

# **THE AGEING WORKFORCE: RETAINING, UTILISING AND CHALLENGING WORKERS**

## **A LITERATURE REVIEW**

**PREPARED BY LEANNE INDER & JANE BRYSON  
VICTORIA MANAGEMENT SCHOOL  
VICTORIA UNIVERSITY OF WELLINGTON**

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## **INTRODUCTION**

This literature review has been completed in response to a request from the Ministry of Agriculture and Forestry, and in tandem with background work for the Developing Human Capability research project at Victoria University of Wellington. The review focuses on older workers, their increasing presence in organisations, the challenges and opportunities this presents, and current practices for developing, utilising and retaining the capability of these workers, whilst doing likewise for others in the organisation. We begin with an outline of the demographic trends, then review empirical evidence which looks at the varying descriptions of older workers, ageing workers, mature job seekers, and present some generalized themes around ageing with regard to stereotypes and discrimination, and reported HRM practices, both overseas and nationally. The literature review covers contextual issues relating to the ageing workforce and discusses common challenges and objections to older workers. We then look at suggested techniques for the utilisation and retention of scarce skills, expertise and experience of staff in the later stages of their careers.

This topic is pertinent for a number of reasons. The abolition of traditional retirement ages, the promotion of Positive Ageing strategies, life long learning strategies, and flexible working initiatives on both an international and national level are legislative and policy initiatives which support the retention and utilisation of ageing workers. In addition, given the anticipated increased dependence on the older workforce demographic it is entirely relevant for organisations to begin thinking about techniques to encourage employees to remain productively in the workforce. While there does not appear to be ‘one best approach’ to integrating all inclusive policies and practices for an organisation, bodies of research are emerging from Canada, the EU, UK and Australia around ‘ageing’ issues and the significance of these for organisations.

This review concludes with two sections: the first summarises a range of case studies as examples of initiatives that have been carried out by organisations; and the second outlines some of the recommended areas for organisations to consider, and possible suggestions from the literature for the development of best practice initiatives.

## **THE CHANGING DEMOGRAPHIC ENVIRONMENT**

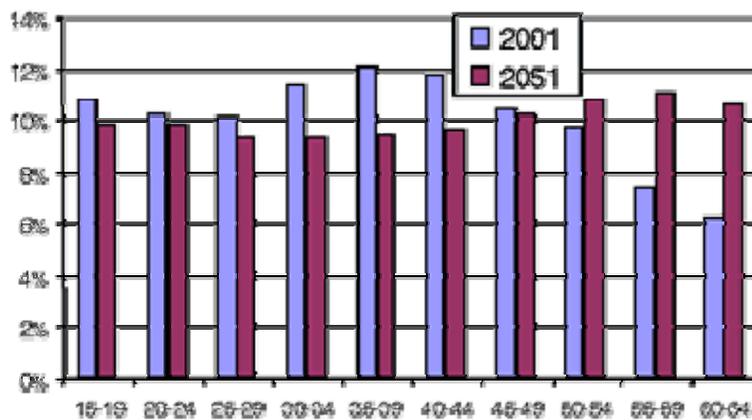
The workforce is ageing in all industrialized nations. By 2010, it is anticipated that the proportion of the working population aged between 50 and 64 will be greater than at any time since the mid 1970s in OECD countries (Turner & Williams, 2006). Baby boomers are set to retire from the workforce during the next decade or so and, in their retirement, they take with them irreplaceable levels of experience (Centre for Strategic and International Studies, 2000; Corporate Leadership Council, 2002a, b). The anticipated labour shortages that result will generate a heightened competition for skilled and able employees in all OECD countries. The decreasing availability of scientific and technical

workers in the United Kingdom has recently been noted of particular concern (Clarke, 2002; Corporate Leadership Council, 2002b).

Organisations will need to look to new ways of retaining existing employees and to make better use of their older workers' skills and experience (Baltzell, 2000; Corporate Leadership Council, 2002b). Older worker recruitment and retention efforts will become one of the dominant business and industrial issues in coming decades Lefkovich (1992). Employers who fail to recognize and take proactive steps to address the issue of the ageing workforce could face serious workforce shortages in the future (Armstrong-Stassen & Templer; 2005). Employers will need to move quickly to capture and protect difficult to replace intellectual capital (Corporate Leadership Council, 2002a, b).

In New Zealand those over 40 years of age make up approximately 44 percent of the population. By 2051 this is anticipated to increase to 54 percent of the population, with over 25 percent of the population aged 65 and over (Statistics NZ 2004). Labour force participation rates show similar trends; most notably in the 55+ age groupings; participation by those aged 60-64 increased by 22.6 percent between March 1996 and March 2006 (Statistics NZ 2006). New Zealand has a higher rate of labour force participation among older people than most other OECD countries. Those aged 50 – 64 currently represent a quarter of the total New Zealand workforce (Department of Labour, 2007).

**Age Distribution of the Working-Aged Population, 2001 and 2051**



Source: Statistics New Zealand Population Projections

However, this growing international awareness of the value of ageing workers seems to be at odds with past organisational behaviour. During economic downturns one would expect firms to retain those workers in which they have invested the most (Oi, 1962). As the highest levels of investment are likely to be in older workers it might be expected that these workers would have been retained during periods of recession. However, from the mid 1970s to the early 1990s older workers seem to have been targeted when labour force reductions were required (Trinder et al, 1992). This “targeting” of older workers suggests

that firms may have viewed their human capital as outdated. Thus these processes of organisational restructuring have had a disproportionate effect on older workers (Unwin, 2006). In these organisations external barriers to older worker entry also remain generally strong. Internationally, older workers are more likely to be made redundant, less likely to be up skilled and/or retrained, and increasingly face barriers to employment entry (Taylor & Walker, 2000). Arrowsmith and McGoldrick (1993) report early to mid-1990s data, from the UK based Institute of Management and Institute of Personnel and Development members, that managers generally regretted losing the experience and skills of older people but felt that it was often necessary for cost and human resource planning reasons.

While the effective development and utilisation of older professional and managerial employees is an important issue, little research has been conducted on older workers in New Zealand. McGregor (2001) highlights that the older worker has generally received little attention in New Zealand with local texts hardly addressing the issue beyond the statutory requirements of the Human Rights Act 1993 (Macky & Johnson, 2000; Rudman, 1999; Deeks, Parker & Ryan, 1994); while Sayers & Tremaine's (1994) text on New Zealand equal employment opportunities (EEO) omits the older worker entirely. The steady rise in the number of older workers in the labour force has been accompanied by increased evidence of discrimination against them, both in New Zealand and internationally. For example, recent studies have demonstrated increased periods of unemployment for older workers, and perceptions by older workers - often based on statements by employers - that age was the primary barrier to employment (McGregor & Gray, 2001; 2003).

Hence it is clear that the labour market environment will need to be accommodating of the emerging demographic, one which is free from stereotypes and discrimination not just to meet legal requirements but to recognize the value and benefit that the older workers provide for the economy. For instance, as the number of younger workforce entrants decline, training and education for people already in the workforce is likely to become more important. Acquiring skills will be an ongoing process, rather than a process that ends before work begins. This will require a willingness on the part of both employers and employees to invest in life-long learning. Since many of the skills possessed by older workers have been acquired on the job, they may be specific to particular occupations. This potentially constrains the ability of older workers to adapt to changes in the labour market and technology. Therefore not all skills (and the workers who possess them) will be sought after equally (<http://www.dol.govt.nz/futureofwork/workforce-ageing.asp>).

OECD empirical research (OECD, 1998a) foresees that the cohort of workers aged 45-64 years in 2015 will be better educated than their counterparts today. This trend is likely to occur for all OECD member countries. A positive correlation has been established between levels of educational attainment and workforce participation (Besl & Kale; 1996). In addition it is suggested that increased levels of education, institutional knowledge and skills add to the innovative thinking of staff. It is proposed that the older workforce will become better educated and more productive both individually and collectively. Hence, it will be necessary for employers to provide the increasingly educated and participative

members the necessary conditions or motivators which promote remaining in the workforce.

## **WHAT IS AN OLDER WORKER?**

A range of ages, terminology and rationale have been used to define older workers (Sterns and Miklos, 1995). For instance, McGregor & Gray (2001) use 40 years to define the 'mature job-seeker'; Warr (1994) uses 45 years to define the 'older worker'; 50 years and over has been used by Ekerdt et al., (1996); the OECD (2000) definition of an older worker is 55+ years, as is McGregor (2001); Greller (2005) uses the age group 50-70 years and labeled them "late career". In a recent New Zealand analysis the 'older workforce' has been defined as people in the workplace aged 50 – 64 (Department of Labour, 2007).

Research on career development has found marked differences between those 40-49 years and those older than 50 years (Simpson et al., 2002). Stage theories also suggest that there can be considerable differences in career-relevant behavior among workers of differing ages prior to 'late career' (Levinson, 1986; Sullivan, 1999; Super, 1957). It is for this reason, the varying context of what constitutes an older worker, mature job seeker, or late career participant brings with it a certain degree of ambiguity. There is no universally accepted international criterion and all age groupings are problematic. The categorization will be dependant on a number of contextual variables. One example of this is that despite the general evidence of a physical decline associated with ageing the degree of physical change in older workers is strongly dependent on the effectiveness of exercise, the adoption of healthy lifestyle choices, heredity, and the environment (Ilmarinen, 2001; Scroop, 2000).

### *Influence of Push/Pull Factors of Retirement*

What then are the key influencers promoting the decision to either remain in the labour force or to retire? Much of the literature regarding retirement (Taylor & Walker, 1998, 1994; Loretto et al; 2005, Jorgensen 2005; Turner & Williams, 2006) considers what are termed 'push' 'pull' factors. These factors are said to be the influencers of the process to retire or remain in the labour market. Turner and Williams (2006) suggest that the reality of retirement will be a *combination* of 'push and pull' factors and that the decisions about retirement will be constrained by the need (often financial), the ability and the desire to work. For others, it is suggested that poor health, displacement and disability can mean they are forced into retirement without sufficient funds to support themselves. Taylor (2001) outlines that there is a growing body of literature on work incentives for older workers which suggests that retirement decisions by older workers are influenced by a wide range of factors, including health, economic, social, institutional and psychological factors. It is due to this combination of push/pull factors that employers should be mindful that the recommendations to retain, re-skill, and utilise the ageing population will depend on two broader themes:

1. Both the desire and ability of the individual to remain or depart from the workforce and;

2. The ability of the organisation to provide a workforce that is ‘worth’ remaining in (Jorgensen, 2005).

Taylor and Shore (1995) consider that finance or the ability to afford to retire is the single biggest predictor of retirement. They add that poor health has been described as a moderately strong, consistent theoretical and empirical predictor of retirement but not nearly as important as finance. They report that ambition becomes less important as age increases, demonstrating that perhaps for older workers ‘status’ and ‘achievement’ are not the only reasons for wanting to work. This is supported by anecdotal evidence that suggests that the social aspect of work, and feeling valued and involved, may become more important as people get older (Turner & Williams, 2006).

A key theme in UK based research conducted for the Joseph Rowntree Foundation suggests that people feel increasingly out of place at work as they get older (Turner & Williams, 2006). Other research suggests that an individual’s retirement activity is often mostly based on push factors from their employer and individual choice is removed. (Loretto et al, 2005, p38). Hayward et al (1997) support this notion and outline that for many, the timing and form of career ending does not appear to be a choice. A large study of Canadians over age 50 showed that most who had retired did not do so entirely by choice (Schellenberg and Silver, 2004).

Factors such as the perceived tangible benefits from remaining in the workforce will act as ‘push’, ‘pull’ or a combination of the two. For example, empirical research (Scarpetta and Blöndal, 1998) shows that expected pension wealth usually falls with continued work after a certain age rather than being independent of it. In countries where early retirement benefits are relatively high, older workers have been shown to prefer to exit rather than take a cut in income. Due to the fact that pension remuneration is often based on the level of the last years of earnings (ILO, 1995) it is clear that this could influence the overall benefit of remaining in the workforce. This is a relevant issue for New Zealand public sector employees, particularly those contributing to schemes such as the Government Superannuation Fund (GSF) which calculates retiring allowances based on the last five years salary (GSF – Retiring Allowance Options, 2006), or in the future the Kiwi Saver fund which is due to launch in July 2007.

### ***Government Superannuation Fund***

Financial benefits from the fund are calculated on the length of service and a formula which relates to the last five years of salary. This formula may act as a disincentive to exploring gradual retirement options such as part time work. However, it is possible for a worker to be employed part time and to continue to make their employee GSF contributions at a full time rate for a period of two years so that they will not be disadvantaged by the operation of the formula.

If employees choose to reduce hours the rate of contributory service will be calculated and accumulate at the reduced hours rate. Employers wishing to explore this option with employees are advised to contact the scheme's administrators, Datacom Employer Services Limited (<http://www.gsfa.govt.nz>).

New Zealand based research identified the following as important factors in the decision to retire later: the levels of saving, the increased cost of living, changes in the law about compulsory retirement and enjoyment of work (McGregor and Gray, 2002). They noted that if older workers do stay longer in employment, it will contradict the United States and Canadian experience where the abolition of compulsory retirement in the 1970s and 1980s had no effect on the average age of workers because older workers did not stay longer in employment (Matthews 1999). The difference may reflect the relatively weak tradition in New Zealand of comprehensive employer superannuation schemes. This however, could be negated by the new Kiwi Saver initiative. The extent to which Kiwi Saver is likely to influence retirement decisions however is yet to be determined.

