

**HUMAN RESOURCES**



# The Next Frontier for the Employer of Choice

Older workers are set to play an even greater role in the workplace. They are not celebrating their 65th birthday, retiring in droves and quietly heading off into the golden years of retirement.

**D**r Ganesh Nana concluded in the last edition of *Human Resources* that, “older workers are likely to play an increasingly prominent role in the workplace in the future, while young people are likely to play a less prominent role.”

Currently around twenty-two percent of employees in New Zealand are aged 55 years of age or older. This is set to rise to twenty five percent by 2020. The projections are that by 2050 twelve percent of men and ten percent of women over 80 could still be in the workforce.

Three factors are now converging to create what has been termed the age wave. The so-called “boomer bulge” is moving through with the oldest in this cohort now aged 69, the youngest 50. Secondly improved health and increased life expectancy is seeing people construct this life stage quite differently to previous generations. Thirdly declining birth rates means there have been fewer people entering the job market. At a macro level this dynamic is reshaping labour markets. At the level of the firm the profile of the workforce is subtly changing year by year.

Globally this accelerating trend is already impacting. In the Manpower 2015 global survey of 41,000 hiring managers thirty-eight percent reported talent shortages, a seven-year high. Japan,

which is a population ageing “canary in the cage” is already experiencing significant skill shortages with 83 percent of hiring managers reporting difficulties in recruiting staff. As a consequence Japanese companies are curtailing expansion plans. Here in New Zealand many regions and some occupations are reporting skill shortages.

A recent Ministry of Social Development report concluded, “Over the next 40 years we are simply not going to have enough new workers to replace the baby boomers as they eventually exit the workforce. This means we need to focus on developing a highly skilled, high performing age-inclusive workforce.”

Economies are approaching the ageing of the workforce in different ways. Comparatively New Zealand has a benign “head in the sand” attitude towards this megatrend whereas our near neighbour Australia is actively engaging with the challenge and fully appreciating the economic and social impacts. Irrespective of whether there is political leadership or not, the impacts will and are already being felt in our workplaces.

Given this trend the next frontier for companies aspiring to be an employer of choice could well be to become an age friendly employer of choice. What does this mean? Globally various schemas have been developed to recognise better practice in the management of age and work. New York City, as part of its age friendly city initiative introduced an Age Smart Award for business. The objective of this approach being to identify best practices, honour employers who value workers of all ages, and to support businesses looking to maximise the potential of their workers as they age. In Tasmania companies already recognised as employers of choice are working in clusters to explore the implications of population and workforce ageing, their next frontier.

Having worked with companies large

and small across a diverse range of sectors we have identified a number of factors that would characterise a business that is taking this challenge seriously. These can be clustered into six broad fields of better practice.

## **Workforce Planning**

For several decades workforce planners were predicting the likely impacts of the baby boomer “bulge” and assuming workers would be leaving in droves as they reached 65. This has not eventuated. Mature aged workers are staying on at work. This introduces the need for new thinking and approaches to creating sustainable talent pipelines, managing retention and ensuring succession.

## **Policies and Practices**

When discussing the needs of mature aged workers the first policy area put under the spotlight is the availability of flexible employment arrangements. The focus is usually on time-based options such as reduced hours, varying start and finish times, compressed working weeks but rarely does it extend to creating more flexible employment arrangements through job redesign. There is often a disconnect between policy and practice. Organisations may have flexibility policies however employees often do not know about them, don't know how to access the provisions and where to get good advice. If they do, often team leaders struggle with the operational implications.

Human resource policies and practices that are age friendly must also address recruitment, progression, health, safety and well-being, job design, remuneration and benefits, performance reviews and learning and development.

## **Knowledge Continuity**

For knowledge based organisations the retention of people in possession of knowledge is a business continuity issue



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that should be treated in the same way as any other business continuity risk. Risk mitigation and management measures should be in place to ensure continuity should individuals irrespective of age or life stage leave.

The panic occurs when a company suddenly realises its mature aged employees in mission critical positions could leave and take a lot of knowledge and skill with them. What some have called the “baby boomer brain drain.” The priority suddenly becomes knowledge transfer and retention.

Organisations also need to consider the impacts of an employee becoming disengaged and withholding knowledge that contributes to their effectiveness, efficiency and competitiveness.

**Health, Safety and Well-being**

Myths, stereotypes and false beliefs about mature aged workers and the ageing process abound. With only a few exceptions due to major trauma or progressive physical degeneration, the changes we experience as we age rarely

impact our ability to work. Many of the physical declines people experience as they age will be small and can be improved with training or accommodated with simple ergonomic changes or job redesign.

Ensuring health, well-being and safety programmes, initiatives and protocols are well tuned and responsive to an ageing workforce is a significant step towards becoming an age friendly employer. It is all too easy to treat everyone the same, we are not. Reviewing health, well-being, safety and employee benefits through the lens of age and life stage can open up opportunities to better support employees and enhance their productivity.

**Productivity and Engagement**

It is a common myth that as we age we become less productive. In fact there is little evidence of a relationship between age and productivity. Rather the relationship is between engagement and productivity. When employees experience negative stereotypes in the workplace and feel marginalised this can affect their commitment to their employer.

There are too many cases where older workers have been performance managed out by employers when what they needed was a supportive supervisor, a respectful staying on conversation and a few simple changes to the workplace or job design to accommodate changing abilities and needs.

Wrong beliefs may mean employers are not tapping into what their people could and want to contribute to the organisation as they age at work.

**Inclusive Workplace**

Creating a workplace where we can all succeed, regardless of race, gender, age, sexuality, or ability, is the right thing to do and also makes good business sense. An inclusive workplace is about recognising the rich variety of experience, talent and the contributions people at all life stages can bring to the workplace.

Education and awareness is important for mature aged employees as they adjust to changes and contemplate the next stage in their lives. It is also critical for managers and team leaders to understand life stages and the needs and expectations of employees at different life stages.

Just a note of caution. It has been popular to run workshops on understanding generational differences. These have drawn on populist distinctions between generational categories. There is in fact no reputable research to support such clear-cut categories. There is more variety within the so-called generational categories than between them. None of us like to be stereotyped. More helpful is a focus on life stages and seeking to understand our employees as individuals living unique lives every day.

**Conclusion**

Older workers are staying on in work through choice and in some cases by necessity. We all want to be engaged at work for who we are and what we bring everyday. Mature aged workers are no different.

“You can be you” is the inclusion message conveyed to employees in one large Australian company. A nationwide US pharmacy chain has a phrase that says it all, “Talent is Ageless”. These messages are relevant across all sectors and company size.

The next frontier for the employer of choice may well be to become recognised by their employees and the community at large as an age friendly employer. One who actively employs mature aged workers and values the contribution of current employees across all life stages **HR**



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