondents how important a variety of such practices were to their organisation and whether their organisation had implemented these practices or had any plans to do so. The perceived importance level for most of these

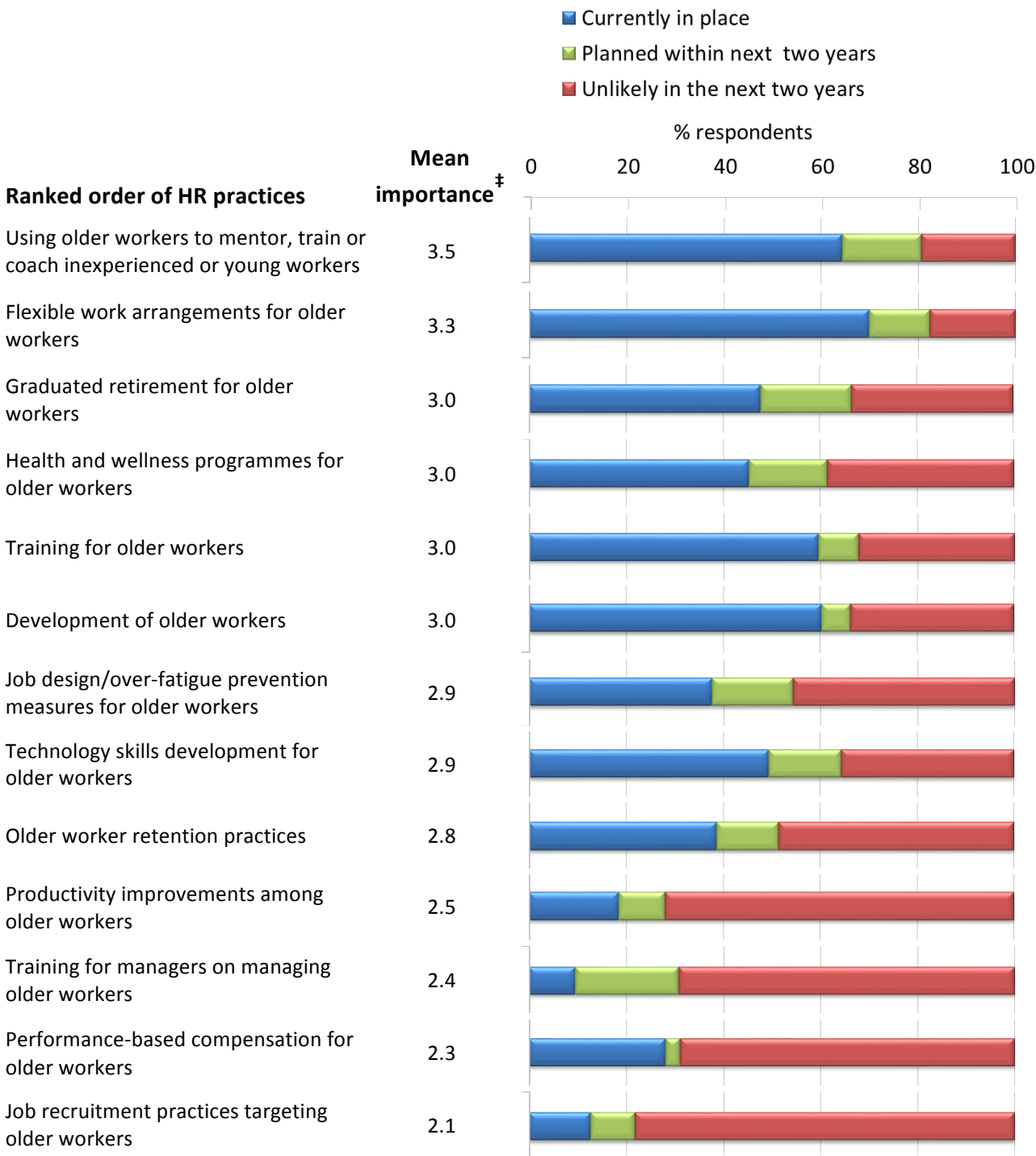
A diversity policy promoting respect for older workers



HR practices was typically in the mid-range (i.e. moderately important). Our findings confirm that if an organisation considers a specific HR practice related to older workers to be important, it is more likely to either currently have that practice in place or plan to implement it in the near future. Similarly, organisations reported to have a strong appreciation of the value of older workers are more likely to have, or plan to introduce, these HR practices.



