

What's age got to do with it? Strategies for retaining and managing an ageing workforce

Philip Taylor

Federation University Australia, University of Melbourne

Overview

- Examines the changing face of work and retirement as economies face the prospect of ageing workforces.
- Reviews policymaking concerned with age and employment and how it is being adapted for individuals and societies.
- Consider the need for age friendly workplaces
- Critiques current advocacy on ageing and work

New public policy emphasis on older workers

- Development since the late-1990s has been prolonging working lives to ease pressures on social welfare systems and labour markets.
- Contrasts with the 1970s and 1980s with focus on early retirement in response to high unemployment as industry restructured.

Labour force participation rates over time among men and women aged 55-64 in selected OECD countries and overall OECD rates

Year		1980	1985	1990	1995	2000	2005	2010	2014
Country	Sex								
Australia	Men	69.0	61.4	62.8	61.4	60.9	66.2	71.2	72.2
	Women	21.8	20.2	24.8	28.5	35.3	44.4	54.1	56.2
Canada	Men	74.5	68.8	64.0	58.3	60.7	66.7	68.0	69.7
	Women	32.6	33.4	34.9	36.2	41.4	49.4	56.5	59.2
France	Men	..	44.3	39.3	36.1	35.5	43.8	45.3	53.1
	Women	..	27.7	26.9	27.1	28.2	37.7	40.0	48.6
Germany	Men	67.3	57.9	55.9	53.9	52.4	61.3	70.7	75.5
	Women	28.9	22.7	24.7	31.1	33.5	43.2	54.5	62.9
Japan	Men	85.4	83.0	83.3	84.8	84.1	83.1	83.9	84.8
	Women	45.3	45.3	47.2	48.5	49.7	50.8	53.9	57.5
South Korea	Men	80.0	77.3	77.2	79.6	71.3	74.5	77.7	82.0
	Women	46.2	47.3	49.6	50.4	48.8	46.5	48.1	53.0
New Zealand	Men	56.6	65.0	71.9	79.5	82.7	83.6
	Women	30.6	39.0	47.8	62.4	69.2	74.2
Norway	Men	79.5	79.9	72.8	72.3	74.4	74.6	73.5	77.0
	Women	49.8	53.2	53.9	57.4	61.6	62.9	65.6	69.2
Sweden	Men	78.8	76.0	75.5	70.9	72.6	76.4	79.4	81.7
	Women	55.4	60.0	65.8	63.9	65.9	69.2	70.4	75.2
United Kingdom	Men	..	69.0	68.1	62.5	63.2	67.8	69.3	70.9
	Women	..	35.0	38.7	40.8	42.5	48.9	50.6	56.4
United States	Men	72.1	67.9	67.8	66.0	67.3	69.3	70.0	69.9
	Women	41.3	42.0	45.2	49.2	51.9	57.0	60.2	58.8
OECD countries	Men	73.0	65.9	64.8	62.3	62.5	65.6	67.6	70.0
	Women	36.8	33.8	35.6	36.0	38.3	43.5	47.9	51.5

