

## WHAT STRATEGIES CAN BE IMPLEMENTED TO BEST MEET THE NEEDS OF AN AGEING WORKFORCE?

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### INTRODUCTION

The Organisation at which this research project has been undertaken is based in Dunedin, and employs 523 staff across the South Island. The catalyst of this research is the rate and the effect that the Organisation is currently experiencing related to the shift of age-demographic, shown by the average age of employees (46 years), and percentage of employees over 55 years (30%).

The aims for this research project were to identify what strategies the Organisation has in place or is already planning to manage their ageing workforce; what strategies align with the needs of the employees, the Organisation's vision, mission, and values, as well as current best practice; and what factors need to be considered in order to implement an Age Strategy or Diversity Policy promoting older workers. These aims have then been used to answer the research question: "What strategies can be implemented to best meet the needs of the ageing workforce at the Organisation?"

This research has been conducted to provide recommendations to the Organisation for the purpose of understanding and addressing the implications of the demographic shift on the Organisation and to improve the productivity and performance of the Organisation's ageing workforce.

The research into strategies as to how the Organisation can better manage the ageing workforce will potentially benefit the Organisation positively by producing practical outcomes designed for the company. The research will provide specific areas of focus for management with clear evidence as to which strategies would receive the most stakeholder support; with the aim of higher worker engagement, overall wellness, and retention of institutional knowledge.

### RESEARCH METHODOLOGY

The researcher has used methodological triangulation involving the use of multiple methods to gather data (Kennedy, 2009). Triangulation has been achieved by engaging with employees through the use of electronic surveys, interviewing individuals in positions of leadership and management, and reviewing and analysing historical information.

A survey was selected for this research project to collect information from participants the aged of 55 years and over who are current employees (171 employees). This, in turn, aided in providing recommendations to the Organisation as to how older workers feel they are supported and could be better supported by the Organisation to do their best work, about any age-related discrimination they may feel in the workplace, and their job satisfaction.

The survey was also used to identify what areas of best practice that employees valued most. The survey contained 12 questions using the Qualtrics Survey platform and included Likert scale questions and multi-choice style questions. There were also several open questions in the survey to allow for the more enthusiastic and opinionated of participants to express their feelings where appropriate; none of the open questions included forced responses. These were grouped into categories: (1) employee benefits and job design, (2) training and upskilling, (3) health and wellbeing, and (4) social wellbeing.

One-on-one interviews took place at the Organisation for the specific purpose of exploring the research question. This information was used to provide the researcher with perspectives on: the Organisation's ageing workforce, current plans, quality of communication, succession planning, mentoring, and management support. Interviewees included four members of the Organisation's staff from various business units with different responsibilities to the business and to employees.

Historical data was used to provide information to analyse demographics, total workforce numbers and the progression of the workforce age profile at the Organisation. This method of data collection was considered appropriate as business metrics are recorded and reported on a monthly basis. This data supplied information such as diversity and demographics, age, generation, tenure, gender, headcount, and net workforce change.

## PERCEPTION AND BIAS

The concerns of employers for the ageing workforce included unscheduled leave of absence (health or family-related), the inability or unwillingness to attain new skills (particularly in technology), and in retaining these employees when they were heading towards retirement (CIPD, 2015). However, excluding the movement towards retirement, these points could be made of any demographic and could show discrimination against older workers for what could be unjustified bias towards the older worker. Buyens (2009) describes that when this unjustified bias towards older workers is prevalent within a workplace, that ineffective management practices can often create a self-fulfilling prophecy; for example, if an employer...

believes older workers cannot learn new technology, or are not willing to learn new technology, then they are not likely to offer older workers the opportunity or experience and therefore the older workforce will become less technologically able over time (Volti, 2012, p.83).

Age-discriminatory behaviour is shown to be embedded in New Zealand's culture. When interviewees were asked to describe the main issues facing older workers at the Organisation, three of the four respondents replied with comments regarding the reduction of the health and physical ability of older workers due to the manual labour requirement of many of the positions at the Organisation. As stated by Bamford (2016), older workers are not more prone to injury than younger workers, but the costs to employers may be more significant as recovery periods increase with age. The likelihood of suffering from long-term (chronic) health conditions also increase as individuals age (Bamford, 2016), which will also incur costs to the business through lost productivity. Therefore, one of the main challenges is changing the perception of those in management and leadership positions to acknowledge that the workforce is ageing and that supporting them to stay in the workforce longer will benefit the business (Kaur & Verma).