HR practices related to older workers



[‡] Perceived importance measured on a 5-point scale of 1 = Not at all important to 5 = Extremely important



Optimising Work for Older Workers

A number of the HR practices related to older workers mentioned above share the common objective of optimising work for older workers and effectively extending their working life, providing benefits to both older workers (such as more positive work attitudes, improved wellbeing, and greater employability) and their organisations (such as employee retention and maximising workforce utility, and other benefits outlined earlier). The success of such practices depends on how well they fit with the needs and preferences of individual older workers (bearing in mind that older workers are a very diverse group).

Valuing older workers and treating them with dignity and respect is one important way that organisations are optimising work for older workers and extending their working lives. There are multiple mechanisms through which this is being achieved.

“Respect for the value an older worker can offer a workplace would make more older workers feel valued as team members and likely extend their working years”

An organisational culture that is encouraging and supportive of older workers recognises and values the contribution that they make to the organisation. This can help to foster better workplace relationships (with both colleagues and managers), increase staff motivation, commitment, engagement and job satisfaction, and improve staff wellbeing. Achieving a cultural or attitudinal change in relation to older workers may require greater education, awareness and publicity around their value, both within an organisation and more widely.

“There needs to be a shift in management culture and education of a younger workforce, who seem to have a view that older people should ‘just move on and retire’”

Senior managers and team leaders have an important role to play in this. Having organisational leadership that understands older workers and values their contribution is key, as is providing training to managers on recognising the benefits of workforce age diversity and on how best to manage older

workers (in order to, for example, get the best out of their workers, or communicate with their workers and advise them).

Some organisations use performance-based compensation or rewards as formal recognition of long service or as incentives for continued service beyond retirement. Another common way in which many organisations demonstrate their recognition of the contribution that older workers make is by using their skills and experience. Doing so capitalises on older workers' knowledge and experience, while making them feel valued by the organisation and their colleagues, empowering them and so encouraging their engagement with the organisation. Practices that can be used to do this include involving older workers in innovation and continuous improvement processes, and using older workers' institutional knowledge and memory to learn from past experience. Some organisations run alumni schemes as a means of staying connected with retired or semi-retired staff and making use of their knowledge and experience, for instance through on-call troubleshooting as required, or short-term or temporary employment.

Many organisations use older workers in a mentoring or training capacity in various ways, from supervising formal apprenticeships and on the job training to coaching or buddying of younger staff. Other organisations are creating other opportunities for interaction and collaboration between older and younger workers, both socially and in the workplace. This kind of intergenerational contact helps to establish trust and respect, foster positive workplace relationships (e.g. by breaking down misconceptions and negative stereotypes that younger workers may have about older workers), and ensure that older workers remain integrated in the workforce. Some organisations are encouraging older workers to participate in community-based or volunteering activities outside of work, using their knowledge, skills and experience to contribute in a way that is meaningful to them.

“Using our older employees as mentors to younger managers makes them feel valued, and the combination of a wise head and young gives us a better outcome at the end of the day”

Recognition of the value of older workers is also manifest in organisations that invest in the development of their older workers, providing them with opportunities for training and professional development. This should be provided on an ongoing basis and tailored to the needs of the individual. It includes updating skills and qualifications, job-related training (e.g. on new products and services, changes in the business) and training in technology skills. The latter can be especially relevant in industries or workplaces subject to (rapid) technological change.

Organisations need to develop an encouraging and supportive environment in which older workers can feel comfortable to request further training that they may feel is necessary to enable them to continue doing their job or develop into another role. The important issue is to apply training and professional development opportunities and criteria to all employees, regardless of their age, to facilitate employability over the worker's entire working life. Although there will be associated costs for an organisation, there are benefits as well, including having a better skilled workforce, greater employee engagement and retention (of both older workers and other workers, who evidence the career development opportunities within the organisation) and higher productivity, while developing the skills of older workers and improving their employability (both within and outside the organisation), motivation and job satisfaction. Just as older workers are a valuable resource in mentoring younger workers, some organisations are using 'upward mentoring' by younger colleagues to upskill older workers who may be less familiar with new technology. In this way, intergenerational knowledge transfer can operate in either direction (or both directions).