In New Zealand, the combination of the removal of age limits for retirement (in February 1999) and suggestion from the New Zealand Treasury (Stephenson & Scobie, 2002) about further increasing the age for the receipt of government superannuation to 70 years of age, mean that there could be fewer disincentives for mature workers to keep working if they can and want to.

Whatever the motivators, it can be concluded that older workers choose to leave the labour force for a variety of reasons (Henretta et al., 1992; Schellenberg and Silver, 2004). Because retirement is in part a matter of 'self-definition', it has been suggested that we may never know the full extent to which careers end because of displacement. The workplace itself and the job in particular (Beehr et al, 2000) have received little attention in research on the actual decision to retire.

## **CHALLENGES TO OLDER WORKERS**

We do however face a number of issues when we consider the ageing workforce and the perceived value that they may provide. Greller (2005) outlines that while older workers might be viewed as having accrued substantial human capital over their careers, human capital may decrease in value over time. This raises a question – what is the value of experience? Is it capped or diminished? Does the nature of valued human capital change with time? Do older workers increase their value through the addition of job or organisation specific capital versus younger workers who can increase their value by adding generic skills? (Chang and Wang, 1996). Do older workers maintain their skills, knowledge, and work relationships at a level that keeps them viable in the labour market?

There are varying debates evident in the literature regarding the value of older workers. This report looks to discuss some of the major recurring themes in the research around:

- Stereotyping and discrimination (including awareness training)
- Performance
- Economic analysis/value
- Health and Well being
- Training and Development
- Skill Shortages

## STEREOTYPING & DISCRIMINATION

Stereotypes are rarely neutral and are often highly evaluative (Oakes et al. 1994). There is now a significant amount of research on stereotypical beliefs about older workers in Western societies (Tillsley 1990, Taylor and Walker 1998). The extent to which stereotypes are held about older workers are important to consider as they may influence employment-related decisions and give rise to age discrimination at work (Chiu et al. 2001). The term “ageism” was first coined by Dr Robert Butler in The Washington Post in 1969. According to Butler, ageism is:

*“A process of systematic stereotyping and discrimination against people because they are old, just as racism and sexism accomplish this for skin colour and gender”*

It is suggested that the social construction of old age is more damaging to the elderly than is the biological ageing process (Duncan et al, 2000). Fiske (1993) notes that stereotyping and the resulting discrimination can have both positive and negative consequences; in the context of age discrimination at work, the effects may enable or hinder the older worker. Age may help older employees to receive recognition in relation to experience, knowledge and skills built up over the years, with some studies suggesting that older workers are favoured in their access to certain types of work, particularly managerial or supervisory roles (Perry & Finkelstein, 1999). In a New Zealand context, McGregor and Gray (2002) consider positive stereotypes which include increased levels of reliability, loyalty and job commitment.

An increasing influence however, is the negative role that stereotypes can play in employment practices. Patrickson and Hartmann (1995) outline that stereotypes which work against hiring older staff need to be addressed. Internationally, research has highlighted that age-based stereotypes distort employment markets, and reduce the perceived employability of older workers who are seen as less adaptable (Smith, 2001). Australian based research (Bennington & Tharenou; 1996) has identified that a number of negative stereotypes about older workers relating to avoidable absence, actual performance, memory, intelligence, ability to fit in, and job satisfaction are not supported. UK based research (Turner & Williams, 2006) also notes that unfounded myths about older workers can act as a barrier to changing attitudes. These myths can include perceptions that older workers: can't or won't learn new skills; don't stay in the job long; take more sick days than younger workers; aren't flexible or adaptable; are 'burned out' and cannot think clearly; are 'deadwood'.

Negative stereotypes and discrimination have been found to play a negative role in key areas such as human resource planning, recruitment (Shen and Kleiner, 2001), selection, performance appraisals, training, job design and termination practices.

There is a small body of New Zealand literature regarding employer perspectives of older workers. These studies have found that employer attitudes to older workers tend to be discriminatory and negative (McGregor and Gray, 2002, 2001; McGregor, 2001;

McNeill, 2003; Murray, 2002). The studies mirror those done overseas, where research found that employers saw older workers as 'slower to adapt, less energetic and less skilled than younger workers'. However, where workers are part of an employer's workforce, the employer has a more constructive attitude to older workers (McGregor, 2001; McNeill, 2002). These studies suggest that these employers rely on and value their older workers' skills where older workers are known to them.

In terms of New Zealand based employer perceptions, McGregor (2001) outlines that in general employers perceive older workers to be less productive, have less relevant skills, are more prone to sickness and absenteeism, and produce a lower rate of return on investment. These findings are consistent with international research relating to employer attitudes towards the older worker (Taylor & Walker, 1994, 1998; Trinder et al, 1992). These stereotypes limit employment for older workers in New Zealand, resulting in characterizations of those over 45 being seen as less adaptable, creative and flexible than their younger counterparts (McGregor, 2001). This is problematic as the recruitment aspect of the labour market has been found to be dominated by a youth focus with discrimination toward mature job-seekers well documented both internationally (Lyon & Glover, 1998) and in New Zealand (EEO Trust, 2000). Evidence of this was provided by a New Zealand study for the EEO Trust which identified that given a situation where two individuals have equivalent skills and qualifications the younger applicant will generally get the job offer. Findings indicated that younger workers were seen as more suitable and were significantly more likely to be short-listed. For example, in low demand (HR administrative) positions, the resume of a 25+ year old worker was six to twelve times as likely to be short-listed as the equivalent resume of a 55+ worker. In medium demand (sales) positions, the resume of a 25+ year old worker was six to ten times as likely to be short-listed as the equivalent resume of a 55+ worker (EEO Trust, 2000)

This highlights the prevalence of stereotyping and discriminative behaviours which are still apparent and need to be addressed. The assumptions behind age-based discrimination are largely false. Campanelli (1990) found that older workers are not less adaptable, often possess rare and complex intellectual capital, provide longer and more reliable service to their employers, and have fewer accidents, injuries and occasion fewer workplaces losses than their younger, and often more expensive, colleagues.

Research identifies that older workers represent a knowledgeable, reliable, experienced and stable workforce that has good interpersonal and customer care skills (Kodz et al, 1999). Further research shows a correlation between attitudes to work and workforce maturity (Lange and Gibbons-Wood, 2000). In Australia, mature workers have good learning capacity and retain information better than their younger counterparts (Office for an Ageing Australia, 1999) and as well as offering continuity, contribute to the blending of skills throughout the workforce. In fact, motivation has been shown to be more important than youth for successful learning (OECD, 2002).

Through policy and practice, organisations, individuals and the Government must take responsibility for responding to the effects of the inevitable demographic change. One of the most crucial will be addressed by leaving behind negative attitudes and behaviour

towards older workers that are ignorant and outdated. Turner & Williams (2006) suggest that by dispelling the ‘unfounded myths’ about older workers as research suggests, that older workers may even prove to be better and more committed employees overall.

Organisational characteristics that influence stereotypes about age could include: the nature of the industry, the human resource policies within an organisation (such as performance management, equity policies, company culture and philosophy), and whether the organisation pursues conducive work practices (e.g.: flexitime, phased retirement and job sharing) (McGregor, 2001). Underpinning these organisational characteristics are national characteristics expressed both in the Positive Ageing Strategy, Employment Relations Act (2000) and provisions of the Human Rights Act 1993 which provide protections to employees from such age related discrimination.

The research is clear that perception based stereotyping exists and needs to be addressed. For an organisation intent on establishing a Positive Ageing policy, it has been suggested that they provide staff and management training as a useful first step in re-tuning their workforce attitudes to older workers.

### *Age Awareness Training*

One of the suggestions to minimize the role of discrimination and negative stereotypes involves ‘Age awareness training’ which Naegele and Walker (2006) outline imparts knowledge about the ageing process. This has a number of functions:

- increases sensitivity towards the necessity and advantages of an age-positive HR policy;
- undermines the traditional, mostly negative stereotypes of ageing; and,
- it allows ageing in employment to be considered in a more sophisticated and realistic manner. HR managers need regular training in the background, requirements, opportunities and limits of age management if planning and implementation processes are to be informed by knowledge of general good practice.

*\*Further training initiatives are discussed in the Training and Development section of this report.*

Public sector employers have a particular role to play by way of setting example: they act as representatives of the state, which is trying to foster the integration of older workers. There is enormous potential for employers to take action to combat age barriers.

Employers’ actions can include:

- develop an age awareness throughout the organisation and especially among HR middle managers;
- monitor recruitment and training to ensure that age is not used inappropriately;
- promote age diversity and ensuring that all levels of management are committed to it;
- ensure opportunities for lifelong learning;
- introduce age management initiatives and evaluate their impact (Naegele & Walker; 2006)

McGregor & Gray (2002) remind us that stereotypes are not fixed mental states but are redefined as part of social change and that only by acknowledging the existence of discriminatory attitudes, though, can society begin to change its attitudes. They suggest that New Zealand's aspirations to become a knowledge economy provide an incentive, but also a significant challenge, if it wants to harness and exploit the human capital potential of appropriately trained older workers.

## **PERFORMANCE**

One of the principal recurring debates is that of performance declining with age (Loretto et al, 1999, 2000). A typical negative stereotype across both males and females associates increasing age with decreasing levels of performance and/or productivity. However this stereotype is not evidence based. There are no documented performance deficits based on age, except in jobs requiring high levels of physical stamina or endurance.

Yearta and Warr (1995) have determined that there are no differences in the overall sales performance of older and younger employees. A decline in performance may be falsely attributed to age, when in fact it may be due to skill obsolescence or a burn out phenomenon which may occur at any age and can be remedied through training practices. Griffiths (1997) presents a scientific viewpoint which states that most reviews report little consistent relationship between ageing and work performance.

There are mixed views on the debate of performance decline with age. A review of the literature regarding older worker productivity has lead to much agonising by economists (NZIER, 2002). While age may indeed be a poor proxy for performance, many of the international studies have different methodological starting points. This obviously influences employer perceptions about older workers yet the evidence at best is inconclusive (Schulz, 2001) suggesting that the older workers who remain in the workforce, given that so many have already left, are productive. Age is not a proven proxy for productivity. The performance of workers does not appear to be significantly impaired by age ([www.dol.govt.nz/olderworker/html](http://www.dol.govt.nz/olderworker/html)).

## **ECONOMIC ANALYSIS/VALUE**

Despite the traditional labour economics view which supports the notion that the older worker loses interest in work (i.e. has less career motivation) and experiences less satisfaction from work (Greller, 2006), Brooke (2003) found the employment of older workers to be advantageous. Greller (2005) suggests that there are economic and individual reasons to extend the work life vitality of older workers.

Some argue that older workers are more expensive to employ in terms of absenteeism. Empirical evidence suggests however, that older workers demonstrate less absenteeism, lower turnover, fewer accidents, higher job satisfaction and more positive work values than younger workers (Warr, 1994). It has also been suggested that voluntary absence (where people take time off work without medical or organisational approval) is less

common for older workers, although absence for reasons of sickness tended to be more important (Griffiths, 1997). Taken together, no overall difference in absence rates was apparent.

### ***Cost/Benefit***

The traditional view is that investment in one's career diminishes with age, and more specifically that it drops sharply during late career (Frazis *et al.*, 1998; Mincer, 1994; Rix, 1996). Perceived quality of work and thus, satisfaction, is a factor in late career workers' choice to continue working rather than accepting early retirement (Henkens and Tazelaar, 1997). According to Becker (1964, 1975) employers and individuals undertake investment in human capital if the net present value of future incremental earnings accruing from the investment, outweigh the direct and opportunity costs.

It has been argued that older workers may be more expensive not so much in terms of their wage costs but in terms of their non-wage costs such as pension costs (Casey, 1997), higher remuneration, fringe benefits and social contributions. In hierarchical systems, such as the civil service, salaries do peak at the end of workers' careers. This trend however is not consistent. In technical professions, more linked to output, peak in earnings may be reached in the middle of the career.

Employers are also going to have to be more progressive about investment in training. Second careers and flexible working lives will mean that employers need to change their attitude from concerns about not recouping costs to understanding the very clear benefits of skilled staff (Turner & Williams, 2006).

### ***Tapping into Tacit Knowledge***

A more difficult value to gauge is the value that can be provided to an organisation via tacit knowledge held by its employees. This 'expert knowledge' is termed by Gherardi *et al.* (1998) to be a fusion of knowing, know-how and reflection constructed from social interaction within a specific socio-cultural setting. Yet such tacit knowledge is difficult to tap into because it is arcane, complex and elusive (Krogh *et al.*, 2000; Florida, 2002). "Know-how and know-who" tend to remain tacit, socially embedded and resist codification (Paquet, 2000, p. 5). In order to surface tacit knowledge and to build new cognitive associations (Kleiner, 1995) collaboration based on trust, openness and reciprocity between entities is required (Holton, 2001; Davenport and Prusak, 2000).

Difficulties associated with capturing this tacit knowledge, (Davenport and Prusak, 2000) can be attributed, in part, to a reliance not only on the technical aspects of knowledge management but also a dysfunctional socio-cultural context (Lowe, 2002). Tacit knowledge is a key learning element but resists codification (Florida, 2002) and can only be shared through cooperation and interaction (European Foundation, 1996; Lundvall and Borra's, 1997; Krogh *et al.*, 2000). It has been recognized that trust, interpersonal and communication skills and mutual commitment are now very important (European Foundation, 1996; Wenger *et al.*, 2002) and for this to be achieved, requires a socially cohesive environment (Lundvall and Borra's, 1997).

