

Employment of Older Workers' Summit **Wellington, Monday 4th September**

The Employment of Older Workers Summit was held on Monday, September 4, and started the ball rolling on the development of an action plan to help older people gain the “right to work and the right to retire”.

The motivation behind the summit was New Zealand’s need to retain older workers for economic and social development and the undeniable reality that prejudice against older people still exists in the workplace. Its main aim was to develop practical strategies and actions to increase the number of older workers at a time of growing labour and skills shortages.

The summit was attended by the CTU, Business New Zealand and industry groups, government departments with an interest in employment such as the Department of Labour and Ministry of Social Development, as well as researchers, community representatives and individual older workers.

Dr Judy McGregor, EEO Commissioner

The aim of Dr McGregor’s speech was to prompt discussion of the frameworks needed in New Zealand around the employment of older workers.

To put the argument in context, Dr McGregor said that

- By 2051 more than a quarter of New Zealand’s population will be over 65.
- By 2026, we will need an extra 95,000 people in the labour force.

She said some of the issues that need to be considered included:

▪ **The prevalence of age discrimination**

New Zealand is on the cusp of increasing litigation about discrimination of older workers under human rights legislation. Discrimination of older workers is a reality and does not appear to be going away.

The Human Rights Commission will soon release research undertaken by the University of Auckland’s Business school into the age effect in recruitment and employment. Initial findings have indicated that age effects exist but are moderated by scarcity – i.e. older nurses are not finding it difficult to get work. However, in areas such as retail of FMCG (fast moving consumer goods), it is very difficult for older people to find jobs.

▪ **Demand and Supply**

Does industry sector information about human capital need and skill shortage get to those that need it? For older people re-entering the workplace, many of them don’t know or aren’t sure about what or where the demand is.

▪ **Age Proofing**

New Zealand needs to leverage demographic change, but as a nation we can’t wait complacently for the baby-boomer demographic to impact on the labour market.

We need to find out what employment frameworks best fit New Zealand organisations and help industries future-proof in terms of age.

Dr McGregor said with longer life expectancy, more New Zealanders would have to remain in paid employment for financial reasons, and others will want to for life satisfaction.

To read more of Dr McGregor's speech and for more background on the summit visit www.neon.org.nz.

Dr James Buwalda, CEO, Department of Labour

Dr Buwalda spoke about the context within which leaders should approach the employment of older workers. He said retention of older workers was not an isolated issue, and was part of a wider challenge for New Zealand as a small country, with a small labour force.

- Median age of workers is rising from mid-30s to mid-40s (within 40 years time)
- 80% of the people who will be working in 2015 are working today

Employment rates for older people in New Zealand are high compared to other OECD countries but workplace leaders cannot be complacent. Research of non-workers aged 45-plus has shown that many of them want to work, but have barriers to participation including: caring responsibilities, sickness and disability, lack of knowledge, low or outdated skills, and age discrimination.

Dr Buwalda said New Zealand did not have overseas examples to draw from and had to establish its own best practice. He said the ideal labour market would translate into:

- High participation of all population sub-groups.
- Efficient transitions in and out of the labour market.
- High skill levels.
- Life experience (including caring experience) is valued and recognised.
- Workers continually upskill and retrain where necessary.
- Opportunities for training, promotion and employment benefits available to all.
- Workers remain attached to the labour market during time out for study, caring and other activities.
- Career information advice and guidance is available to all at any point during a working life.

To read Dr Buwalda's presentation in full visit http://www.retirement.org.nz/files/Older_Workers_Symposium_4sept06.pdf.

Issues for Individuals

A panel presentation and discussion on issues for individual older workers was chaired by Ms Crossan and included:

- Quentin Doig, incoming communications director at Housing NZ
- Dr Philippa Reed, CEO of Equal Employment Opportunities
- Ruma Karaitiana, CEO, Building & Construction Industry Training Organisation

Quentin Doig, incoming communications director at Housing NZ

Formerly at ACC and starting a new career position next week. Mr Doig always thought he and his wife would retire early to the Marlborough Sounds. However, after attending the Leadership NZ programme, he realised that his “ideal retirement scenario” might not be that ideal in reality. How long could he actually go fishing for before getting bored?