“I think sometimes not enough training is given and there really isn't sufficient awareness of the doubts and frustrations that some older people have with modern devices”

Recognising the different needs of older workers is another important way that organisations can optimise work for older workers and extend their working lives. Individual older workers may have quite specific interests, needs or expectations that influence their decisions around working – for example, around work-life balance, personal interests, changing health needs, caring responsibilities (for their children, spouse, older dependents, or grandchildren), or their financial situation. Supportive employers work with their older workers individually to try to accommodate their needs and expectations, to the benefit of both the individual and the organisation. As a number of our survey respondents emphasised, a 'one size fits all' approach does not address the actual needs of individual workers.

“It's about asking/understanding the needs of each specific older person and working to meeting those needs without causing compromise to company requirements, standards or performance expectations”

Establishing and realising older workers' expectations (or indeed any process that involves change for them) needs to be a process of partnership and consultation. Such an approach is empowering and enabling for workers, helps to establish a relationship of trust, and is more likely to succeed through increased staff buy-in. Older workers should be actively involved in decisions concerning their future working situation. Organisations need to establish open dialogue with older workers in order to establish their expectations and needs, and then work with them to identify and achieve a plan going forward. Ideally, such conversations should occur well before a worker retires. Older workers may need to be given targeted support in terms of education around their future options, including for example advice or training on flexible work options, retirement planning, health changes, or financial literacy and budgeting, to make them better prepared for retirement.

“Working with older workers to understand what they would like to continue to contribute to the organisation and the organisation working with them on how this can happen”

Offering flexible work arrangements is a popular means of addressing the needs and preferences of older workers and thereby extending their working lives. New Zealand organisations are using a range of flexible or customised work options to achieve this, including flexi-time or compressed work weeks, reduced hours, part-time or part-year work, job-sharing, working from home or another remote location, sabbaticals, unpaid or extended leave, time off at short notice, temporary assignments, project-based work, or casual work.

“Flexible working arrangements make it possible for older workers to choose how much or how little they work as well as when and where they work”

Such flexible work options may form the basis of graduated or phased retirement, enabling older workers to transition to retirement. Flexible working arrangements are seen as enabling older workers to continue to be productive and “add value to the business”, while meeting their own needs (which can contribute to improved wellbeing) and potentially enabling them to move into or out of employment as and when required. At the same time, flexible work options can enable organisations to attract and retain older workers, improve employee morale, actively plan and manage their HR capabilities, and reduce staff costs. Job sharing between an older worker nearing retirement and a new worker is one way of ensuring that the older worker's knowledge and experience is transferred. Other benefits of providing flexible work arrangements to staff (regardless of their age) reported by organisations that participated in our New Zealand diversity surveys include staff engagement and empowerment, enabling staff to have the flexibility or the lifestyle they want, improved work-life balance for staff, operational efficiency and effectiveness, and improved productivity and performance.

“Flexibility is the key ingredient to allow older people to enjoy a life out of work whilst still continuing to be productive in jobs”

Another common way that organisations are optimising work for older workers is through job design or over-fatigue prevention measures that address specific needs of individual older workers and enable them to perform their jobs. This includes adjusting jobs by creating specific roles and responsibilities (e.g. project-based roles or secondments), or adjusting individuals' workloads, for example, by job sizing, providing access to less labour-intensive roles, or providing work appropriate for individual older workers. Some organisations are implementing measures that reduce job-related stress for older workers, such as monitoring work-life balance and adjusting work time through flexible work arrangements. Others are using health and safety practices in the workplace such as ergonomic (re)design and the provision of suitable technology or equipment, such as ergonomically-correct workstations or larger monitors and software for magnified viewing of documents.

"A project based-role gives the individual a time frame as to when they will exit ... They can focus their efforts on a narrowed scope and are able to use the project as an option to 'phase' into retirement"

Organisations can also provide health and wellness programmes focused on the needs of older workers. Examples mentioned by our respondents include dietary advice; gym or swimming club subsidies; free annual flu vaccinations; and subsidised eye exams, corrective lenses or hearing aids. Job design and health protection and promotion measures can improve individuals' health and wellbeing, with consequential benefits for employers.