When considering retention for other demographics, it is not retirement that is of concern, but rather the pull of other employment and opportunity (Brook, 2003). The challenge when educating employers, employees, and public about unjustified bias is that rather than have the required result, it will often confirm the stereotype (Buyens, 2009). This effect is known as 'stereotype threat' (von Hippel, Kalokerinos & Henry, 2013) and is characterised by the

unintentional change in performance by individuals as they meet the expectations of the stereotype of their group.

There is a strong perception from employees that age-discriminatory behaviour is not an issue in their day-to-day work, and that the Organisation is engaging in age-neutral management practises and decisions. These factors are likely to contribute as to how happy the Organisation's employees expressed they were in their work and how valued they felt at the Organisation, with 65 percent of survey participants indicating they felt valued in their work and 85 percent indicating they felt happy in their work. Research by Hermansen and Midtsundstad (2015) has shown that the care, value, and appreciation shown to an older worker was also proven to be a major factor in the decision to remain in the workforce.

It has already been established that older people of the Baby Boomer era are healthier than their predecessors, and that the onus falls on the employer to manage the needs of this employee group. The correlation made in research conducted by Hermansen and Midtsundstad (2015), showed that an employee's tenure and their enthusiasm for the job were the same across all generations. The care, value, and appreciation shown to an older worker was also proven to be a major factor in the decision to remain in the workforce (Hermansen & Midtsundstad, 2015), and therefore any age bias shown as age-discriminatory behaviour towards the older worker could be a contributory cause in the decision to retire. However, issues were brought forward by the employees which were drawn out from four open-ended questions on the survey. The four questions were worded so as to provoke a response about what support might be required and issues employees are facing both currently and in the foreseeable future. Many respondents did not directly state the physical nature of the work, although several made comments regarding "Extra eye and hearing checks", "Follow-up from company nurse", with one explicitly stating: "Redundancy or retirement as most of us never make the average age".

Age discrimination is unlawful in New Zealand under the Employment Relations Act 2000 and the Human Rights Act 1993, unless the job is directly affected by an age limit. However, research has suggested that there is a 'silent tipping point' of between 50–60 years of age where an organisation may see employees as less attractive (McLeod & Bentley, 2015), even though maturity and age has been shown to be a positive factor in many aspects of work. The survey respondents identified that discriminatory behaviour was not an issue in their day-to-day work from managers regarding job assignments (84%) and daily leadership (84%). Also, that negative stereotypes regarding older workers was not a problem for the majority of respondents (84%). A significant trend shown amongst employee responses from the open questions was the desire for "career development within the business" and various forms of training, including basic IT training, and the management of staff. However, 31 percent of survey respondents identified age-discriminatory behaviour regarding opportunities for personal and professional development at the Organisation, as well as 28 percent of respondents who identified age-discriminatory behaviour regarding individual promotion. So, it can be implied that as employees age, management tends to side-line older employees and their potential, thereby creating a stagnation in career development of older workers.

Empirical studies undertaken by Mountford (2011) have described the increased performance of emotional labour and improved social reasoning by older workers, as well as providing evidence as to how innovative capacity does not decrease with age; they were: "self-motivated, disciplined and respectful of authority, had superior communication skills and credibility with customers, were dependable and loyal, created a positive image for the organisation, had an equal ability to learn new skills, and performed work of higher quality" (Mountford, 2011, p. 170).

It is also important to note that of the interviewees, only one was a direct manager of a team managing older workers, and as stated by Kaur and Verma (2011) "Employers who have less personal contact with older workers have more negative attitudes toward them than employers who have more personal contact with older workers".

## GENERATIONAL VALUES AND CHALLENGES

For the 25 – 40-year-old age group there is a significant emphasis on feeling appreciated and being heard without being micromanaged; including trust, recognition, and the freedom to make decisions (CIPD, 2015). For the 40 – 65-year-old age group, value is placed on more practical aspects such as work-life balance and flexible arrangements (i.e. being able to work around children and ageing parents) (CIPD, 2015). The challenge lies in establishing open and appropriate channels of communication between employers and employees to establish the needs and wants of the workforce, build trust, relationships, and provide crucial personal feedback (Znidaric, Penger, & Dimovski, 2011). The key benefits of an age diverse organisation are the ability to share knowledge through the mix of skills, experience, expertise, and perspectives. An older worker may have experienced a process that a younger worker may only have theoretical knowledge of, whereas a younger worker may have recent training in new practice and methods that can be shared (CIPD, 2015). A skills and knowledge gap has begun to affect the industry in which the Organisation operates, and is likely to be replicated in other departments under the current retirement strategy at the Organisation.