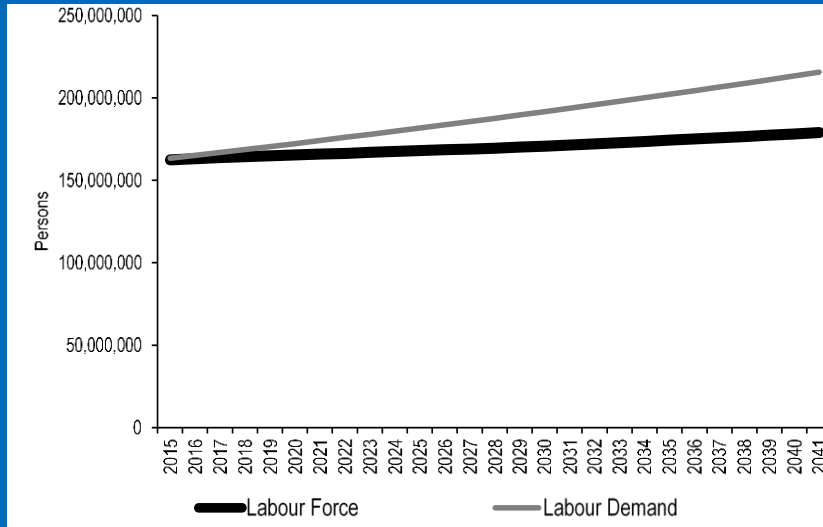
Source: OECD.Stat

New public policies for older workers

- Internationally, policy measures include:
 - Closure/limits on early retirement
 - Increasing retirement ages
 - ‘Active’ labour market measures
 - Rewards for pension deferral
 - Ending mandatory retirement
 - More flexible approach to retirement e.g. promoting gradual retirement
 - Legislation proscribing age discrimination.

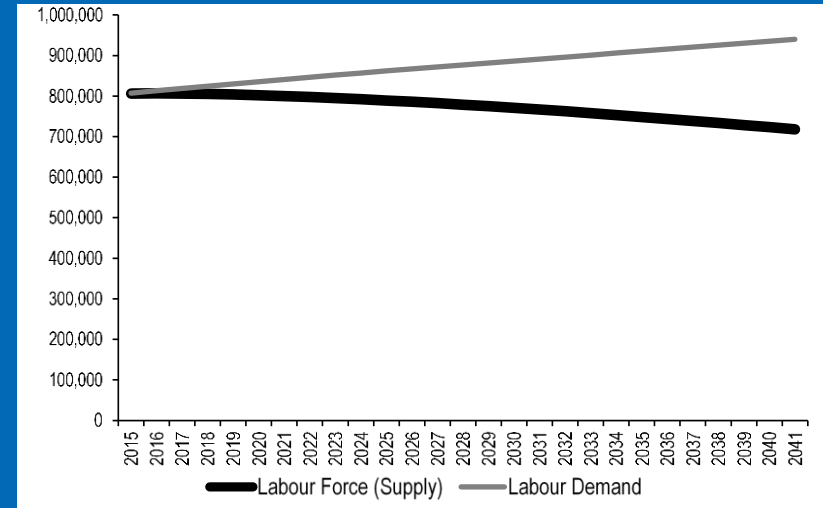
Labour demand and the ageing population

Labour Supply and Demand model for the USA



Source: UN Population Projections 2015, EY Analysis

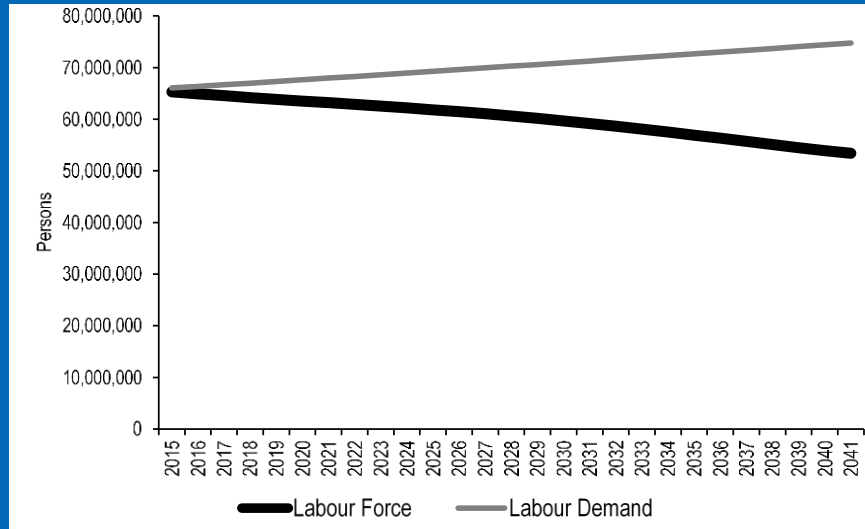
Labour Supply and Demand model for China