Jorgensen (2005) outlines that ageism therefore presents as a potent disintegrating factor. This reinforces the importance of education, participation, integration and interaction (Hartog, 1999) and reminds us that an effective response to the ageing of the workforce may also contribute to improvements in the value achieved from knowledge management. While it is commonly recognized that the older employees retain this tacit knowledge, the actual extent and value is somewhat difficult to ascertain.

It has been suggested that an employment strategy that recognizes the value of its older workers would be a futures oriented response to the forces at work in the external environment. (Jorgensen, 2005). The introduction of flexible employment policies, quality work and flexible benefits will assist in this regard. It has been suggested that by utilizing work strategies such as mentoring, consulting or deployment staff may be provided the opportunity to impart this information willingly for the mutual benefit of the organisation and ‘co-learner’.

## **HEALTH AND WELL-BEING**

Good health is heralded as ‘one of the cornerstones of wellbeing in later life’. (Howse; 2005) and due to advances in medicine, the ageing population will enjoy higher levels of health and vitality than previous generations. With improving health and longevity, the number of people working past retirement age is likely to increase. Statistics New Zealand’s report *Older New Zealanders: 65 and Beyond* (April 2004) shows that most older people are fit and well, with an increasing number working – and intending to work – well beyond the age of 65. Hence, with an anticipated increase in the proportion of ageing workers in our workplaces, it will be important for employers to provide suitable environments that cater to the specific needs of this demographic.

Research shows that work can have a negative impact on health through stress, depressed wages, and poor quality jobs in terms of hours or working conditions (Loretto et al; 2005). In most cases, health limitations appear to increase the likelihood of all types of retirement, suggesting that the beginnings of poor health are present before the decision to retire is made (Henretta, et al 1992; Midanik, Soghikian, Ransom & Tekawa, 1995). Naegele & Walker (2000) suggest that in this regard, an age-neutral approach is particularly appropriate.

Some research suggests that due to the increasing obesity epidemic and the related illnesses such as Type II Diabetes, there may be a need for employers to provide suitable working conditions to accommodate these illnesses. Naegele & Walker (2000) suggest that good practice in health protection, health promotion and workplace design means optimizing work processes and the organisation of work to enable employees to perform well and to ensure employees health and capacity to work.

While few studies have explored the links between individual health and individual employment experience, and few workplace interventions have been designed to promote

their well-being (Doyal and Payne, 2006). Turner & Williams (2006) suggest that organisations who are already open to the wellbeing debates might want to think about the health status of their employees and what role they can play as workers make the transition into retirement. Factors such as occupational stress and illnesses, the intensification of work, extended working hours, intimidation and harassment are unlikely to assist in reshaping older workers attitudes towards an extended working life (European Foundation, 2002). Schultz (2001) points out that while older workers are noted to have less injuries and illnesses, when they are injured or fall ill the consequences are generally more serious.

Naegele and Walker, (2006) suggest strategies such as a health insurance fund might run a bonus programme in which 'health friendly' companies are rewarded with lower premiums for health or accident insurance. Health protection and promotion (for older employees) can only develop effectively in an organisation that recognises employees' health as being central to their productivity and potential, and in which management acknowledges its own responsibility. They suggest that attaining the goal of healthy ageing at work depends to a large extent on organisations implementing measures designed particularly for their older employees.

### ***Physical and Cognitive Decline***

While eye sight, hearing and physiological systems deteriorate with ageing along with energy levels and tolerance for working in extreme conditions, Salthouse & Maurer (1996) suggest that various moderating factors compensate for a decline in cognitive ability, for example through an increase in job knowledge and skills. In most work tasks, speed and precision can be substituted by the high motivation, experience and wisdom of ageing workers (Ilmarinen, 2001).

It has been established that some cognitive functions, such as language or the ability to process complex problems actually improve with age (Ilmarinen, 2001). And recent research has shown that the brain maintains its plasticity throughout life, and consequently learning can, and should be, life-long (OECD, 2002b). There is also a "use-it-or-lose-it" element to the cognitive capacity of older workers to acquire new skills (Van der Heijden, 2002). These arguments therefore highlight the importance for organisations to explore strategies such as life-long learning and training and development.

## **TRAINING AND DEVELOPMENT**

It is commonly perceived that the older worker who is not undertaking training, enhancing their range and types of work experiences, or actively maintaining a work related social network would, over time, experience diminished opportunity, security, and pay (OECD, 1998b). While research points to a number of different factors to consider, one of the primary factors is that of training – the exposure to, extent of, and quality of training all appear to influence how receptive an employee is to the ongoing learning that is required from today's workforce participants.

The largest body of theory and research on training and development during late career comes from labour economics. Rix (1996) discouraged investment in older workers on the grounds it is expensive, and older workers are thought to have less time to pay back the investment. In addition, it was considered that the market value of skills acquired by older workers is expected to be less because of ageism and the difficulty in assessing the full value of the capital possessed by older workers (Chang and Wang, 1996).

This historical position has, in the past, guided policy affecting the development of people during late career. Consequently older workers receive less traditional, employer sponsored training (Frazis et al., 1998; Mangum, 1989; OECD, 1990), which is the activity used to measure human capital investment.

The arguments against training older workers are contradictory, yet often taken for granted. The best example is the argument against training older workers that suggests any investment is unlikely to be recouped because the older worker is likely to retire - even though it is accepted that skills training becomes obsolete very quickly (McGregor & Gray, 2001). These arguments against training older workers ignore the fact that older workers are less likely to leave than their younger counterparts which results in saving employers in recruitment and training costs (Warr, 1994). Specific examples of cost savings are discussed in the case study section of the report.

In a New Zealand context it has been identified that negative discrimination against older workers is typically manifested in restricted access to training and development opportunities (McGregor & Gray, 2003) or to employment overall, particularly for non-managerial posts, including projects and promotions that may be seen as “wasted” on an older worker who is well qualified (McGregor, 2001). Despite results showing that older workers are interested in relevant training a surprising number of older workers indicated they were disadvantaged in training. Discrimination appeared to be the primary basis for disadvantage, particularly when related to opportunities and selection for training and more specifically computer re-training (McGregor, 2001). The lack of work training, and professional development, of older workers has serious implications for employers, trade unions and the workplace generally. This results in poor organisational performance; skill shortages within staffing; and skill gaps where no training has been undertaken; as well as morale problems when staff feel marginalized and undervalued (McGregor & Gray, 2001).

Older workers are much more differentiated in terms of skills and experience than workers in the early stages of their careers (Dixon, 2003). He suggests that this highlights the need to encourage older workers to train and retrain, as well as workers themselves taking the right attitude to up-skilling themselves.

The ageing workforce literature identifies three key issues related to training older workers:

1. access to training;
2. adjustment of training methods and the learning environment to meet the needs, preferences, and learning styles of older employees; and

### 3. manager awareness training.

A further stream in the literature and in policy formulations is the range of discussions focused on life long learning.

#### ***Access to training***

While it is recognized that training is an important component of retention and increasing the availability of training is critical for retaining older workers (The Commonwealth Fund, 1993), there is substantial evidence that older workers are denied access to training (Barth et al., 1993; Farr et al., 1998; Mirvis and Hall, 1996; Rix, 1996; Sterns and Miklos, 1995). In a review of the literature on older employees, O'Reilly and Caro (1994) concluded that work-related training is limited and often non-existent for older employees.

Organisations need to ensure that the training methodologies are appropriate. Armstrong-Stassen and Templer (2005) suggest that improving access to training will have a limited effect on the retention of older managerial and professional employees if inappropriate training methods are used. It is therefore important to tailor the training methods to the learning styles and preferences of older managerial and professional employees.

#### ***Adjustment of Training Methods***

Patrickson and Hartmann (1995) suggest that training practices will need restructuring to accommodate alternative training methods which encourage older staff to re-skill. Several researchers (Allen and Hart, 1998; Barth et al., 1993, 1996; Casey et al., 1993; Griffiths, 1997; Lefkovich, 1992; Mirvis and Hall, 1996; Rix, 1996; Sterns, 1986; Sterns and Miklos, 1995) have identified that even when training opportunities are available to older employees, there is a need to tailor the training design and methods to allow for the learning styles and experience of older employees and encourage them to participate in such programs. Training methods for older employees should place greater emphasis on “hands-on” learning techniques, be self-paced, and take a practical learning approach (Sterns, 1986; Sterns and Miklos, 1995).

Walker (2006) outlines that in seeking to design, implement and sustain a structured and systematic learning and development initiative one must account for the shaping effects of workforce culture and practice, demographic and social trends, technological change, the barriers to learning and the motivation to learn. Rhebergen & Wognum (1997) studied older employees in a Dutch company that operated an age-awareness personnel policy. They found that training and development still focused on younger employees so that participants in the career development process were insufficiently stimulated in their roles and formal human resource development activities had little effect on older workers' careers.

There is a clear need to adjust skills and competencies to meet the needs of ageing populations and to achieve this goal it is imperative to ensure that education and training policies are adapted to the specific needs of older workers. Educational attainment is

strongly correlated with employment participation. The better educated older person is remaining longer in employment (OECD, 2003).

Thus it is suggested that organisations build controls into their training and development programs that specifically assess and audit the access of older workers to training opportunities.

Training for younger and older workers is likely to be more successful when the training regimes seek to capitalize on the qualities and attributes that the different age groups bring to the training experience (Casey, 1998).

### ***Manager Awareness Training***

Much of the research on age barriers in organisations highlights the potential obstacles for the implementation of good practice that can be created by the discriminatory actions of line managers. These may derive from discriminatory beliefs and attitudes, or perceived pressures to achieve specific business goals, or both. Elliott (1995) notes the importance of age awareness training for managers and the need to educate managers on the effective utilisation of older employees. Griffiths (1997) suggests that changing managers' attitudes towards ageing workers through age awareness programs is important.

In the New Zealand study there is some evidence that it is at the supervisory and middle management level that some workers feel there are negative perceptions and this may be an area that New Zealand employers feel further education to improve age discrimination in the workplace is needed. Supervisors' attitudes have been found to be particularly important overseas (Tuomi et al, 1997). Armstrong-Stassen & Templer, (2005) support the need for organisations to implement training programs for the people who are managing older managerial and professional employees. They suggest that these training programs should educate these managers on effective ways to utilise and manage older managerial and professional employees. For managers to act as 'age advocates' they need to be as educated about the issue, and be ready and willing to promote the organisation's intent.

A study of the employment of older workers in local government conducted by Itzin and Phillipson (1993) found that local authorities were only just beginning to introduce positive older worker policies. Line managers' attitudes towards, and beliefs about, older workers were identified by senior management respondents as being significant obstacles to the recruitment, training and promotion of older workers.

McGregor (2001) recommends that organisations should concentrate on:

- greater worker and employer commitment to on-the-job, life-long upskilling to prevent skill obsolescence
- the relevance of training to industry needs
- who delivers the training and perceptions of its usefulness
- how to develop a "training/learning" orientation throughout life.

Naegele and Walker (2006) suggest that approaches include:

- the absence of age limits in determining access to in-house learning and training opportunities;
- special efforts to motivate learners, establish methodologies and provide support;
- systematic evaluation;
- specific provisions in providing leave;
- analysing the skills needs of the organisation, matching these with the available skills and individual educational status of older employees and utilising them in the methodology and contents of training;
- continual monitoring of an employee's educational status;
- defining training opportunities as being an integral part of career planning and not solely as job specific;
- linking training schemes to an individual's life course;
- organising work so that it is conducive to learning and development – for instance, within the framework of mixed-age teams and groups;
- using older employees and their particular qualifications both as facilitators of further education for older and younger employees, and as an organisational 'knowledge pool'.

The training of older workers can have, *inter alia*, other advantages for employers (Samodorov, ILO, 1999). Specifically, the habits, performance, loyalty and other merits of older workers become better known, and by training older workers, the firm improves its image with the customers and public at large.

The creation of an organisational reputation of being an ethical, trustworthy and a generally good place to work is likely to deliver additional benefit (Hewitt Associates, 2000). The heightened competition for skilled and able employees will require employers to offer attractive employment conditions for potential employees. Department of Labour ([www.dol.govt.nz](http://www.dol.govt.nz)) suggests that as it becomes harder to recruit new workers, employers may invest in more technology and/or develop ways of holding on to older workers for longer. Many older workers, while still willing to work, may like greater job flexibility. Options for employers include offering part-time work or phased retirement, or bringing back retirees as contractors. A desire for these options amongst older workers in New Zealand and Australia is also confirmed in a recent report (Hudson, 2006).

In New Zealand, the 'good employer' responsibilities of public sector organisations are set out in the State Sector Act. These mean that Government agencies are expected to act as model employers which lead the way in HRM practices for government initiatives and demonstrate a standard to which private companies can aspire. The obligation is however on both public and private sector organisations to begin to acknowledge how the projected demographic changes will affect the way they manage their HRM practices in a manner that will link to their future success. Turner & Williams (2006) consider that successful organisations will be those that see employees as people with diverse plans, aspirations and skills, and understand the range of possible policies and practices to support this in their own particular context.

## **THE NEW ZEALAND POSITIVE AGEING STRATEGY - WHAT DOES IT MEAN?**

The New Zealand Positive Ageing Strategy (2001) is an initiative from the New Zealand Government promoting the importance and value that can be provided by New Zealand's ageing workers. The policy involves initiatives to change attitudes towards ageing and older workers, and providing employment options for older workers, including part-time, job share, flexible hours, and retraining budgets through workplace reforms. Its aim is to eliminate ageism in the workforce (Dalziel, 2001) and to improve opportunities for older people to participate in the community in the ways that they choose. It is said to provide a framework within which all policy with implications for older people can be commonly understood and developed which incorporates broad principles that were to guide the development of policies and services from a wide range of government agencies.