He decided instead to change jobs and has filed away retirement from the workforce for much further down the line. He said older workers should be brought in for sabbaticals to mentor younger workers so New Zealand does not lose energy and skill from the workforce.

Dr Philippa Reed, CEO of the EEO Trust

Dr Reed, a single parent with a high-school aged daughter, believes she will still be in the workforce in 2026.

She said changing demographics and the on-going skills shortage meant employers needed to sharpen up on the employment of older people.

The EEO Trust ran an online Work and Age Survey earlier this year to explore what people want from work as they get older and what workplace conditions would encourage them to stay in paid work. The survey also explored people's experiences of intergenerational issues and age discrimination at work.

The survey showed that older people felt they were missing out on training and promotion and recruitment. They also felt their ideas and skills were not valued.

The results also showed that older workers were looking for flexibility in work practices that did not just mean working fewer hours each week but also the flexibility to work fewer weeks per month or months per year.

She said surprises from the survey included:

- 80% of people pre-retirement wanted flexibility in their retirement;
- 85% of retired people hadn't had a flexible or part-time job before retirement;
- 90% of workers said either their employer was doing nothing (to transition them into retirement) or didn't know what their employer was doing.

For a full report of the EEO survey findings go to www.eeotrust.org.nz/research

Ruma Karaitiana, CEO, Building and Construction Industry Training Organisation (BCITO)

Mr Karatiana said that his experience in talking to employees about retirement had shown that:

- Many people over stated their wealth/capital;
- Extending work life added to ability to retire comfortably;
- In a time of high employment/low unemployment, it was time to explore alternatives.

Employers had to look at how to change job roles to suit ageing workers, especially those in a physical role. One example he gave was an older field worker, who was “slowing up” in his job but as he was in a fairly senior role, he didn't want to lose status. The resolution was the creation of a whole new role, where he could use and develop his skill sets in an office based environment rather than out in the field.

Mr Karatiana said employers should view the physical limitations of older workers as an issue that should be addressed like any other HR issue as opposed to a barrier. Employers should engage with individuals on occupational hazards *before* they encountered physical limitations, not after.

He said retirement dreams were very different, depending on people's socio-economic position. A dream for a low income couple might be just to free up one of the couple so they can spend time with family.

Panel on Issues for Organisations

A panel presentation and discussion on issues for organisations was chaired by Peter Townsend, CEO of Canterbury Employers' Chamber of Commerce, and included:

- Paul Hellyer, HR Manager, IBM
- Phil O'Reilly, CEO, Business New Zealand
- Carol Beaumont, Secretary of the NZCTU

Paul Hellyer

Mr Hellyer said the aim of the summit was to get high level agreement to progress a public and private partnership to increase the participation of older people in the workforce.

IBM Case Study

IBM has an intergenerational diversity strategy that aims to **attract, motivate and retain** the best talent in the industry.

The company developed a broad strategy for individual development in three stages:

1. Attracting and retaining.
2. Pre-retirement stage – identify stage policies.
3. Post retirement – how to attract, motivate and retain these individuals.

Mr Hellyer said 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:

- IBM UK employees working in New Zealand for a fixed term.
- Self funded leave - 4 weeks extra leave and a reduction in monthly income.

He said IBM had a diverse and inclusive workforce because managers were given the flexibility to come up with individualised solutions.