Source: UN Population Projections 2015, EY Analysis

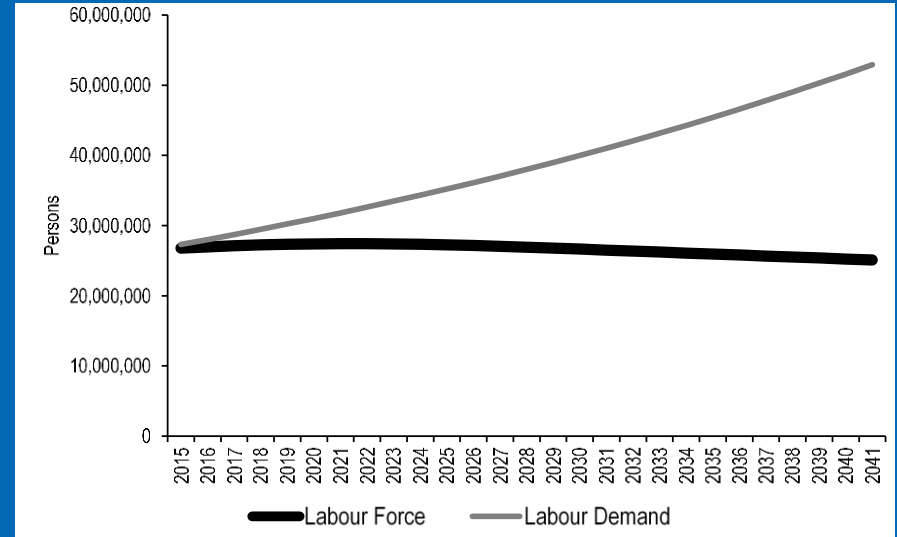
Labour demand and the ageing population

Labour Supply and Demand model for Japan



Source: UN Population Projections 2015, EY Analysis

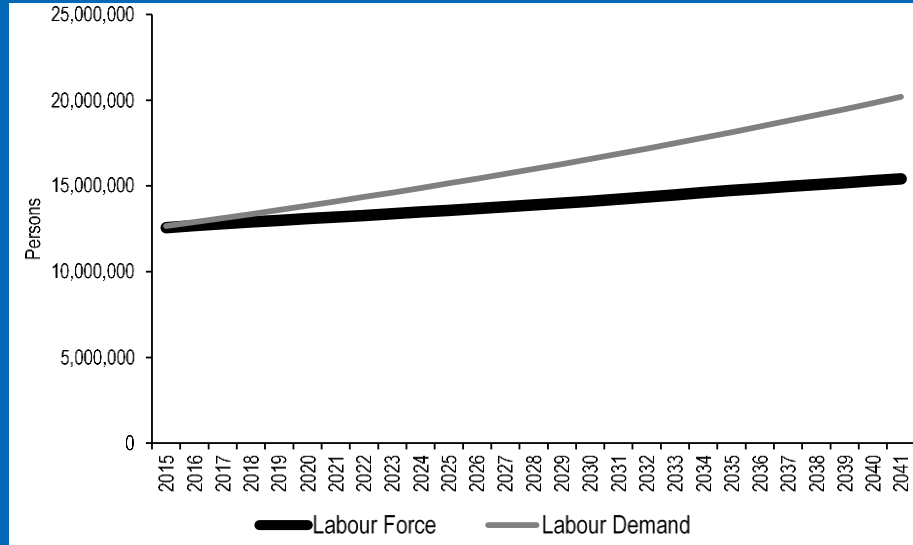
Labour Supply and Demand model for South Korea



Source: UN Population Projections 2015, EY Analysis

Labour demand and the ageing population

Labour Supply and Demand model for Australia



Source: UN Population Projections 2015, EY Analysis

Risks/Opportunities for business of population ageing

- Maintaining adequate staffing levels.
- Attracting and retaining human capital.
- Attrition among younger workers, pushing up business costs.
- Wage pressures.
- Attrition as the baby-boomers retire.
- Loss of organizational, technical and management knowledge and skills.