In response to the Government's Positive Ageing initiative, at the very least organisations will have to remove age bias from: recruitment, selection, promotion, training and development, redundancy and retirement. The New Zealand Positive Ageing Strategy's employment goal calls for the elimination of ageism and also promotes flexible work practices for older workers. This will require employers to review their Human Resources practices from recruitment to retrenchment to ensure that processes conform.

However, despite the promotion of 'life-long learning' for workers of all ages in order to maintain and increase their skills and productivity as they grow older, research shows that New Zealand employers are, in general, not as enthusiastic about the accepted range of flexible, older worker friendly practices as Government (Dalziel, 2001) and the EEO Trust (2000b) suggest they might be (McGregor, 2001).

In fact, McGregor (2001) found that few employers offered the sort of flexible work policies that might encourage older workers to join or stay in the workforce - less than 30% offered flexitime or job sharing, and less than 10% offered gradual or phased retirement and few who intended to introduce any such features within the next year. This is said to demonstrate the overall salience of the issue in the public mind in New Zealand

While Human Rights legislation has encouraged a raised awareness about employers' and workers' responsibilities and rights in relation to age discrimination at work, McGregor & Gray (2002) question whether the legislation has gone further and pushed workplace attitudes beyond compliance towards a more tolerant and understanding atmosphere for older workers in New Zealand. McGregor & Gray (2002) outline that considering that the study was undertaken among larger employers, the absence of flexitime (both actual and intended) is markedly at odds with the Government's ideals. They go on to suggest that it is highly likely that smaller employers, who comprise the bulk of New Zealand's employers, are less willing and even less likely to be able to afford flexible work options. It has been suggested that the study highlights that stereotypes about older workers are pronounced in New Zealand's workplace culture, and that they are held in common by both employers and older workers themselves.

New Zealand is not alone in the challenges faced with the promotion of such policy. The UK Department of Trade and Industry (DTI) report (2005) suggests that explicit policies on managing the age balance of the workforce were rare, even though age was identified as a key issue in equal opportunities. The same DTI report revealed some practices that may demonstrate a malaise towards older workers and age in many organisations. Of particular concern was how the performance management systems were applied in a generally patchy manner, and much less firmly to people nearing retirement age. There was very little evidence of succession planning, which suggests that employers are not thinking hard enough about knowledge retention, in particular because this was combined with a confused understanding among employees of flexible retirement options (Turner and Williams, 2006).

In addition, in a Canadian study conducted by Armstrong-Stassen & Templer (2005), less than half (42 percent) of the HR executives saw the issue of an ageing workforce as moderately to extremely important for their organisation. HR executives in public sector organisations viewed the issue of the ageing workforce as significantly more important than HR executives in the private sector. HR executives in larger organisations viewed the issue of the ageing workforce as significantly more important than HR executives in smaller organisations.

The wider ramifications of the Positive Ageing Strategy, however, extend to other policy initiatives in the New Zealand Public Service, including:

- Life Long learning commitments and
- Work-life balance and alternative work arrangements

### *Life Long Learning*

The commitment to life long learning is an emerging initiative among most OECD countries. Fewer occupations can now guarantee lifelong employment. Security of employment now resides in the capacity of individuals to build their employability. The 'new' contract revolves around employee motivation, job enrichment and competency development (Schindlmayr, 2001). Jorgensen (2005) suggests that life-long learning has become an essential for both employability and career progression. Greller (2005) presents that changing circumstances, technologies, and personal interests require that the stock of human capital be updated on a continuing basis. It has also been suggested that investment in the ongoing education of older employees could be an important measure in avoiding labour market bottlenecks (Naegele and Walker, 2006).

There are three main reasons why the need for lifelong learning will be reinforced by the ageing of populations (Auer and Fortuny, 2002):

1. Lifelong learning can help the adjustment of workers' skills and competencies to labour market demand
2. It can help improve the attachment of older workers to the labour market.  
Younger workers have on average more years schooling and have more access to

training programmes than their older counterparts. As a result, it is more difficult for older workers to keep up with technological change. Adapting skills will be more fruitful than learning new ones given the relatively shorter time to recoup costs.

3. Lifelong learning can help to overcome productivity declines after certain age(ILO Employment Paper, 2000)

These concepts are all reinforced by the New Zealand Government's commitment to lifelong learning. However, Naegele and Walker (2006) outline that if lifelong learning policies are to be effective, it is essential that those in charge of the programmes be sensitive to the issues of ageing in the workplace. It is important therefore, to provide age awareness training to staff – in particular those who may lead an organisational initiative. This is consistent with the calls for lifelong learning and continuous professional development. Findings show that workers who are employed in a learning environment are much less susceptible to a decline in trainability (OECD, 1998b).

### ***Work-Life Balance***

Work–life balance is becoming an essential factor in job satisfaction and the planning of the lives and careers of (in particular) ageing staff. This is in addition to:

- the quality of work
- the workplace culture
- the organisation of work
- the working environment
- and the tasks entailed in the job

All of these factors impact on an employee's capacity for work. When developing and implementing age management strategies that achieve lasting benefits for both the employees and the organisation, employers must consider the overall pattern of their older employees' wishes and expectations towards work. Increasingly these will encompass their personal lives outside work, such as their responsibilities for family care.

An ageing workforce policy mix that safeguards health through a combination of redesigned workplace practices and procedures that are matched to individual capabilities, along with the modification of lifestyle factors appears warranted (Ilmarinen, 2001).

## **SKILL SHORTAGES**

Skill shortages are not isolated to New Zealand industry, it is an issue that is prevalent on a global setting and is an ongoing challenge for many industries (Hutton, 2005). It is anticipated that certain skills and competencies will be in even shorter global supply in

the future, unless employers change their attitudes towards training and re-training. This may include ‘softer’ skills associated with customer service and team work (Green, 2003) and those skills associated with knowledge-based economies – understanding and using technology. The anticipated demographic changes will contribute to this skill shortage. It is suggested that it is this trend which is forcing business to prioritise the recruitment and retention of skilled people (EEO Work and Age report, 2006).

Older workers often have skills and qualifications that are difficult to obtain and that form a central element of the human resources of an organisation; despite this, skills deficits are frequently considered to be one of the employment risks associated with older employees. It is this behaviour that Naegele and Walker (2006) outline often overlooks the self-fulfilling prophecy at work here: such skills deficits develop primarily *because* organisations do not invest in training their older workers. Unwin (2006) adds that sudden change in the skills required by employers changes the relative values placed on “new” qualifications and “old” experience. In this case older workers may be placed at a disadvantage not simply because of their age, but because they may not have skills that are required by employers. One example of this is computer skill shortage during the 1980s and 1990s. It is then the issue of retraining that becomes paramount. This highlights the importance of employers and employees making a commitment to life-long learning and regular training to avert such scenarios.

Organisations will need to think about how demand for certain roles is going to change for them, and how their current workforce can shape up to meet that demand alongside what the labour market has to offer. For this, workforce planning and understanding the skill gaps or shortages within your current workforce will be beneficial.

## **HOW TO UTILISE AGEING WORKERS - WHAT ARE THE OPTIONS?**

There are varying opinions on the key areas, broader policy initiatives, strategies and techniques that organisations can or should engage to promote the effective utilisation of older workers. For example, in West & Berman’s study (1996) of the strategic management of older workers, four key areas were outlined as: supportive workplace relations; training; career development; and performance appraisal. The 2006 Department of Trade & Industry (DTI - UK based) report the following as being key areas to address:

- Recruitment and selection – recruiting based on ability and skills rather than age or otherwise
- Promotion – ability based promotion
- Training and Development – all inclusive approaches
- Redundancy – unbiased – based on skills and abilities
- Retirement – understand business and individuals needs,
- Knowing your Staff – suggested good practice to enable utilisation is suggested to begin with the collection of information on age profiles of employees. (DTI Report, 2006)

Similarly, Casey, Metcalf and Lakey (1993) considered the five main dimensions of good practice in age management in organisations to be:

- job recruitment and exit;
- training, development and promotion;
- flexible working practice;
- ergonomics and job design;
- changing attitudes towards ageing workers

In New Zealand, Public Sector research conducted by the State Services Commission identified the most likely utilisation strategies included:

- encouraging recruitment and retention of older workers,
  - targeted education and training for older workers,
  - reduced hours/flexible work arrangements,
  - mentoring and succession management,
  - career planning and career management, and
  - working conditions for older workers included as part of collective agreements.
- (State Services Commission, 2004)

While there are varying opinions on the key areas for organisations to focus on, it is clear that there is a level of commonality. Taylor (2006) outlines that more organisations are now implementing measures related to health and working conditions, job design, flexible working practices and redeployment. We now discuss in more detail some of the more common options that have been suggested by the literature:

- Gradual Retirement
- Mentoring
- Flexible work policies
- Strategies to increase retention
- Redeployment, and
- The provision of high quality work for employees.

### ***Gradual retirement***

Taylor (2002) suggests there is a strong case for gradual retirement which would provide solutions for both employers (through the retention of skill and knowledge), and for workers, in that it offers the opportunity for a gradual adjustment to retirement. In Japan, take-up of phased retirement options has been relatively high but this may be explained by the fact that in Japan early retirement has never been the norm. In the past the long-term emphasis in Europe has been on early exit with relatively generous benefits available, while in the United States a large number of older workers are in some form of bridge employment between their career job and full retirement.

This option has important advantages. Casey (1997) showed that: it helps to overcome the supposed “pension shock” associated with a too rapid transition from working to not

working; it permits the demands of work to be better adjusted to any decline in capabilities that might be associated with age; it enables older people to stay longer in work than might otherwise be the case (by avoiding early retirement or by enabling later retirement) and relieves pressure on pension and other income replacement systems; it provides a more “gentle way” of affecting labour force reductions and might open up employment opportunities for others both young and old; and it retains experience within the employing organisation and, suitably managed, facilitates its transition to next generations.

Gradual retirement schemes also make it easier for workers to adapt to retirement, and facilitate the rehearsing of post-work activities such as volunteering (Naegele and Walker; 2006).

However, while there is evidence of employers using gradual or flexible retirement schemes (Turner and Williams, 2006), there is a lack of research into actual practice and take-up rates (Loretto et al, 2005). These issues could be due to a lack of understanding about changing demographic profiles and their likely effects.

### ***Mentoring***

Much of the literature suggests mentor roles as a suitable option for utilising the skills and experience of older workers (Patrickson and Hartmann, 1995; Naegele and Walker; 2006). Some older workers can be successfully deployed as mentors and trainers for their younger colleagues and for those of the same age. This particularly applies in cases of job succession: the older occupant of the position can familiarise the newcomer with the tasks in question. Turner and Williams (2006) confirm that mentoring and coaching is one frequently cited idea, particularly amongst retiring managers.

Jorgensen (2005) suggests that senior executives and those with hard to replace expertise and experience, who are approaching retirement, could, as part of their phased retirement programme, become mentors imparting their experience, advice and network access to directly assist newly appointed executives, managers and supervisors. In so doing these newly appointed managers would be given the opportunity to capture corporate learning through engagement with their assigned mentors (Fullan, 2003) thus realising and capturing the social capital investment in older workers (Glaeser, 2001).

In New Zealand, mentoring schemes are most common in professional/managerial occupations. However, less than 20% of employee respondents mentioned these options as being on offer from their current employer (EEO Trust Work and Age Report, 2006). Jorgensen (2005) identifies opportunities such as participation in research partnerships with universities, project-based and “stretch” assignments, work shadowing as well as secondments, attachments and shadow cabinet (for potential executives) designed to facilitate wider learning or to address the specific needs of individuals would also be appropriate. He goes on to suggest that succession planning, talent management, individual development planning for high-performing employees and the like also emerge as positive intervention strategies.

### *Flexible Work Policies*

Given the importance of skilled people to innovation and competitive advantage, organisations will need to look to new ways of retaining existing employees and to make better use of their older workers' skills and experience (Baltzell, 2000; Corporate Leadership Council, 2002b). Researchers suggest that organisations wanting to maximise their potential will have to think in a more detailed and holistic way about motivation and managing expectations (Turner & Williams, 2006). It has been suggested that flexible employment practices could be helpful in breaking down age-based barriers to the employment of older people, and it seemed that some enlightened-self-interested employers were beginning to recruit and employ mature people in thoughtful (targeted) and flexible ways (Arrowsmith and McGoldrick, 1993). Suggested techniques include: flexible policies, how to provide high-quality work, health, wellbeing and workplace support, and workforce planning. Organisational flexibility and new forms of management control are also needed. The literature suggests that a broad framework that supports organisational change, workforce mobility, quality of employment, the physical decline associated with ageing, formal and informal training for new skills, a willingness to experiment and a recognition of the needs of the individual along with flexible work and benefits will be required (Jorgensen, 2005).

Good practice in this field means giving older workers greater flexibility in their hours of work or in the timing and nature of their retirement (Walker 1997,; Hudson, 2006) and adjusting working time and other aspects of employment to reflect changes in the way people work and in family and caring responsibilities of the work force (Naeyele and Walker, 2000).

A flexible work-retirement transition would be a good example of active ageing -the capacity of people, as they grow older, to lead productive lives in the society and economy (OECD, 1999). Naeyele and Walker (2006) outline that the objective of flexible working time practices is both a more productive alignment of working times and work demands and a better reconciliation of work with personal interests and commitments (work-life-balance). This may include study leave, raising children or, as is the case with many older employees today, family care responsibilities.