Phil O'Reilly, CEO Business New Zealand

Mr O'Reilly said there were five main points that organisations and policymakers should consider when setting up frameworks to help the employment of older people:

1. Policy settings need to be "New Zealandified" – i.e put into the New Zealand concept of retirement - the dream of going fishing etc. Lifestyle is very important to New Zealanders.
2. Think about the labour market – the low employment rate = higher % of older workers. If an employer had credibility it could tap into this potential.
3. Revisit attitudes and look at possibilities of flexibility not the drawbacks. There is no such thing as a job per se but just a collection of tasks.
4. Think about the business case:
 - Westpac Australia has mature workers in call centres and used devices such as "daughter bring father days" to attract them.
 - Encourage companies to be competitive with each other on diversity – offer recognition awards etc.
 - The magic of the solution is when businesses see they can be more competitive as a result of employing older people.
5. Create solutions that are realistic for employers:
 - The idea of 9 months on, 3 months off was mooted at Westpac Australia – but it had to retrain everyone after 3 months off. It was not efficient to repeat every year.
 - Build business cases that work for as many businesses as possible.
 - A more co-operative approach between Government and business is needed.
 - SME are not always in a position to invest in training older workers - how can Government lessen impact on the capacity of SMEs to take on "non-traditional" staff members.
 - There is a need for exemplars showing how it can be done needed - case studies/role models.

Carol Beaumont – Secretary CTU

Ms Beaumont said organisations shouldn't just concentrate on the right of older people to work but also the right to retire. Lifestyle is important for New Zealanders and many employees want to get to a point where they don't have to work.

When devising solutions to assist older workers, the framework needs to consider:

- The solutions can apply to other ages, not just older people.
- Many solutions are already being practised – just have to bring them together.
- Need to be relevant to all types of workplaces (factory floor as well as office).
- Work-life balance – same set of issues as other age groups.
- Skills agenda – life long learning is important for all workers. Must remember that we don't need to train just younger employees to get money's worth.
- Superannuation/adequacy of income generally (low wages).
- Long hours culture is barrier/problem to engage with older workers.
- Many older people are would say: "I *have* to stay working, I don't have a choice".

Mature workers should be able to have the same quality of work younger workers have.

Peter Townsend, CEO of Canterbury Employers' Chamber of Commerce

Mr Townsend summed up the key messages of the panel session:

- There is a need for clear understanding of expectations and transparency between employer and employee.
- There are common issues between the older and younger workforce – work/life balance.
- It is difficult for older people to move between jobs – they know they will encounter discrimination and fear not getting another job.
- Organisations have a responsibility to take into account people's changing capabilities.
- People and organisations need a managed, predictable path for exits and entrances.

The summit ended with the development of a suggested action plan for individuals, organisations and government. Peter Hughes, CEO Ministry of Social Development, chaired the session.

THE ACTION PLAN

INDIVIDUALS:

1. Establish an information system to communicate the reality of our ageing population to the cohort that really needs it.
2. Change perceptions and attitudes – combat discrimination (within older workers themselves and others).
3. Encourage self responsibility amongst older workers – people can take charge of their right to upskill etc.
4. Sell benefits of working longer to those in pre-retirement – especially the financial and health benefits, re-framing lifestyle in the ageing population.
5. Give older workers the autonomy of choice – the right to work and to retire, based on informed choice and change readiness.

ORGANISATIONS:

1. Co-ordination between organisations, including human resources managers, older people's groups, management groups etc – development of public / private partnerships.
2. Encourage employers to harness the latent potential of older employees.
3. Undertake research to better understand barriers – what drives attitudes and discrimination? Why do older people stay on in work and why do they leave? Look at the influencing factors such as ethnicity and socio-economics.
4. Develop a few simple tools that work, and make sure SMEs know about them.
5. Support organisations to implement solutions for older workers.
6. Undertake a demographic audit to help sector groups to look at their own demographics

GOVERNMENT:

1. Can be the best example on transition to retirement.
2. Undertake two audits – 1) laws/structures /policies that are barriers to the older workforce and 2) how policies can assist education and welfare (of older workers).
3. Co-ordination across agencies.
4. Identify political champions and sector champions.
5. Help engender public/private partnerships.
6. Develop agreements across political parties.
7. Facilitate the market.
8. Develop a gradual and flexible exit framework – a predictable pathway where people can make transitions.

The summit ended with the agreement that Diana Crossan, Judy McGregor, Carol Beaumont, James Buwalda, Peter Townsend, Peter Hughes and Phil O'Reilly meet again to delegate the activities to various groups.