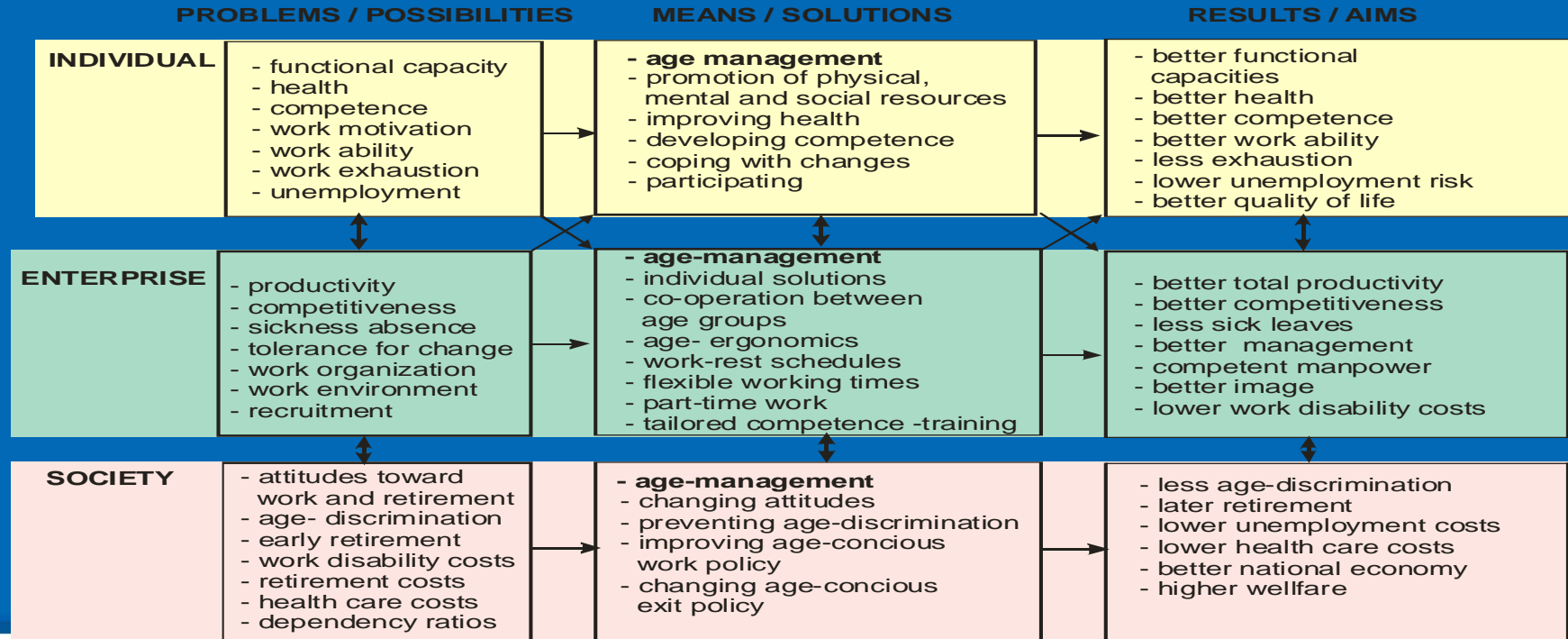
Overarching risk of lost productivity and competitive position.



Redesigning work for ageing societies

- Inter-related factors determine relationship between older people and the labour market.
- Consensus that tackling the issue requires multi-faceted and integrated strategies.

Dimensions of Age Management



How should business respond?

- Dimensions of good practice in Age Management:
 - Job recruitment
 - Training and lifelong learning
 - Career development
 - Flexible working time practices
 - Health protection and promotion and workplace design
 - Redeploying older workers
 - Employment exit and the transition to retirement.

Source: Naegele, G & Walker, A, 2006, A Guide to Good Practice in Age Management, European Foundation for the Improvement of Living and Working Conditions, Office for the Official Publications of the European Communities, Luxembourg

Age management pyramid



Advocacy on age and work

- Nations experiencing population ageing intent on delaying retirement.
- Key plank of policymaking is combating age discrimination.
- OECD recently reiterated that:
Age discrimination is still common in many workplaces, as is prejudice regarding older workers' productivity and their ability to adapt to new challenges.

Narratives of older workers

- Current discourses reveal two contemporaneous and conflicting narratives.
- Both reductive fictions, making selective and inaccurate use of evidence.
- Dominant *vulnerability* fiction describes older workers as disadvantaged e.g. ageism is 'endemic in our society' (COTA, 2013).
- Widely disseminated, although a minority of older people report age discrimination.
- Alternative newer and less developed fiction of *productivity* describes older workers as sought after by employers for their knowledge and experience.