Working time flexibility may be an important instrument for retaining older workers in employment. Research shows that if flexible work options were more widely available, then older workers would stay in work for longer and find it easier to find work (Turner & Williams, 2006).

This is something that organisations should be thinking carefully about in terms of how adaptation of work patterns can contribute to organisational success, and how this can be managed.

Examples of good practice include different forms of flexible working time practices, such as: the adjustment of shift schedules; special measures of daily or weekly working hours reduction; flexible working for older employees; partial retirement; specific paid

leave provisions; particular models of job rotation or relief for older employees from overtime and other extra work (Naegele and Walker, 2006).

A suitable offering of flexible working times enhances the social image of an organisation and also enhances a company's attractiveness to job seekers in the labour market (Naegele and Walker, 2006). The literature shows that while there are reservations concerning flexible working time arrangements, on the part of both employers (e.g. cost arguments, practical implementation problems, additional administration effort) and employees (e.g. loss of income and/or status, new workloads due to organisational changes) these reservations can be overcome by means of a careful and participatory approach to implementing such measures.

Flexible policies will be crucial, not only because people may have more demands on them externally in their role as carer, but also in the run-up to retirement when employees may want reduced workloads as they phase into retirement. Walker (2006) suggests that 'flexible' retirement schemes are one option for employers. Under such schemes, employees can draw some pension while continuing to work reduced hours. This will help to accommodate caring roles, which are anticipated to become more prevalent.

Recommendations that employers should be actively extending their family- friendly and work-life balance policies beyond parenting include:

- flexible start and finish times
- compressed working hours
- annualised working hours
- job-sharing or part-time working
- homeworking and teleworking
- term-time working
- flexible holidays to fit in with alternative care arrangements (Naegele and Walker, 2006)

Recent research in the UK suggests that access to flexible working is restricted to particular occupations and more prevalent in the public sector (Loretto et al, 2005). In the total New Zealand workforce it has been recently reported that "there has been no increase in the proportion of older workers working part time or those who are self employed, despite a commonly reported preference among older people for shorter hours and self employment" (Department of Labour, 2007, p.2).

### ***Retention***

Retention will become a major factor for many employers. Organisations will need to look to the policies and practices that the organisation offers that positively reinforce the importance of retaining employees. With the labour pool diminishing, it will become increasingly important for employers to retain and develop their existing workforce. Given the anticipatory nature of the increased dependence on the older workforce demographic, it is entirely topical for organisations to begin thinking about techniques to

encourage employees to remain in the workforce. Some of the identified benefits from recognizing and recruiting older workers have been:

- Decreasing labour turnover –which decreases training and recruitment costs
- A wider recruitment pool from which to source staff
- An improved external reputation – as has been experienced by Coke (UK); being perceived as a positive employer, and Nationwide (UK) experiencing improvements to workforce morale, motivation, satisfaction and productivity
- Improved customer satisfaction – experienced by Asda (UK) and Nationwide (UK)

In the EU, employers are reassessing their attitudes towards older workers by constructing positive ‘business cases’ for employing and retaining older workers. The ‘business case’ is built upon five main points: return on investment in human capital, prevention of skill shortages, maximizing recruitment potential, responding to demographic change, and promoting diversity in the workforce (Walker, 1995).

In a Canadian case study of uptake of age inclusive policies and practices, Armstrong-Stassen and Templer (2005) found that training is an important component of retention and the availability of training is critical for retaining older workers. They go on to outline that the challenge for organisations will be to close the gaps that currently exist between the practices that are important in retaining older managerial and professional employees and the extent to which organisations are engaging in these practices.

Some of the identified benefits from recognizing, recruiting and retaining older workers have been a reduction in labour turnover and subsequent cost savings in training and recruitment costs (e.g. Days Inn; USA, Tesco; UK, Betz Laboratories; USA).

Some suggestions to promote retention of older workers include: older workers move from full-time work to new forms of part-time work according to the evolving needs of the employer and the individual. Individuals could take up new forms of tenure and contingent employment as internal consultants or as employees working to adjusted schedules. It has been suggested that in doing so, these workers could contribute their skills and experience directly to specific projects and, in the process, transfer knowledge to younger workers (Office for an Ageing Australia, 1999). Similarly Hudson (2006) reporting on a recent New Zealand study of mature age knowledge workers report a preference for work that has new challenges, and an openness to different employment arrangements.

### ***Redeployment***

Naegele and Walker (2006) suggest that good practice in redeployment refers primarily to coordinating the demands of the workplace with the capacity of the (older) employees. Redeployment is often considered as a compensatory measure in response to existing performance constraints. Redeployment is viewed as part of a preventive age

management strategy geared to maintaining employability and can be successful particularly in terms of flexibility, qualification and skill enhancement and health protection.

A number of criteria are important in rating redeployment as successful, and the new workplace as suitable:

- a reduction in the workload and of monotonous work;
- greater motivation;
- greater responsibility;
- the opportunity to use skills and qualifications; and
- job security and new opportunities (instead of dismissals or involuntary early retirement).

From the organisation's perspective, whether redeployment has been successful depends to a great extent on whether the employee's productivity has remained constant or increased. Another important indicator is whether less sick leave is taken. A final important consideration is how later recruits view the organisation's redeployment practices, in terms of their own later career development (Naegele and Walker, 2006).

### *High Quality Work*

Another consistent theme is the need to provide older workers with work which they find satisfying and challenging. Hirsch et al (2000) point out that organisations will need to think about 'bridge jobs' to manage the transition from full-time work to retirement, and think about how jobs can be tailored to older workers rather than older workers to jobs. This is an important part of looking at the resource older workers represent, and considering how work organisation can make best use of it. It will also help with retention; older workers are unlikely to want to experience a reduction in status or have less-interesting work just because they are 'downsizing', and those who are trapped in poorly designed jobs are unlikely to be as productive. This may also involve redesigning processes or workplaces to accommodate individuals' needs.

Overseas studies (Dychwald, et al. 2004) suggest that companies need to design jobs and work practices in which staying on is more attractive than leaving. International research also shows that much of the part-time work offered to older workers provides them with less satisfaction than their previous employment because it tends to be of a lower quality, may be unskilled and offers a lower pay rate (Moynagh and Worsley, 2004). Only one form of flexible work, self-employment, appeared to offer older people a higher quality of later working life.

Turner and Williams (2006) go on to suggest that if we are to avoid a situation where a growing number of older workers are being corralled into low skilled, poorly paid part-time work then it is important for policymakers and employers to think about the quality and design of jobs on offer. Docherty et al (2002) anticipates that job design and measures such as quality workplace initiatives will emerge as important reform tools. The promotion of quality jobs, characterized by the attributes of openness, job-depth,

participation, individual autonomy, open communication, learning and growth opportunities and individual tailoring, has been shown to attract and retain high performing and motivated employees (Docherty et al., 2002; Lowe, 2004; Presidency of the European Union, 2001; Wenger et al., 2002; Hudson, 2006).

## **CASE STUDIES OF EMPLOYER INITIATIVES FOR OLDER WORKERS**

A broad range of case studies of employer initiatives and HRM practices for older workers is attached in Appendix 1. These have been categorized according to the nature of the initiatives which range across: recruitment, training, health promotion, flexible leave, and other workplace practices. Most of these cases involve European or American organisations with very few cases identified in Australia and New Zealand.

## **FURTHER ISSUES**

In seeking to respond to the forces for change and new ways of doing things, a conventional public sector organisation is faced with a number of difficulties. They include: historically determined bureaucratic arrangements; governance and resourcing models; generic policy approaches that are concerned with corporate rather than individual needs and aspirations; and the incomplete take-up of “learning” as a necessary pre-condition to achieving success in the knowledge economy (Jorgensen, 2005). The implementation of policy that seeks to remodel employment practices and processes to accommodate the needs of older workers while continuing to meet the needs and aspirations of younger workers will not be easy (Zemke et al., 1999). Organisations will also need to continue to advance and develop their younger workers (Baltzell, 2000). Managing this dyad will present special challenges for all organisations.

There are a broad range of issues that organisations will need to address, the extent to which these present themselves is likely to vary from business to business. Some of these issues that organisations will need to consider include:

- Generational differences;
- Emerging long hours culture
- The role of recruitment consultancies
- Increasing cultural diversity and
- The changing role and representation of women in the workforce

### ***Generational Differences***

There are distinct generations with sharp differences among them, and there are large and dramatic differences among youth cohorts in different generations (Legree, 1997; Sharpe, 2002; Tulgan, 1996; Wong, 2000; and Zemke et al., 2000). Popular literature states that

older workers work best when there is personal contact, strong leadership and clear direction. The Baby Boomers (born in the period 1946-1962; Tulgan and Martin, 2001) live for “the now” and want work that will give them recognition, praise and fame (Kogan, 2001). Generation X (individuals born between 1963 and 1978; Tulgan and Martin, (2001) are not interested in following the footsteps of their parents and seek to achieve a work -life balance suited to their individual needs. They learned from their parents that sacrifice does not guarantee stable family life or long-term employment. They want flexible schedules, independence, interesting work and professional growth. Generation Y (born between 1977 and 1988) labelled the Net generation/Millennials/Generation Y is also said to have unique generational characteristics (Tulgan and Martin, 2001) are a culturally and socially diverse group. Like the Generation X cohort, they are motivated to do well but seek more direction and meaning in their work. They are not afraid to question authority and will challenge management decisions that they deem unreasonable (Tulgan and Martin, 2001).

Research increasingly shows that older workers are a diverse and varied group (Yeandle, 2004). The diversity of those people bracketed in ‘older adult’ groups is influenced by social, geographical and financial factors. The literature suggests that:

- people born in different eras have different socialization experiences during childhood, influencing their aspirations and attitudes to work
- orientations to employment and attitudes in later working life tend to differ by position in the employment market
- different opportunities for education mean many will have acquired different levels and types of skill before entering the labour market
- various levels of real income will have been earned during the early and middle stages of working life, which will have dictated savings and asset levels during the 50–60 age group, and consequently labour supply choices (Dixon; 2003)

This suggests therefore, that the profiles of older workers now may be different from older workers’ profiles in the future. If individual expectations and aspirations are expanding and diversifying in flexible and opportunity-rich economies, we can expect intergenerational differences to influence the employment decisions of future older workers. This makes it difficult to extrapolate future trends from the employment patterns of today’s older workers (Yeandle, 2004).

### ***Long Hours Culture***

The negative effects of long working hours on worker’s safety and health, and family and personal/social life are widely reported (Spurgeon 2003). The ‘long hours’ culture that is apparent in societies can act as a barrier to success. Turner & Williams (2006) highlight the particular danger of the long-hours culture that is associated with the UK. Their concern being that if employees are assessed by the time they spend at their desks, then older workers may be excluded from progressing because their time is drawn on by external roles.

The long hours culture has been identified as prevalent in New Zealand's working culture. The New Zealand Council of Trade Unions (NZCTU), Business New Zealand and the Equal Employment Opportunities Trust (July 2006) announced that New Zealand was also identified as having a long hours culture where workers are doing extra unpaid hours to get their jobs done, and that shift work and rotating hours are having a negative impact on workers. The New Zealand public service career development and progression survey (State Services Commission, 2002) also noted a long hours culture for some public servants. This is something for employers to be mindful of, and consistent with work/life balance initiatives, trying to encourage the development of a culture that supports the workforce.

### ***Recruitment Consultancies***

The recruitment industry has a negative influence on the consideration of older workers for positions in organisations (McGregor, 2001). It has been suggested that organisations need to ensure that if the recruitment of their workforce is to be managed by an external body such as a consultancy, that they have a clear understanding of the policies and practices of the organisation so as not to impose a level of unfair bias or discrimination. In a recent New Zealand survey (EEO Trust, 2006) which looked at the role of employers and recruitment consultancies and age related discriminatory behaviour, it was identified that recruiters may amplify employer biases, being more discriminatory than employers in low shortage areas, and less so in high demand areas. Rationales for discriminatory selection were stereotypical, incorrect and very openly expressed, demonstrating limited awareness of ageism in employment, even amongst recruitment and selection professionals. This is of significant concern for employers from a legal and social perspective.

### ***Cultural Diversity***

In New Zealand, a feature of the older population is the increasing ethnic and social diversity, with higher proportions of Maori, Pacific peoples and Asians who will have different needs and expectations. Maori, in particular, consider that the ability to develop and deliver the holistic, whanau-based services that they want is essential to their well-being. Similar views have been expressed by Pacific people and by other ethnic communities (The New Zealand Positive Ageing Strategy, 2001).

Employers will need to understand the different needs of the cultural groups that exist in their workforce. Maori and Pacific Island workers for example, tend to retire earlier, have different social expectations, and have different cultural attitudes. Policies and practices will need to be flexible enough to allow staff from cultural groups to prepare for retirement in a way that is appropriate for them. The most recent New Zealand statistics show that the gap in workforce participation between older Maori and European has begun to close. Male Europeans are reported to have the highest participation rate, but the male Maori rate has begun to rise significantly (Department of Labour, 2007).

### ***Women***

Encel (2003) notes a rise in the labour force participation rate among women over the last 20 years, however, the growth in the number of single parent households and the growing need for elder care may well see the gains of the recent past lost. The introduction of policy to assist women in their care-giving role will assist to maintain and, perhaps, increase the participation rate of women (McMorrow and Roeger, 2000).

Research suggests that some older women workers perceive a double disadvantage of age and gender. Loretto et al (2000) report Scottish survey findings that supported the notion that women are faced with the 'double jeopardy' of age and sex discrimination and this 'double jeopardy' equally could underline older workers' perceptions of female job performance in New Zealand. Further research will be required to investigate whether there is indeed a gender difference. McGregor & Gray (2001) noted that the stereotype that women's job performance deteriorates sooner than men is of serious concern.