There are different traits attributed to each generation which can be seen in the workplace, particularly the change of socially acceptable interaction. Of particular importance is the availability of new technology that alter the channels of communication. Non-verbal messages that are included over and above spoken and written communication are important when engaging with individuals from different generations, ensuring that there is an understanding of the message between sender and receiver.

The Baby Boomer generation consists of those born between 1946 and 1964 which currently includes all of those aged from 55 to 72 years, Generation X are currently 38 to 53 years, Millennials range from 23 to 37 years, and Generation Z currently being those under 22 years (although these are approximate and can overlap as there is no standard definition). The benefits of creating a generationally diverse workforce extend beyond passing on institutional knowledge and skills related directly to the role. 'Soft skills' can also be advanced through observation and interaction with others to develop the traits that are typically needed in the workplace, and that mirror the values of older generations. Individuals belonging to the Baby Boomer generation are generally loyal to one organisation (demonstrated by length of tenure). They are results driven and give maximum effort, are respectful and accepting of authority figures, as well as having the ability to retain the information and skills that are learned (Kaur & Verma, 2011).

To break the formality of such traditional employee/employer roles and help build trust and relationships in the workplace, it has been shown that employers and others in senior positions can create a positive impact by showing a genuine interest in their employees and by communicating with them directly (Znidaric, et al., 2011). Methods such as sitting down to lunch or an afternoon tea break together are an opportunity for informal discussion, and sending reports, letters, and memos directly to employees instead of through administrators or heads of department appear to be more personalised (Znidaric, et al., 2011). It is important that mutual trust is established through open lines of communication to establish what older workers want and need from the employer and the Organisation so that these employees can be retained, and company-specific knowledge can be captured.

To evaluate how to best utilise the skills of the older worker, employers re-engage with this generation so as to ascertain the employees' future goals and values, and how to maximise the Organisation's investment in human capital. The Organisation currently collects this data via the 'About Me' employee development and review process, which provides an opportune time to provide a tailored plan and support options. Engagement can be improved through a culture of strong communication both between managers and employees and within teams. Interviewees were asked what organisational supports were available to older workers, with the responses revealing inconsistent results. Almost half (48%) of survey participants indicated they had either no support or were unaware of support provided by the Organisation, while a further 36 percent stated that the Employee Assistance Programme was their only support. These views were corroborated by interviewees who all agreed improvements could be made in

communicating information about what support are available to employees.

Although those aged 55 years of age and over are defined as 'older workers' for the purpose of this research, specific ages were not as important when planning for the older workforce as an individual's experience, different levels of health and physical ability, aspirations and goals, and financial circumstance (Pearman, 2016). Therefore, any planning for the older workforce would be better viewed as 'stage-related' instead of 'age-related'. Although career paths and training have already been noted as highly important to some older workers, other participants have raised the need to reduce their days of work and to receive increased support to plan for their retirement. One survey respondent indicated an awareness that, "I would like to work with the Organisation for another three years and be supported in this endeavour". This kind of information is invaluable and gives the Organisation sufficient time for recruitment, as well as supporting the current employee in transitioning out of work by reducing hours, training a successor, or mentoring. "To give them the flexibility in their transition now so it's not just simply one day they're at work, the next day they're not".

## BEST PRACTICE

There are three main areas of focus of human resource best practice for the ageing workforce identified including: integrated wellness programmes; job design and ergonomics; and employee benefits for older workers (Bamford, 2016), for the purpose of addressing the ageing workforce and limiting the risk of the loss of this human capital. Training and upskilling for older workers as well as engaging in mentoring enhances participation and demonstrates commitment to renewing this human capital (Ministry of Social Development & Office for Senior Citizens, 2011). The options for older workers at the Organisation are limited regarding what supports are currently available and are dependent on the employee initiating any communication with their manager or human resource staff when their needs change. Inconsistencies have appeared between survey respondents who would like supports such as: more training, four-day work weeks, discounts, medical insurance subsidies, although some of these requests are already available to them. Possible miscommunication between employees and managers, and between employees and Human Resources (HR), or because a significant amount of time passed since their initial induction period, has resulted in the employees no longer being aware of their entitlements, therefore indicating the requirement for improved methods of communication.