Advocacy reflects current societal assumptions about ageing

- Governments play an important role as change agents, in that they may both replicate and challenge prevailing institutional norms (Flynn et al., 2014).
- Older worker advocacy firmly rooted in taken-for-granted assumptions about their potential labour force contribution.

Disjunctions in advocacy on age and work

- Arguments for the productivity of older workers while simultaneously offering financial incentives to hire them in the form of wage subsidies.
- Obfuscation of the problem also apparent in efforts to promote a so-called business case for the employment of older workers.

'Business case' for older workers

'Mature workers are reliable, flexible and ready to contribute from day one. As well as bringing a lifetime of experience to your business, mature workers are also great mentors to other staff.' Age Discrimination Commissioner, *Why recruiting mature age workers makes good business sense*, 2016

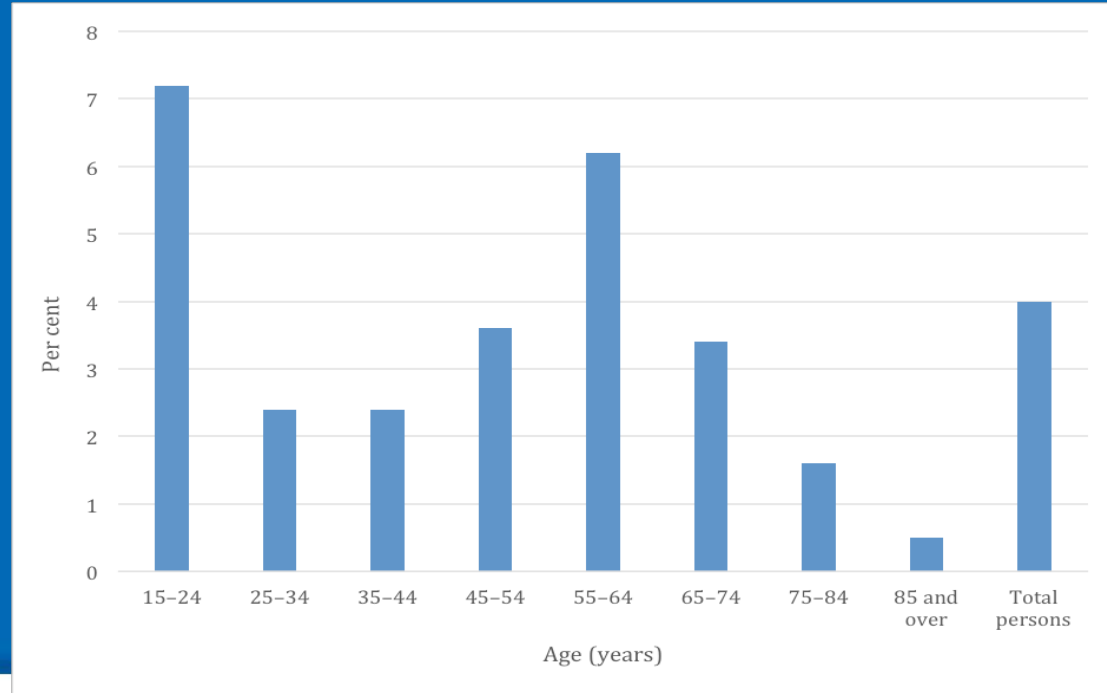
Why you should consider mature aged workers. You can:

1. Obtain a better return on your investment in human capital by retaining or recruiting the 'advantages' of significant length of service, investment in training and wealth of accumulated experience.
2. Mature aged workers have networks, external interests and experiences that can add value to your business.
3. Benefit from a strong commitment to your business by mature aged workers who are often more loyal and stay with your business longer.
4. Acknowledge that mature aged workers are often the corporate memory with lessons of experience, often not recorded, available to be imparted to younger workers. *The Business Case for Recruiting and Retaining Mature Age Workers*, ACCI, 2014

Contradictions and disjunctions in advocacy

- Association between ageism and older ages in advocacy and public policy.
- Age discrimination co-opted by older people's advocates, but:
'age prejudice differs from other forms of discrimination in that there is no single, clearly defined, oppressed group. Everyone is of an age and can be subject to age discrimination' (Duncan, 2003).