Itsin & Phillipson's (1993) research findings suggest women are never the right age. In New Zealand age effects are heightened by gender preferences, particularly in lower demand job categories with women being disadvantaged more than men regardless of age (EEO Trust, 2006). In a youth oriented society, older workers – particularly females – are seen as less attractive and less likely to be selected for positions (Bennington, 2001). The New Zealand Department of Labour (2007) report that between 1991 and 2005 older female participation in the labour force has risen dramatically (from 45% in 1991 to 70% in 2005). This growth occurred for both European and Maori women but has been lower for older Pacific and Asian females.

The last two decades have seen a rapid increase in the numbers of women entering paid work (Doyal and Payne, 2006). Increased rates of educated women in the workforce teamed with varying extents of family responsibilities, such as caring roles, mean that employers will need to provide a level of flexibility for these workers.

## **Looking for best practice in HRM of older workers**

All the age and employment literature calls for more research into the nature and effects of organisational change for older workers, particularly at the level of the organisation (Arrowsmith and Goldrick, 1999). Much of the research focus to date has tended to be solely directed at the negative implications for older workers in terms of reinforcement of age-discriminatory practices, rather than on positive strategies for older worker workforce participation.

Similarly, in New Zealand, there is a clear need for better data collection about the impact of labour market patterns and human resource trends on older workers and their treatment at all stages of the employment cycle – from recruitment, selection, promotion and training, through to exit via retirement, redundancy or dismissal (McGregor, 2001).

On an international basis more formal attempts to develop theory regarding older workers, the nature of their interactions with their work and their employing organisations, and the transition to retirement (Hansson, DeKoekkoek, Neece, & Patterson, 1997) is necessary, as is the requirement for organisations to adopt suitable standards. While there is an emerging case for combating age barriers in job recruitment and training on the grounds of pragmatism, commercialism, good human resource practice and in the interests of justice and fairness, the practical action in pursuit of these aims has been taken by only a minority of European employers and public authorities (Walker, 2006). Auer and Fortuny (2000) outline that although reforms are underway in all countries, they still face barriers. Companies are not spontaneously inclined to maintain their older workforce in their jobs.

However, the responsibility does not all rest on the employer. With the underlying notion of good faith that permeates the Employment Relations Act and the need for employer and employees to engage in open communication, individuals too will have to take responsibility for how they are working. They will need to consider whether their skills match what is being demanded by employers and think beyond traditional career structures. Some of the key actions Naegele and Walker (2006) suggest that employees can take are:

- take advantage of training and lifelong learning opportunities;
- conduct a regular appraisal of their training and career development requirements;
- focus on the working lifespan and its likely extension beyond the traditional retirement age;
- ensure that working conditions are healthy and, as far as possible, promote well-being.

In addition, as with any HR or policy initiative, there are some key elements that need to be considered to enable success.

- Careful planning and implementation
- Co-operation of all parties concerned
- Continuous communication
- Monitoring – both internal and external to help gauge success
- Evaluation and assessment

Turner & Williams (2006) caution that employers will not have their questions answered by policy which is developed externally. The responsibility for this, they suggest, rests inside the organisation. They do however offer four key areas where employers take action:

- *Legal Requirements* - addressing the requirements of the legislation as well as encouraging attitudinal changes towards the value and ability of older workers
- *Understanding the organisational workforce* - the profile of the workforce in terms of skills, needs and aspirations
- *Planning* - more proactive workforce planning in light of business strategy, and how this relates to the existing workforce and what is and will be available in the labour market

- *Commitment to Training and Development and flexible working*- investment in skills, and a revised approach to both careers and day-to-day work routine to complement this.

One of the most significant issues for the development of best practice policy is the fact that there is very little research which specifically looks at the HR implications of policy integration or adoption. The little that is around is in infancy stage and as with any HR initiative the results are dependant on many factors including the nature of the work, effectiveness of managers and staff implementing such policies. Despite case studies of the processes and practices of some organisations which have been attached, the success or failure is dependant on numerous variables which will not be identical for any organisation. Clearly the workforce will be unique, as will be the organisational culture, management styles and organisational history which all add to the ‘uniqueness’ of an organisation. This being said, there are suggested checklists, all of which vary in consideration of the approaches to take.

The State Services Commission (2004) outline in their “Facing an Ageing Workforce” report that it is important to realise that an ageing workforce is likely to affect all areas of organisational life. The literature shows these as particularly relevant:

- Workforce planning
- Recruitment and retention
- Remuneration \_ performance measurement
- Training and retraining \_ succession planning
- Occupational health and safety \_ retirement and pensions
- Work/life balance and flexible work practices
- Career development (career plateauing and its link to motivation).

The report goes on to highlight that this will mean that any policy on managing an ageing workforce must take into consideration several variables. An ageing workforce also raises a number of challenges for managers:

- **Changing age profiles** – an increase in older workers and declining availability of younger workers mean there will be an increasing need to retain and maximise the potential of older workers.
- **Managing family responsibilities** – caring for elderly dependents will continue to be a concern for both men and women in the workforce.
- **Career management** – abolition of the compulsory retirement age is affecting the way in which people wish to manage their careers.
- **HR issues: recruitment, training and succession** – the difficulty of recruiting and retaining suitably qualified staff when large numbers (baby boomers) will exit the labour market makes it important to plan for succession.
- **Dealing with age discrimination** – despite the human rights legislation and the legal remedies available, employer attitudes are often still a barrier.
- **Proactive management strategies** – such strategies should encompass development and promotion, flexible working practices, job design, and changing

attitudes within organisations. Knowledge management in mixed-age workforces – building on the strengths of both younger and older workers – is also a key task.

In addition to this local guidance, we also present within the following headings some suggestions from “Prerequisites for Successful Age Management” as featured in “A Guide to Good Practice in Age Management” – produced by the European Foundation for the Improvement of Living and Working Conditions (Naegele and Walker, 2006). Their suggestions included: conduct a workplace audit; age awareness initiatives; consultation; planning & implementation; communication; cooperation; internal and external monitoring; evaluation and assessment.

### ***Conduct a Workforce Audit***

In order to target any proposed policy changes, it is important to understand a number of facts; what your workforce demographic looks like, what is wanted by your workforce. This will encourage opening up dialogue between employees and employers. By understanding your workforce better, you are more informed to offer initiatives that are relevant and desired. Turner & Williams (2006) outline that organisations will have to take the time to understand the profile of their workforce and plan accordingly. It is critical that employers begin to examine who is working for them, why they work, how they want to work and how this existing workforce will support sustainable future success. This understanding will be central.

Findings from Canadian research, Armstrong-Stanssen and Templer (2005) also recommend that organisations conduct an audit of their human resource management practices, comparing what they are currently doing with those practices identified by older managerial and professional employees as important in influencing their decision to remain in the workforce.

By conducting a demographic audit it can help employers to understand the ‘organisational mix’. McGregor (2001) outlined that New Zealand employers were very surprised at the actual demographic mix of their workforces.

### ***Age Awareness***

“Age awareness must be developed, particularly among HR managers and staff representatives at all levels, if organisations are to develop a corporate climate sensitive to demographic change and with a positive attitude towards ageing.

Age awareness training (imparting knowledge about the ageing process) has a number of functions: it increases sensitivity towards the necessity and advantages of an age-positive HR policy; it undermines the traditional, mostly negative stereotypes of ageing; and it allows ageing in employment to be considered in a more sophisticated and realistic manner. HR managers need regular training in the background, requirements, opportunities and limits of age management if planning and implementation processes are to be informed by knowledge of general good practice.

Finally, individual employees should also be educated about their own ageing process.” (Naegele and Walker, 2006, p.27).

### ***Consultation***

A common theme from the bodies of research is that organisations should consult or survey their older managerial and professional employees to determine which human resource management practices are important in influencing their decision to remain in the workforce. By doing so, you are in direct dialogue with your workforce. You can then tune into what is desired and what isn't. An organisation can then develop initiatives in response to what their workforce have outlined as important. A number of different consultation techniques can be used, such as, on-line surveying, paper surveys, interviews with a cross section of the organisation, or focus group sessions.

With very little definitive research to date on the actual retirement trends and expectations of subsequent generations, it makes very good sense from a strategic perspective to be in dialogue with staff regarding their future intentions. Only by instigating this type of consultation will an organisation have a view of what it can expect, and based on this plan for the future labour requirements.

While research is sparse on the retirement intentions of working age people, some studies have been completed in New Zealand (McGregor; 2001, Davey and Cornwall, 2003; McGregor and Gray, 2003). Statistics New Zealand's report "Older New Zealanders: 65 and Beyond" (April 2004) shows that most older people are fit and well, with an increasing number working and intending to work well beyond the age of 65. In McGregor's 2001 study over half of older worker respondents said they planned to retire later than the eligibility age for government superannuation, with another 5.8% saying they would work to over 70 years. It is clear, therefore, that significant benefit can be obtained from being in consultation with your workforce regarding their ongoing expectations or intentions. By obtaining statistical data an organisation can plan in a more informed manner. This approach is also consistent with the underlying consultative themes of the current Employment Relations Act (2000).

### ***Planning and Implementation***

It has been outlined that all age management measures should be carefully conceived and planned, to forestall any possible problems or pitfalls. "One way of carrying this out is the phased introduction of age management measures – in trial runs and pilot projects. Measures should be implemented in such a way as to be responsive to possible changes, suggestions, and criticisms. The conception and planning should go beyond the measure itself to include other aspects from the beginning, such as communication and participation, training and monitoring and evaluation." (Naegele and Walker, 2006, p. 28)

### ***Communication***

Ongoing communication is vital for building confidence in any process of change. "Open and continuous communication in connection with the project and in all stages of its implementation creates a solid basis of mutual trust: without this, organisational change can be introduced only with difficulty. Appropriate avenues of communication include works meetings, corporate magazines and other communication media. In addition, a culture of open discussion aids the recognition and resolution of problems with, or

weaknesses in, the programme, and of any opposition to it.” (Naegele and Walker, 2006, p.28)

### ***Co-operation***

“To ensure cooperation on the basis of equality when age management measures are being instituted, all relevant parties within the organisation should be involved from the start of the planning stage as well as in the implementation. Of particular importance is the early commitment and participation of employees, staff representatives and trade unions. Any corporate initiative involves some change: it can only, therefore, be successfully implemented if readiness for change already exists among the staff or can be easily developed. One way to accomplish this is to encourage the active participation of employees in the project to increase their motivation; this will also harness those employees’ valuable practical knowledge.

Another factor that may contribute to the success of corporate change is good cooperation between management and staff representatives as well as other parties involved (such as the corporate medical staff, the HR department and advanced training departments). Quite often it can be helpful to embed such projects – for example, in agreements with the works committee. A precondition for this is the development of effective relations between the social partners beyond the organisational level. It is equally important to win the approval and arouse the enthusiasm of the top management, or, in smaller companies, the top executives. If the expertise or HR capacities needed to introduce and implement age management measures are not available within the company, external counsellors or experts with the necessary knowledge should be consulted.” (Naegele and Walker, 2006, p.28)

### ***Internal and External Monitoring***

“So that it can respond to current trends and future needs, an organisation needs to gather information about itself. This applies both to its internal needs and to the external conditions under which it operates. In terms of creating an age-aware HR policy, this requires a systematic analysis of organisational data, such as the age structure, qualification and personnel development needs, employees’ health status and capacity for work (perhaps with the help of a work capacity index). In terms of external conditions, the organisation needs to monitor the regional development of the labour market, taking into account its own needs as well as the general labour context, such as amendments in the retirement pension scheme or changes in labour market or wage policies. Detailed knowledge of the available public assistance programmes and their systematic application to individual cases would also be useful; in this context, it might be helpful to look at communal and regional structures and services (such as local employment services or health programmes). Finally, the organisation should learn how other organisations are already dealing with age management and what can be learned from those examples.” (Naegele and Walker, 2006, p. 29)

### ***Evaluation and Assessment***

“Evaluating and assessing measures serves a number of purposes. Evaluation carried out during the process (formative evaluation) can help uncover possible weaknesses in its

conception or implementation, enabling remedial steps to be taken that result in a more effective process. The final evaluation of the measure (the summative evaluation) will indicate its overall benefits, both for the employees as well as for the organisation. Even though the success of such measures is not always easy to quantify, each project should be evaluated by the organisation and its employees or staff representatives to assess its possible effects and result.” (Naegele and Walker, 2006, p. 29)

## **THE PERCEIVED BENEFITS OF INITIATIVES**

Investing in older workers has a cost and some employers may have doubts about the need for such an investment (Auer and Fortuny, 2000). Other employers may hesitate about the return of investment because they question the learning ability of older workers. This argument is dispelled by research results showing that, if appropriate training methods are used, older workers are able to learn new skills as well as younger ones (Auer and Fortuny, 2000). Case studies show that the impact on the bottom line from employing older workers is felt through retention and reduction in recruitment costs, reduced absence rates and increased sales through improved customer service (Turner & Williams, 2006).

While a focused education and policy approach that deals with the full complexity of ageing and ageism would, in principle, appear warranted, policy approaches that deal with ageing and ageism also need to be carefully framed so as not to stigmatise older workers (European Foundation, 2006), isolate younger workers or to impose obligations on older workers who simply do not have the health or desire to continue in full time or part time employment.