Managing and engaging older workers entails developing a supportive work environment where individual older workers can reach their potential without being disadvantaged by their age. In this document, we are focusing on older workers because there seems to be age management problems in some organisations. Ultimately, good HR practice focuses on the whole working life, and on managing and engaging *all* employees in relation to their individual needs and expectations. Indeed, a number of the organisations involved in our study reported a holistic approach to planning and managing their workforce.

"All our employees are treated as individuals and we therefore work with all ages to engage, develop and look after needs"



Leadership and Management

As with any organisational change process, the successful implementation of practices and initiatives (such as those described above) aimed at increasing workforce participation of older workers and engaging older workers productively requires the support and involvement of senior managers within the organisation. Our study highlighted a number of priorities and responsibilities for senior managers in relation to this.

Senior managers can take a leadership role in understanding the implications of population and workforce ageing on the recruitment and retention of staff. These include potential constraints on labour supply, loss of experienced and knowledgeable staff in a 'war for talent' in competitive labour markets, and increasing labour costs.¹⁴

Responding to these implications may involve undertaking an age audit of the organisation's workforce and team composition, and making a business case for implementing age-friendly initiatives. A business case should include identifying tangible and intangible benefits of employing older workers, understanding the factors that influence older workers' decisions around working, aligning age-friendly practices with the organisation's business and employment strategies, and establishing benchmarks against which to measure progress. Ideally, the development of age-friendly initiatives should occur within a policy framework that promotes respect for older workers, can provide a structure for implementing age-friendly practices and ensures their consistent application across the organisation.

¹⁴ N. Jackson et al., *Workforce Participation of Older Workers as an Element of New Zealand's Retirement Income Framework*, NIDEA, 2013.

Responsibilities for senior management

1. Understand the implications of population and workforce ageing for the organisation
2. Establish a business case for incorporating age-friendly initiatives in the organisation's general HR practices
3. Develop a policy framework for age-friendly practices and ensure guidelines are followed
4. Involve and engage key stakeholders in the development and implementation of age-friendly initiatives
5. Develop and maintain a supportive culture that recognises and values older workers
6. Display commitment to and facilitate the development of age-friendly practices within the organisation
7. Monitor and review age-friendly initiatives and outcomes to assess their effectiveness

The successful development and implementation of age-friendly policies and initiatives require the participation and involvement of key stakeholders; namely, senior managers, line managers, and workers of diverse ages, including older workers. Such inclusive participation can enable the interest and objectives of each group to be represented, facilitate the development of mutual understanding, and enable any issues or concerns to be addressed. This helps to build commitment and buy-in (which are important to the ongoing sustainability of initiatives) and to ensure that policies and initiatives are relevant and work in practice.

Managing and engaging older workers productively requires the development of an age-friendly working environment, and operates best in organisational cultures that place a high value on older workers and recognise the contribution that they make to the organisation. Senior managers play an important role in developing and maintaining such a culture by introducing and emphasising cultural values that are supportive of older workers in particular and workers of all ages more generally, and by communicating how age diversity is consistent with the organisation's values and desired behaviours. This may involve

training for staff from all levels of the organisation (including senior managers, HR personnel, line managers and employees) that highlights the benefits of employing older workers and of age diversity, counters negative stereotypes held by staff or managers about older workers, raises awareness of the needs and expectations of older workers and barriers to their recruitment and retention, and introduces a range of initiatives to optimise work for older workers and extend their working lives.

Senior managers have a critical role to play in reducing bias or age discriminatory behaviour and promoting age-friendly practices within their organisations. Communication and information dissemination are key to the successful implementation of such practices and help to signal senior management's commitment to them. Active promotion of age diversity and the value of older workers within an organisation can take place through the organisation's public documents such as business plans or annual reports, media coverage, internal communication channels such as the intranet and newsletters, roadshows and training workshops or seminars, and by using older (senior) managers as role models and champions. Such communication and promotion should be regular and ongoing.

Further Research

A follow-up study is seeking the perceptions of older workers employed within a sample of the organisations that responded to the study reported in this briefing. Please see the New Zealand Work Research Institute website for details: <http://www.workresearch.aut.ac.nz>.