

BIG CHANGE FOR SMALL BUSINESS

Geoff Pearman | MANAGING DIRECTOR, PARTNERS IN CHANGE

Partners in Change has developed a unique cluster program for small- to medium-sized businesses that are prepared to face some tough issues as they adapt to their aging workforces.

Whenever you talk about the world of business, it tends to conjure up images of large corporations employing thousands of people. Yet, the reality is quite different: Small and medium-sized businesses (SMEs) are the backbone of national and regional economies.

"I joked with Michael, my research and development person, that when he retired we would have to close up shop." The manager of a specialty electronics company in a regional center in Australia was in fact not joking. The dilemma faced: "What do you do when you have a

team of 12 and one of your highly specialized staff is in his or her sixties and could retire tomorrow?"

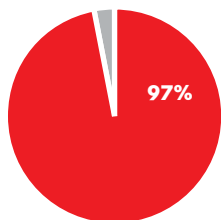
For the past 18 months, Partners in Change, an organizational and workforce consultancy in Australia and New Zealand, has developed a unique cluster program for small- to medium-sized businesses that are prepared to face some tough issues as they adapt to their aging workforces.

The statistics speak for themselves. In New Zealand, 97 percent of businesses have fewer than 20 employees and produce 28 percent

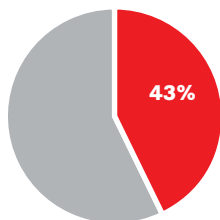
THE AGING WORKFORCE IN NEW ZEALAND AND AUSTRALIA SMEs



New Zealand



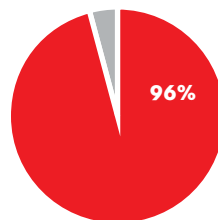
**PERCENTAGE BUSINESSES WITH
FEWER THAN 20 EMPLOYEES**



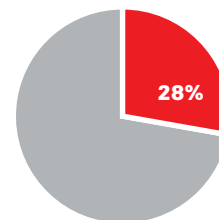
**PERCENTAGE SELF-EMPLOYED
WORKERS OVER AGE 50**



Australia



**PERCENTAGE BUSINESSES WITH
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**PERCENTAGE SELF-EMPLOYED
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of the nation's gross domestic product. The average age of SME owners is around 58 years old, with 43 percent of self-employed workers over 50 years old.

In Australia the picture is similar: 96 percent of companies employ fewer than 20 staff, and 28 percent of all business owners are over 55 years old.

The Executive Connection, in a recent report, summarized the challenge¹. "SMEs will be at the forefront of dealing with these changes. SMEs are also the largest employer group, and this means their executives and owners need to anticipate these demographic shifts and react in ways that benefit their business's future operations."

There is no shortage of reports describing the phenomena, offering analysis, and making recommendations. But what do you do as a busy small business owner with multiple demands on your time? Many small businesses do not have human resource specialists on hand

and either rely on external advice or manage as best they can on a day-to-day basis dealing with urgent issues.

The Small Business Aging Workforce cluster program was designed by Partners in Change to engage SME business owners in a 6-month development program. The primary objective was to help them put in place strategies and practical action plans to address their aging workforce challenges. A cluster comprised four companies from non-competing sectors. Each company could involve two people. They met monthly for 2 to 3 hours with back-at-work exercises between each workshop. The program also included a workplace coaching session and a case study writing exercise.

"As a sole human resources person in a busy tourism attraction I have a lot of demands on my time. What hooked me with the small business cluster program were the practical strategies on how to retain older workers," reflected Janet, one

of the program participants. The program covered a wide range of topics:

- The changing world—global, country, and local demographic shifts
- The myths, stereotypes, and realities of aging workers and workplaces
- Analysis of workforce demographics to identify risk areas
- Review of human resource policies and practices for age friendliness
- What older workers need and want, including interviews with older workers
- Risk assessment, strategies, and the development of an action plan



"I felt we failed Jim when he had to leave due to health issues. I would have loved to have been able to find other work for him, because I know the transition has been hard for him and his family," said Tracie Dickenson.

For Daryl Dickenson Transport, an interstate family-run trucking company, the Partners in Change program opened employees' eyes to the challenges that many older workers face and, in their own words, "the moral responsibility employers have to their staff at critical transition points in their lives." With a staff of 75 (48 of whom are over the age of 50), the business faces a set of challenges relatively unique to the trucking industry. Transporting steel is physically demanding, and many drivers experience injuries or degenerative conditions that affect their ability to keep working later in life. "This is not a job they can do forever," said Tracie. Herein was one of the challenges and also a significant insight for the company.

"I realized one of the best things I could do for my boys is help them think about their next job. Driving for us with all the heavy work involved may not be what they are able to keep doing until they retire," said Tracie.

"Some of the issues for older workers hadn't even crossed my mind. It challenged my stereotypes as a younger HR person."

-Human Resource Advisor

"We have new tools and ways of thinking. We have a better understanding of how mature workers think and what's important to them, [whereas] in the past we just guessed. We want to more actively promote our business as an age-friendly workplace."

-Business Owner

Future programs will be opened up to eight businesses per cluster and will also include a module on the business opportunities from the aging of the population.

Partners in Change has now run six cluster programs involving 23 companies ranging in size from 12 to more than 200 staff. Participants come from diverse sectors: financial services, transport, manufacturing, tourism, hospitality, health, older adult care, disability services, property management, training, sport, and professional associations. While participants came from different backgrounds, roles, and industries, a lot of incidental learning happened in the workshops, allowing participants to generate

practical solutions as they worked on common strategies.

"It opened my eyes to seeing the mature-aged workforce segment as a group that has specific needs that need to be met if they are going to be fully engaged," one human resource manager said.

While every business claims uniqueness, there were common risks identified: current and potential labor shortages in specific occupations and locations, the loss of critical skills and knowledge due to potential retirements, disengagement and the loss of motivation as a result of changed expectations and the lack of flexibility, reputational damage for the business if it did not treat its aging staff well, and increased costs

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from injuries as people took longer to heal and return to work.

Developing an evidence-informed understanding of their business challenges enabled the companies to put in place practical action plans. Working in a cluster using a problem-solving approach also generated innovative strategies. (See Daryl Dickenson Transport story, p. 52).

Having worked with more than 35 companies, large and small, over the past 3 years, I am convinced that the aging of the workforce needs to be approached as a strategic issue rather than as a diversity issue. Advocacy for older workers is important, and discrimination in the workplace is abhorrent in any form,

but what I have found is that taking real business risks, taking a strategic approach, and developing practical solutions is what engages business owners. Coincidentally, they also end up addressing issues of diversity and inclusion. ●

¹ "Finding the Gold in Silver Hair: Challenges and Opportunities for SMEs," The Executive Connection white paper series, March 2014.



Geoff Pearman

Geoff Pearman is the managing director and principal consultant for Partners in Change, an organizational development and workforce consultancy in New Zealand and Australia. The company's speciality is helping organizations adapt to their aging workforces.