The logic of a well-implemented ageing strategy is that it will improve morale, teamwork, cooperation and productivity across all levels of the organisation (European Foundation, 2006), to create a sustainable work system. Brooke & Taylor (2004) outline that to promote the better deployment of younger and older individuals in rapidly transforming organisations, there is a need for policy makers, employers and employees to be attentive to the age-group relationships that currently inform workplace practices. They recommend that organisations cannot ignore these age dynamics, but should adopt ‘age aware’ rather than ‘age free’ practices. The human resources approach would then attend to individuals' capabilities and not stereotype them by age.

Jorgensen (2005) outlines that as with any HR related policy, key success factors include backing from senior management, supportive human resource structures, the commitment of the ageing workers, flexible and patient implementation and financial backing.

The key action points for employers who have decided to take concerted action to develop good practice in age management:

- development of an age-awareness policy aimed at all levels of the organisation, to be introduced in the form of an experiment which measures the impact on job recruitment, training and other aspects of employment;
- introduction of age-awareness training for HR personnel, managers and other key personnel;
- involvement of older workers themselves in discussions about age barriers and how to overcome them;
- supporting individuals or groups of staff who want to develop initiatives to combat age barriers;
- examination of the impact of seniority rules (especially those governing pay) and encouragement of more horizontal rather than vertical career movements. (Walker, 2006)

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## Appendix 1: Case Studies

Employer	Country	Initiative	Source
Home and Capital Trust	UK	<b>Recruitment</b> <ul style="list-style-type: none"> <li>Hired staff aged 40+ to reflect its customer base.</li> </ul>	<b>Combating Age Barriers in Employment – Portfolio of Good Practice. European Foundation for the Improvement of Living and Working Conditions</b>
Tesco	UK	<b>Recruitment</b> <ul style="list-style-type: none"> <li>Hired workers aged 55- 70 under “Mature Entrant Programme”.</li> <li>Company policy inhibits age discrimination</li> <li>Reduced absenteeism, required less training, provided a stabilized influence, more reliable.</li> </ul>	Auer P., and Fortuny M., (2000/2) “Ageing of the Labour Force in OECD Countries: Economic and Social Consequences” <i>Employment Paper</i> , International Labour Office Geneva
ING (2006)	Australia	<b>Recruitment</b>  Aged recruitment for call centre to match the company’s customer base.	Equal Employment Opportunity Network of Australasia (EEONA). Available at <a href="http://eeona.org.au">http://eeona.org.au</a> (Accessed 23 February 2007)
Days Inn	USA	<b>Recruitment and Flexible Work Initiatives</b> <ul style="list-style-type: none"> <li>Recruited 55+ which reduced turnover &amp; absenteeism (&lt;1%), reduced training costs by 40%, customer satisfaction levels increased.</li> <li>Provided flexible work schedules, advancement opportunities, scholarship programme for grandchildren and incentives/bonuses.</li> </ul>	Auer P., and Fortuny M., (2000/2) “Ageing of the Labour Force in OECD Countries: Economic and Social Consequences” <i>Employment Paper</i> , International Labour Office Geneva

Employer	Country	Initiative	Source
B & Q	UK	<p><b>Recruitment</b></p> <ul style="list-style-type: none"> <li>Hired workers over 50 years.</li> <li>Found older workers delivered good customer service and were proficient in all types of work, training, technology and physical tasks.</li> </ul> <p><b>B&amp;Q</b>, the “greatest do-it-yourself retailer” in the United Kingdom, is one of the pioneer firms in hiring older workers. Its policy is to recruit 15 per cent of new employees from older workers aged over 55. Employees aged 60 and over are given the possibility to work less than 40 hours per week through a new work contract. They can also adapt their schedules and modify them each year after discussion with their managers.</p>	Auer P., and Fortuny M., (2000/2) “Ageing of the Labour Force in OECD Countries: Economic and Social Consequences” <i>Employment Paper</i> , International Labour Office Geneva
First American Bank	USA	<p><b>Recruitment</b></p> <p>Utilises highly educated retirees as tellers</p>	Auer P., and Fortuny M., (2000/2) “Ageing of the Labour Force in OECD Countries: Economic and Social Consequences” <i>Employment Paper</i> , International Labour Office Geneva
Betz Laboratories	USA	<p><b>Recruitment and retention</b></p> <p>Recruitment of older workers to reduce turnover</p>	Auer P., and Fortuny M., (2000/2) “Ageing of the Labour Force in OECD Countries: Economic and Social Consequences” <i>Employment Paper</i> , International Labour Office Geneva
Texas Refinery Corporation	USA	<p><b>Recruitment</b></p> <ul style="list-style-type: none"> <li>Recruitment of older employees to appeal to customer base</li> </ul>	Auer P., and Fortuny M., (2000/2) “Ageing of the Labour Force in OECD Countries: Economic and Social Consequences” <i>Employment Paper</i> , International Labour Office Geneva

Employer	Country	Initiative	Source
IBM Skill Team (Belgium)	Belgium 'Skill Team'	<b>Recruitment</b>	European Foundation (2006), "Combating age barriers in employment", <i>European Foundation for the improvement of living and working conditions – research summary</i> , available at: <a href="http://www.eurofound.ie/">www.eurofound.ie/</a> (accessed 9 February 2007).
IBM	Sernet (Italy)	<p><b>Flexibility &amp; knowledge transfer</b> A project linked to higher education institutions to transfer skills between generations has developed out of the Sernet initiative.</p> <ul style="list-style-type: none"> <li>• extending the working lives of highly skilled older employees</li> <li>• flexible employment</li> <li>• intergenerational knowledge transfer</li> </ul> <p><i>Outcomes</i></p> <ul style="list-style-type: none"> <li>• Improved morale and team working</li> <li>• Improved relations with trade unions</li> </ul>	European Foundation (2006), "Combating age barriers in employment", <i>European Foundation for the improvement of living and working conditions – research summary</i> , available at: <a href="http://www.eurofound.ie/">www.eurofound.ie/</a> (accessed 9 February 2007).
Aerospatale	France	<p><b>Training Older Workers</b></p> <ul style="list-style-type: none"> <li>• Age audit completed</li> <li>• In-house training programmes which analyse age structure, career paths and state of health.</li> <li>• Looks at methodology and content of training that is delivered.</li> </ul>	Auer P., and Fortuny M., (2000/2) "Ageing of the Labour Force in OECD Countries: Economic and Social Consequences" <i>Employment Paper</i> , International Labour Office Geneva

<b>Employer</b>	<b>Country</b>	<b>Initiative</b>	<b>Source</b>
General Electric	USA	<b>Training Older Workers</b> Commitment to ongoing education	Auer P., and Fortuny M., (2000/2) "Ageing of the Labour Force in OECD Countries: Economic and Social Consequences" <i>Employment Paper</i> , International Labour Office Geneva
High Tec Engineers	USA	<b>Training Older Workers</b> <ul style="list-style-type: none"> <li>• 10-12 weeks of half day training provided at full salary. Participants transferred to new technological positions to use newly acquired skills.</li> </ul>	Auer P., and Fortuny M., (2000/2) "Ageing of the Labour Force in OECD Countries: Economic and Social Consequences" <i>Employment Paper</i> , International Labour Office Geneva
Aerospace Corporation	USA	<b>Training Older Workers</b> <ul style="list-style-type: none"> <li>• Institutional memory gained by extending the working life of older workers. One engineer is 75 years old.</li> </ul>	Auer P., and Fortuny M., (2000/2) "Ageing of the Labour Force in OECD Countries: Economic and Social Consequences" <i>Employment Paper</i> , International Labour Office Geneva
Ford and Vauxhall	UK	<b>Training Older Workers</b> <ul style="list-style-type: none"> <li>• Commitment to no enforced redundancy</li> <li>• Commitment to the retraining of older workers</li> </ul>	Auer P., and Fortuny M., (2000/2) "Ageing of the Labour Force in OECD Countries: Economic and Social Consequences" <i>Employment Paper</i> , International Labour Office Geneva and Working Conditions
The Manducher Group	France	<b>Training Older Workers</b> <ul style="list-style-type: none"> <li>• Developed careers paths linking training to knowledge of skills and operations.</li> <li>• Gradual retirement introduced where departing workers trained their replacements</li> </ul>	Auer P., and Fortuny M., (2000/2) "Ageing of the Labour Force in OECD Countries: Economic and Social Consequences" <i>Employment Paper</i> , International Labour Office Geneva
AT & T	USA	<b>Training Older Workers</b> <ul style="list-style-type: none"> <li>• Job specialists work with supervisors to modify work environment or equipment associated with loss of hearing, vision and other disabilities</li> </ul>	Auer P., and Fortuny M., (2000/2) "Ageing of the Labour Force in OECD Countries: Economic and Social Consequences" <i>Employment Paper</i> , International Labour Office Geneva

Employer	Country	Initiative	Source
Mataró glassworks	Spain	<p><b>Training and Development Initiatives</b> Mataró has developed a training plan for the integration of workers who have taken early retirement. The plan is organised on the basis of a relay contract: workers aged over 50 on such a contract spend 25% of their time assessing and training younger employees. The training takes place daily over a period lasting between six and 12 months.</p>	<p>Available at: <a href="http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm">http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm</a> (accessed 12 February 2007)</p>
Verbund Konzern	Austria	<p><b>Training and Life Long Learning Initiative</b> After analysing and considering the ageing of its staff, management in Verbund Konzern, a leading producer and distributor of electricity, began to develop a number of initiatives, including education programmes, the promotion of age-positive attitudes, intergenerational knowledge transfer programmes and quality management processes. One programme focused on the transfer of practical field experience and implicit knowledge from experienced employees to experienced trainers, all participants being aged over 45</p>	<p>Available at: <a href="http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm">http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm</a> (accessed 12 February 2007)</p>

Employer	Country	Initiative	Source
OKG	Sweden	<p><b>Career Development</b>            In 2002, the nuclear power company OKG began an organised, long-term programme for transferring competencies between older (doyen) and younger (disciple) employees.</p> <p>It employed two approaches: parallel duty and role takeover. Parallel duty means that doyen and disciple work side by side: important knowledge and skills are thereby transferred. Role takeover means that, under supervision, the disciple steps into the role of the doyen.</p>	Available at: <a href="http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm">http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm</a> Accessed 22 February 2007
Xerox	USA	<p><b>Flexible Work Initiatives</b></p> <p>Senior Employee Program</p> <ul style="list-style-type: none"> <li>• Reduced Hours and responsibility for workers over 50, salary is average between old and new whilst protecting pension levels.</li> </ul>	Auer P., and Fortuny M., (2000/2) “Ageing of the Labour Force in OECD Countries: Economic and Social Consequences” <i>Employment Paper</i> , International Labour Office Geneva

<b>Employer</b>	<b>Country</b>	<b>Initiative</b>	<b>Source</b>
Newham NHS Trust	UK	<p><b>Flexible Workplace Initiatives</b></p> <p>The Trust has instituted flexibility in retirement age for its nurses: they can retire at any time after the age of 55 up to the normal age of retirement of 65.</p> <p>The Trust also allows many staff to stay on past the normal retirement age if they wish and if they have particular skills. Medical consultants can apply to remain in employment up to the age of 70. In addition, staff can retire at 60, take their pension and then be reemployed in a lower grade with fewer responsibilities and less stress until the age of 65.</p>	Available at: <a href="http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm">http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm</a> (accessed 12 February 2007)
BlueScope (2006)	Australia	<p><b>Phased retirement</b></p> <p>Phased retirement to benefit form the experience and knowledge staff have built up over the years</p>	Equal Employment Opportunity Network of Australasia (EEONA) Available at <a href="http://eeona.org.au">http://eeona.org.au</a> (Accessed 23 February 2007)
Ford-Werke GmbH (European Headquarters)	Germany	<p><b>Redeployment</b></p> <p>The company has initiated the FILM project, a scheme that aims to re-integrate about 500 mostly older workers with various handicaps into productive employment. Two core elements of this project are the integration team and the software used in the project. Thanks to the FILM project, employees have been successfully transferred from sheltered positions to roles that add value to the company.</p>	Available at: <a href="http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm">http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm</a> (accessed 12 February 2007)

Employer	Country	Initiative	Source
First Group	UK	<p><b>Exit and Retirement Policies</b></p> <p>The company has implemented a scheme that attempts to retain 60–70 year olds in the firm. Its Total Rewards programme and its Flexible Decade initiative allow employees between the ages of 60 and 70 to combine their salary with income from their pension (within a flexible working structure).</p>	<p>Available at:  <a href="http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm">http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm</a> (accessed 12 February 2007)</p>
RER	Latvia	<p><b>Recruitment, Mentoring and Retention Initiatives</b></p> <p>The HR strategy of this manufacturing company aims to extend each employee’s working life and attract retirees back to the workforce. The strategy combines active recruitment methods, bonuses and benefits for elderly employees and social support throughout the whole working process.</p> <p>Another important aspect of strategy is the use of a mentoring system, which involves older employees in the training of new staff.</p>	<p>Available at:  <a href="http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm">http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm</a> (accessed 12 February 2007)</p>
Dupont	USA	<p><b>Health Promotion Campaign</b></p> <ul style="list-style-type: none"> <li>• Less sick days as a result of worksite health promotion programme</li> <li>• Company fitness programmes for older workers “Pep up your Life” aerobics classes</li> <li>• Aquatic Classes adapted to arthritis sufferers.</li> </ul>	<p>Auer P., and Fortuny M., (2000/2) “Ageing of the Labour Force in OECD Countries: Economic and Social Consequences” <i>Employment Paper</i>, International Labour Office, Geneva</p>