Reported experiences of age discrimination by age



Source: What's age got to do with it?, Per Capita, 2017

Narrow debate around age and work

- With a widened definition of age discrimination, present business case for older workers is ageist, encouraging discrimination against the young.
- One set of age stereotypes deployed to challenge another i.e. older worker experience, reliability and loyalty promoted over that of the young.

Advocacy on age and work

- Emphasising experience and reliability, based on stereotypes formed in Fordist industrial age, confirms societal perceptions that older workers can't meet demands of modern economies.
- Is industry much interested in reliable, loyal or experienced older workers?
- Roberts (2006) argues that in the new capitalism such characteristics have shifted from being a positive to a negative condition.
- Reliability, loyalty and experience associated with being change averse.
- Risks entrenching age barriers and, perversely, channelling older workers into low status roles.

Who wants to work forever?

Working longer presented as an economic, societal and individual good

Older people's 'right to work' now embedded in advocacy discourses

...but with little discussion about who will (or can) achieve this goal

Advocacy argues that working longer benefits older people

Advocacy promotes 'active', 'productive' or 'successful' ageing

...but what about job quality?

...and what does inactivity or long-term unemployment mean in such frameworks?

Crucially, underemployment and precarious work are more common among younger workers

...so shouldn't age advocates also be concerned with tomorrow's older workers?

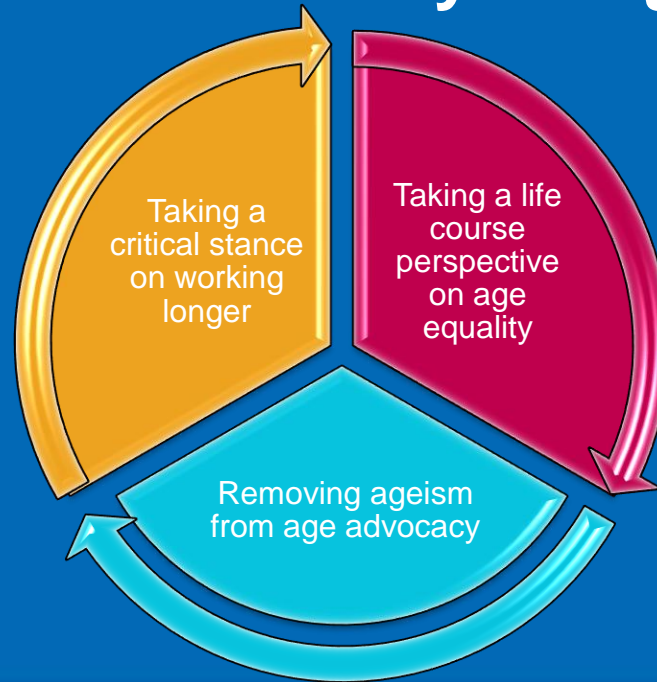
Who wants to work forever?

- With present debate framed as it is, there is a risk of stigmatizing those who retire from the paid workforce as no longer pulling their weight in a society where this status is being recast as a kind of unemployment.
- Duncan (2008) refers to ‘Damageing notions of agelessness geared chiefly to promoting employment opportunities for older people, and culminating in the current ideologies of work obligation and pension retrenchment’.

New age advocacy framework

- New advocacy framework needed
- Without broad consideration of issues of age and work can't properly address older workers' employment
- Also needed because advocacy accepts uncritically the working longer orthodoxy.

Principles of a new advocacy on age and work



1. A life course perspective on age equality

- Age equality needs to be considered across a working life
- Doesn't imply different advocacies for different ages as no consensus as to what 'older' means
- Consider the consequences of experiences of age barriers early in a career
- Broad view of age equality must consider older people as perpetrators of age discrimination
- What are the long-term effects of the changing nature of work for tomorrow's older people?

