

# No room for complacency

We can't afford to be smug, says Geoff Pearman. Despite some positive headlines about workforce participation rates for mature-aged workers, unconscious bias is alive and well.

There is no shortage of analysis, reports and commentary on the ageing of the workforce. Globally new reports appear almost weekly. Many are instructive yet, seven years on from when I first started working in the field of age and work, little new is now emerging.

The demographics are irrefutable. We have a mountain of research telling us what mature-aged employees bring to an employer and what they need to remain on in work. We know the economic and social benefits of increasing workforce participation. There is ample research and anecdotal material describing the experience of older workers who find themselves unemployed. And we know what better practice looks like.

Over the past few months, you could be forgiven for wondering what the issue is if you believe the headlines appearing in the New Zealand print media.

- “NZ harnessing mature workers” *NZ Herald*, 15 June 2016;
- “NZ making most of older workers” *Newshub*, 15 June 2016;
- “Strong human rights law protects older workers” *Stuff*, 29 June 2016;
- “NZ businesses not geared up for ageing workforce” *Otago Daily Times*, 21 June 2016.

This has largely been in response to the *PwC Golden Age Index* report released in early June. The report noted that New Zealand has the second highest participation rate in the OECD of people aged 55 to 64 and the third highest for people aged 65 plus.

This could lead one to conclude, as have some commentators, that employers are providing a supportive work environment. However, PwC themselves conclude: “There is still more for businesses to do to support mature workers. Flexible working arrangements are a start, but we really need to see a cultural change as the number of older workers in New Zealand is projected to grow.”

We are now living longer and many more people are staying on at work through choice and increasingly from necessity. However, there is also the flip side—non-participation. For people over the age of 50 who find themselves without work, the battle to get back into work can be soul-destroying. Just read the comments below each of the articles above.

A little known fact is that we currently have more people aged 55-64 registered as job seekers than aged 18-24. The actual number is likely to be even higher as not all people in this age group register.

So where are the policies and programmes aimed at mature age employment and re-training? It could be suggested that the Governments actuarial approach to social investment has had an

unintended consequence; people over 50 have been accorded a lower priority.

The Commission for Financial Capability recently stimulated a helpful discussion on the ageing of the workforce as part of their Retirement Income Review. Their research suggested that 83 percent of New Zealand companies had no strategies in place to address the ageing of the workforce. This is consistent with research elsewhere, although Diversity Works NZ (formerly the EEO Trust) is less pessimistic.

So how should employers be thinking about this challenge? The predominant paradigm has been to see the ageing of the workforce as a diversity and inclusion issue. As a consequence, there has been a focus on employer education and awareness, with advocacy for mature-aged workers—an approach often characterised by ‘shoulds’. Globally this approach has had limited impact.

My experience is that unless an employer fully understands and embraces the business case for a diverse workforce then any argument that advocates for older employees will at best be politely acknowledged and then quietly dropped.

Over the past four years I have worked with over 60 employers of all sizes and across a wide range of sectors in New Zealand and Australia to develop mature-aged workforce strategies and action plans. My observation is that when employers come to understand the business risks and opportunities of an ageing workforce, and how these could impact on their business, they more readily put in place strategies and adopt age-friendly practices.

The ageing of the workforce has been identified as a global mega trend; it is here to stay at least for the next two decades. I would propose three levels of action

### **1. A more mature conversation is required at a national level.**

We are only just beginning to understand the impacts of increased longevity on work, leisure, savings, health and housing. Recently the Director of Ageing and Life Course at the World Health Organization observed that “ageism is endemic and possibly far more pervasive than either racism or sexism.”

Unconscious bias in respect of mature-aged workers is alive and well, despite human rights legislation. A public awareness programme that challenges the myths and stereotypes of mature-aged employees is long overdue. Traditional views of age and ageing must be disrupted.

### **2. Leadership at a government level.**

The ageing of the workforce is an economic risk and opportunity that has downstream fiscal and social implications. Many respected commentators, economists and demographers have for some time identified the very real risks to our economy if we continue

## IN A NUTSHELL

- The population is rapidly ageing, as is the workforce.
- Longevity is changing everything about life and work.
- Increasing numbers of people are staying on at work through choice and from necessity.
- Early disengagement from the labour market can have long-term economic and social consequences.
- The majority of employers are not prepared for this shift.

to avoid the implications. This is not about the age of entitlement to superannuation or a 'seniors' issue; it is much broader.

We need political leadership, informed debate and enlightened policies that recognise and support the ongoing contribution of mature-aged people. While youth unemployment is clearly a challenge, what is not being talked about is mature-aged unemployment and under-employment.

### 3. Engaging more effectively with employers.

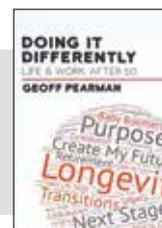
We cannot afford to be smug. Believing that a high level of participation means all is well is to leave many employers and employees exposed and unsupported. We need to find ways to more effectively engage with employers who, while not exempt from unconscious bias, age discrimination and outmoded thinking, are none-the-less everyday dealing with very real challenges:

- What do you do with the tradesman whose knees have given out at the age of 58?
- What about the person who has a chronic health condition that affects not just productivity, but also compromises safety?
- What about the person who has disengaged and is in cruise mode (note: this can happen at any age)?
- How do you balance increased calls for flexibility with operational demands?

There are no cookie cutter solutions to these and other challenging situations. We need to find ways to engage with employers to first build awareness of their risks and opportunities and then to develop enterprise-based strategies focused on retention and succession, engagement, contribution and productivity, health, safety and wellbeing and the creation of age-friendly workplaces.

This is a challenge that will not go away. We know what needs to be done. What is required is political, business and community leadership. Education and public awareness campaigns that disrupt our current views on ageing are a priority. We then need policies, strategies and better practice interventions that address the real challenges employers and mature-aged workers face every day. There is no room for complacency.

GEOFF PEARMAN is the managing director of Partners in Change, a trans-Tasman consultancy specialising in age and work. Based in Dunedin, Geoff has clients in New Zealand and Australia. He recently published his first book, *Doing It Differently—Life and Work After 50*.



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