It is important for organisations to consider programmes and strategies that are inclusive of all age groups so as to limit an 'us and them' mentality and to instead focus on sets of skills and experience (Bamford, 2016). In research conducted by the Auckland University of Technology, organisations were surveyed as to whether they had an effective age strategy: 23% of organisations currently had one in place, 33% of organisations were planning to introduce one in the next two years, and 44% of organisations were unlikely to have one in the next two years (McLeod & Bentley, 2015). These findings were in contrast to the CIPD (2015) report 'Managing an age-diverse workforce: What employers need to know' which showed 70% of UK organisations had some supports in place. Of these strategies, the top five that had been put in place were: (1) using older workers to mentor, train or coach inexperienced or young workers; (2) flexible work arrangements for older workers; (3) graduated retirement for older workers; (4) health and wellness programmes for older workers; and (5) training for older workers (McLeod & Bentley, 2015).

As was shown in the survey results, employees identified the desire to reduce their days and/or hours of work, as well as assistance for retirement planning by way of seminars. Interviewees suggested providing contacts for the employee to begin planning for retirement so they have some kind of support in place for their transition out of work. The results indicated by survey participants are generally consistent with findings from research by McLeod and Bentley (2015).

It has been found that employers who were more likely to see the importance of issues affecting the older worker were those who saw the value of increasing esteem, and repositioning, and also by those who preferred early retirement themselves (Mykletun, Furunes and Solem., 2012). Strategies and tools to retain older workers such as wage increases, bonuses, and reduction of workload or hours were also more likely to be used by older managers and female managers (Mykletun, et al., 2012).

There is a strong desire from employees (66%) for the Organisation to provide medical insurance or a sufficient subsidy to make this a realistic option for employees (currently the Organisation provides a 5% subsidy through Southern Cross Healthcare). Many employees (47%) also expressed the desire to utilise the option of a six to eight week sabbatical to pursue other interests. The option of a sabbatical may be preferential for an employer who wishes to retain a valuable employee who would otherwise choose to retire. To utilise the extensive knowledge of the Baby Boomer workforce in all areas of the business, mentoring relationships should be initiated. Buddying/shadowing for new employees would also reduce some of the physical aspect the job requirements for older workers, while passing on institutional knowledge and creating an age-diverse culture.

## CONCLUSION

There is a necessity in the current climate of age demographic shift for the Organisation to be proactive in their approach to strategies that address the ageing workforce, rather than a reactive strategy when individual employees approach their superiors for assistance, or when the Organisation perceives a critical need. Five major recommendations have resulted from the conclusion of this report: 1) Implement a mentoring programme, 2) Improve access to training opportunities, 3) Increased medical subsidy, 4) Flexible work arrangements, and 5) Improvements in the collection, use and storage of data. Currently the Organisation is in the planning stages of a mentoring programme. The Organisation also offers ongoing training and various workplace benefits (N3 card, 5% Southern Cross subsidy). However, specific support for older workers is only negotiated with the individual when the employee is experiencing difficulty, or their needs change.

The strategies listed by McLeod and Bentley (2015) and Bamford (2016) were indicated by all interviewees as areas that could be improved on by the Organisation with focus on: knowledge transfer, flexible working arrangements, wellbeing, and ongoing training. These strategies align with the current and future needs and goals of the employees as indicated by survey results.

To implement an Age Strategy or Diversity Policy Promoting Older Workers, the Organisation must ensure there is the human resource capability to do so, and that it is appropriate to the standard and fit-for-purpose, which would incur additional costs. Buy-in from all relevant stakeholders is also required: managers, leadership group, and colleagues, to mitigate the risk of creating an 'us and them' mentality. There is also a risk of stereotyping the older worker as a group who are in need of extra support, whereas this is not the case; rather they are in need of more appropriate options. In summary, the issue of 'value' of the older worker is not just in terms of production (efficiency) but needs to incorporate value in other aspects of their contribution to the workplace.

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