New institutional frameworks needed

- If a 25-year-old today can expect to have a series of short-term contracts over their working life this may curtail their ability to save money, buy a home or plan their retirement.
- As they get older they may reach the end of each short-term contract and find it increasingly difficult to get a new one.
- Important to consider not just today's older workers but also young people who should be planning for their retirement now but who may be struggling with competing demands on their resources and an opaque career trajectory.

2. Removing ageism from age advocacy

- Argument that 'older=better' doesn't stand scrutiny
- Replacing it with the more accurate 'age does not matter' has implications
 - Selecting job candidates on desired attributes results in better outcomes
- Argument may also be applied to over 50s' job programs:
 - What do these offer over and above mainstream programs?
 - Does particular attention amplify societal views, entrenching pejorative views of ageing?
- What evidence is there that ageism is endemic? Or the primary barrier facing older workers?
 - Curiously given the aim of removing barriers, a pejorative view of ageing may only serve to confirm negative societal attitudes.

2. Removing ageism from age advocacy

- Advocacy offers a weak business case
 - Pro-older worker arguments emphasise 'soft' skills (empathy) as opposed to 'hard' skills (IT)
 - But research demonstrates employers value 'hard' skills most
- Notions of older worker superiority in terms of 'loyalty' and 'reliability' rooted in ageist assumptions
- Greater loyalty may reflect less mobility and longer tenure may not mean higher job satisfaction
- Advocacy reflects and draws on societal age stereotypes, doesn't recognize and challenge them.

3. Taking a critical stance on working longer

- Need to consider the universal efficacy of a welfarist pro-work agenda
- Questionable whether working longer achievable or desired
- Notion that working is necessarily beneficial implausible and overly simplistic
- Viewing age equality in terms of economic activity may mean that those unable to work only receive advocacy for what is unattainable
- Defined in terms of what they cannot be with consequences for wellbeing.

Robots don't dream of retirement

- Labour markets have undergone substantial changes.
- Trend likely to continue as we are confronted by what has been called the fourth industrial revolution - driven by artificial intelligence and robots.
- While numerous reports have considered what this technological revolution will mean for the labour market specific impacts on older workers not considered.

Robots don't dream of retirement

- By 2031, of the roughly five million Australian workers currently aged between 35 and 50, 49% will be in occupations likely to have been automated.
- Means that up to two and a half million older workers may have been made redundant due to automation.
- Not only out of work but also their skills will be outdated.
- Optimism about the impact of artificial intelligence and robots on overall demand for labour but new jobs will be radically different and require different skills.
- Retraining and education programs needed to avoid substantial social and economic deterioration.
- Older workers could see a widening gap between the age at which they cease paid work and the age at which they will qualify for a pension.

Workers by major Australia and New Zealand Classification of Occupations (ANZSCO) category who will be aged between 50 and 65 in 2031 and the risk of their jobs being replaced by automation (Figures calculated by the authors using ABS statistics on ANZSCO groups by age and CEDA estimates of likelihood of automation).

Major group (ANZSCO)	Category	Older workers ('000s)	Risk of automation	Jobs at risk
1. Managers	Non-routine cognitive	789.3	0.14	110,000
2. Professionals	Non-routine cognitive	1443.2	0.24	346,000
3. Technicians and Trades Workers	Routine manual	703.6	0.67	471,000
4. Community and Personal Service Workers	Non-routine manual	460.4	0.37	170,000
5. Clerical and Administrative Workers	Routine cognitive	737.0	0.74	545,000
6. Sales Workers	Routine cognitive	280.2	0.64	179,000
7. Machinery Operators and Drivers	Routine manual	364.6	0.89	324,000
8. Labourers	Routine manual	398.2	0.89	354,000
Total		5176.5	0.48	2,499,000

Conclusions: Towards a new advocacy on ageing and work

- Increasing older people's employment will help offset labour and skill shortages and the economic impact of ageing
- But major challenges due to the changing nature of work, with new institutional frameworks required
- Central tenet is universalist approach overcoming policy disjunctions and contradictions with policymaking aiming for 'age free' or 'age neutral' approaches
- Need to recognize that age advocacy itself lacks 'age awareness'
- Move beyond pro-work agenda to acknowledge gaps in older people's capacity.

Thank you

philip.taylor@federation.edu.au
philip.taylor@unimelb.edu.au