Employer	Country	Initiative	Source
Texas Instruments	USA	<b>Health promotion programme</b> <ul style="list-style-type: none"> <li>“Fitness After 50” classes</li> </ul>	Auer P., and Fortuny M., (2000/2) “Ageing of the Labour Force in OECD Countries: Economic and Social Consequences” <i>Employment Paper</i> , International Labour Office, Geneva
Ovako Koverhar and Ovako Dalsbruk,	Finland	<b>Health Initiatives</b> Ovako plants produce a range of steel products. At the plants, a number of measures have been implemented to maintain the health of older employees. These include: work analyses; ergonomic improvements; redeployments carried out in consultation with occupational health personnel; workshops on ageing; five-day rehabilitation courses in the spa for all employees after their 54th, 59th and 63rd birthdays; personal health examinations; and partial retirement.	Available at: <a href="http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm">http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm</a> (accessed 12 February 2007)
Ford Motor Company	USA	<b>Comprehensive Initiatives</b> <ul style="list-style-type: none"> <li>EDAP project – promotes cultural of continual training and development</li> <li>Collective Agreement on equal opportunities which included specific reference to a commitment to oppose age discrimination at all stages of employment</li> <li>XR initiative – manage headcount reduction, retain skills of older technical, managerial and professional employees through flexible working practices</li> </ul>	McGoldrick, A., Arrowsmith, J. (1993), "Training provision for older adults", <i>Training Officer</i> , Vol. 29 No.8, pp.244-6.  <b>Combating Age Barriers in Employment – Portfolio of Good Practice. European Foundation for the Improvement of Living and Working Conditions</b>

Employer	Country	Initiative	Source
British Airways	UK	<p><b>Comprehensive Initiatives</b></p> <ul style="list-style-type: none"> <li>• Conducted Age Audit</li> <li>• Established flexible training methods for specific target groups</li> <li>• Training adapted to suit older workers learning styles</li> </ul>	Auer P., and Fortuny M., (2000/2) “Ageing of the Labour Force in OECD Countries: Economic and Social Consequences” <i>Employment Paper</i> , International Labour Office, Geneva
Asda (T & W )	United Kingdom	<p><b>Comprehensive Initiatives</b></p> <p>Positively recruited older workers to reflect local populations.</p> <p>The success of initial schemes prompt a large-scale campaign. Leave packages were designed to suit older workers:</p> <p><b>Carers’ leave</b> gives colleagues up to 3 months off work to look after a dependant and was introduced as a result of feedback from older colleagues.</p> <p><b>Benidorm leave</b> was based on the idea that it is not just students who want to travel, but mature people without dependants too. Many older employees liked to take a couple of months out to travel somewhere warm during winter.</p> <p><b>Grandparents’ leave</b> recognised that because couples left starting a family later and returned to work sooner, grandparents were often relied on to help with childcare.</p> <p><b>Challenges</b></p>	Turner, N., and Williams, L., (2006) “The Ageing Workforce”, Corporate Partners Research Programme, The Work Foundation, London

		<p>The main challenges were confronting some of the preconceptions people had about older workers, both internally and externally.</p> <p><b>Future Initiatives</b></p> <p>The next challenge will be to look at recruitment and development of an older workforce into managerial and head office roles, rather than just shop-floor ones as at present. This will involve thinking about second careers and the aspirations of older workers to inform the development of management talent among <i>this group</i>.</p>	
<b>Employer</b>	<b>Country</b>	<b>Initiative</b>	<b>Source</b>
British Energy	United Kingdom	<p><b>Comprehensive Initiatives</b></p> <ol style="list-style-type: none"> <li>1. Addressing age discrimination</li> <li>2. Monitoring workforce dynamics</li> <li>3. Workforce planning</li> </ol> <p><b>Equal opportunities focus group outcomes:</b></p> <ul style="list-style-type: none"> <li>• Recruitment is now totally anonymous (internally and externally). It recruits based on qualifications and experience, and this has been shown to work.</li> <li>• Turnover is low at around 4 per cent. Although it is not currently a problem, British Energy foresees that in future this could lead to an ageing workforce, which may mean that it is left without crucial</li> </ul>	Turner, N., and Williams, L., (2006) “The Ageing Workforce”, Corporate Partners Research Programme, The Work Foundation, London

		<p>skills as people retire.</p> <ul style="list-style-type: none"> <li>British Energy has introduced flexible working for all employees (where possible), and is keen to ensure that work-life balance policies are designed to meet the needs of the whole workforce rather than just parents. For example, employees are offered career breaks regardless of their age.</li> </ul> <p><b>Recruitment and workforce planning</b></p> <ul style="list-style-type: none"> <li>British Energy has redesigned its graduate programme and is monitoring how this affects the retention of graduates after they complete the scheme. Early indications are that turnover is low. The apprenticeship scheme, which does not have an age limit, is proving to be successful.</li> </ul> <p><b>Conditions for success</b></p> <ul style="list-style-type: none"> <li><b>Executive commitment</b> British Energy regards executive commitment as the key to success. There has been visible buy-in from senior management to the equal opportunities focus group and to the diversity survey as a method of monitoring success. Communication to staff about the cultural change of the organisation has also been critical: newsletters, the staff intranet and letters to all staff from the HR director have demonstrated the commitment of senior managers to equal treatment.</li> </ul>	
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		<ul style="list-style-type: none"> <li>• <b>Staff involvement</b> The equal opportunities focus group and sub groups comprise members of staff from across the organisation working in different locations. Membership of the group is open to any employee: target membership is a minimum of one employee from each site, with an optimum overall membership of 20. This voluntary involvement of staff is regarded as critical to ensuring that equal opportunities policy and practice are successful.</li> <li>• <b>Working with the unions</b> The company is keen to ensure the support of staff and trade unions in meeting its objectives on equal treatment. Recently, the company and one of the major unions embarked jointly on an equal treatment initiative.</li> </ul>	
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Employer	Country	Initiative	Source
Bridgend County Borough Council	United Kingdom	<p><b>Comprehensive Initiatives</b> Demographic change recognized. Developed strategy on age and initiatives which include:</p> <ul style="list-style-type: none"> <li>• Recruitment</li> <li>• Training and Development are all inclusive</li> <li>• Career Planning</li> </ul> <p>Engaging younger and older people is a key objective of the council’s community strategy.</p> <p><b>Work-life balance</b></p> <p>The strategy around age is closely linked to the council’s work-life balance strategy, which focuses on the issues that affect staff. This strategy is aimed at the needs of both younger and older workers. It also includes offering flexi-time with no set core hours, childcare vouchers, career breaks, a home-working policy and a carers’ strategy, shortly to be developed.</p> <p><b>Conditions for success</b></p> <p>There are a number of reasons behind the success of the council’s approach to addressing age issues.</p> <ul style="list-style-type: none"> <li>• <b>Vision:</b> BCBC sees an agenda on age as a vital part of the organisation with implications for equal opportunities, recruitment, service delivery and good</li> </ul>	Turner, N., and Williams, L., (2006) “The Ageing Workforce”, Corporate Partners Research Programme, The Work Foundation, London

		<p>people practices. It is not just done on faith.</p> <ul style="list-style-type: none"> <li>• <b>Individuals:</b> Anyone in a position of responsibility in the council needs to be conscious of issues relating to age that cut across all service areas.</li> <li>• <b>Communication:</b> The council's future community strategy is seen as pivotal to the success of its age strategy.</li> <li>• <b>Partnerships with external bodies:</b> The council works closely alongside many organisations and partners in developing its age strategy. It plans to share its learning and experiences with other organisations.</li> </ul>	
Employer	Country	Initiative	Source
Voestalpine	Austria	<p><b>Comprehensive Initiatives</b></p> <p>Voestalpine, a global steel company, has initiated a 'LIFE' programme (<b>L</b>ight-hearted, <b>I</b>nnovative, <b>F</b>it, <b>E</b>fficient) with a number of aims: the retention of older employees; the sustainable integration of new employees; knowledge transfer between the generations; and the ergonomic redesign of tasks that carry the risk of injury. The 'LIFE toolbox' includes the following measures: a participatory working time reform process, age-neutral training provisions and the age-specific ergonomic assessment of workplaces.</p>	<p>Available at:  <a href="http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm">http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm</a>          (accessed 12 February 2007)</p>

Employer	Country	Initiative	Source
Nationwide	United Kingdom	<p><b>Comprehensive Initiatives</b></p> <p>Developed diversity policy and initiatives around age.</p> <ul style="list-style-type: none"> <li>• Utilise age-diverse teams.</li> <li>• Increase in customer satisfaction and company performance</li> <li>• Great loss of corporate knowledge due to turnover</li> <li>• Nationwide is using salary-sacrifice schemes where employees can accept a reduction in gross salary in return for benefits as diverse as childcare, health insurance and additional holiday.</li> <li>• A flexible benefits scheme, called Choices, has been introduced that enables employees to choose benefits that suit their lifestyles.</li> </ul> <p><b>Training and Development</b></p> <ul style="list-style-type: none"> <li>• The centralised training department, comprising over 100 people, is responsible for organising, designing and delivering training across the entire organisation. Its remit stretches from graduate recruitment and training through to coaching and mentoring and succession management.</li> <li>• The society believes in employee choice, and has developed initiatives and policies</li> </ul>	Turner, N., and Williams, L., (2006) “The Ageing Workforce”, Corporate Partners Research Programme, The Work Foundation, London

		<p>around the changing needs of different employees.</p> <ul style="list-style-type: none"><li>• Partnership working with external bodies has also been central. Nationwide has worked with the government on the Code of Practice on Age Diversity in Employment, the Foresight Ageing Panel's Age Shift report and the Winning the Generation Game report.</li></ul>	
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<b>Employer</b>	<b>Country</b>	<b>Initiative</b>	<b>Source</b>
St Ivel (Private Distribution)	United Kingdom	<p><b>Comprehensive initiatives</b></p> <ul style="list-style-type: none"> <li>• action on recruitment and training</li> <li>• special programmes for women</li> <li>• phased implementation</li> <li>• high transfer potential</li> </ul>	European Foundation (2006), “Combating age barriers in employment”, <i>European Foundation for the improvement of living and working conditions – research summary</i> , available at: <a href="http://www.eurofound.ie/">www.eurofound.ie/</a> (accessed 9 February 2007).
Glaxo R & D (Private R & D)	United Kingdom	<p><b>Comprehensive initiatives</b></p> <ul style="list-style-type: none"> <li>• action on recruitment and training</li> <li>• special programmes for women</li> <li>• phased implementation</li> <li>• high transfer potential</li> </ul>	European Foundation (2006), “Combating age barriers in employment”, <i>European Foundation for the improvement of living and working conditions – research summary</i> , available at: <a href="http://www.eurofound.ie/">www.eurofound.ie/</a> (accessed 9 February 2007).
London Borough of Hounslow	United Kingdom	<p><b>Comprehensive age awareness strategies to change organisational culture</b></p> <ul style="list-style-type: none"> <li>• careful planning and implementation</li> <li>• high transfer potential</li> </ul> <p>The introduction of an ‘age awareness’ programme throughout an organisation is one, comprehensive, route to achieving cultural change and the one followed by the London Borough of Hounslow.</p>	European Foundation (2006), “Combating age barriers in employment”, <i>European Foundation for the improvement of living and working conditions – research summary</i> , available at: <a href="http://www.eurofound.ie/">www.eurofound.ie/</a> (accessed 9 February 2007).

Employer	Country	Initiative	Source
Coca-Cola (Coke)	UK (2006)	<p><b>‘Good Employer’ Initiative</b></p> <p>Overall aim: seen as an employer who recruits based on skills not age</p> <p>First steps:</p> <ul style="list-style-type: none"> <li>• research the impact of the new UK legislation on HR policies and processes;</li> <li>• make recommendations on any changes identified that needed to be made both to improve practices and to ensure reach compliance with the new UK laws;</li> <li>• delegate responsibility for implementing changes; and</li> <li>• educate all HR managers, line managers and associates on the new age legislation and its implications.</li> <li>• Coke consider it essential that both awareness and responsibility are disseminated throughout the business to ensure that age diversity is a practice, not a promise</li> </ul>	<p>“Avoiding ageism at Coca-Cola” - Company initiatives earn Employer Champion status (Catherine Webb) Human Resource Management International Digest - Volume 14 Number 7 2006 pp. 9-11</p>

Employer	Country	Initiative	Source
IBM	Australia/New Zealand	<p><b>Intergenerational Diversity initiative</b></p> <p>IBM has an intergenerational diversity strategy that aims to <b>attract, motivate and retain</b> the best talent in the industry.</p> <p>The company developed a broad strategy for individual development in three stages:</p> <ol style="list-style-type: none"> <li>1. Attracting and retaining.</li> <li>2. Pre-retirement stage – identify stage policies.</li> <li>3. Post retirement – how to attract, motivate and retain these individuals.</li> </ol> <p>A number of flexible work programmes introduced by IBM were expected to be taken up mainly by Generation Y employees and the company was surprised when the programmes were most popular among baby boomers and older employees. The programmes included:</p> <ul style="list-style-type: none"> <li>• IBM UK employees working in New Zealand for a fixed term.</li> <li>• Self funded leave - 4 weeks extra leave and a reduction in monthly income.</li> </ul> <p>IBM had a diverse and inclusive workforce because managers were given the flexibility to come up with individualised solutions. IBM Australia have been named the ‘Best Ageing Employer’ in 2006.</p>	<p><a href="http://www-8.ibm.com/au/diversity/awards/mature_employment.html">http://www-8.ibm.com/au/diversity/awards/mature_employment.html</a> (accessed 2 February 2007)</p>