



Work and age – what employers and employees told us



Effectively managing an ageing workforce

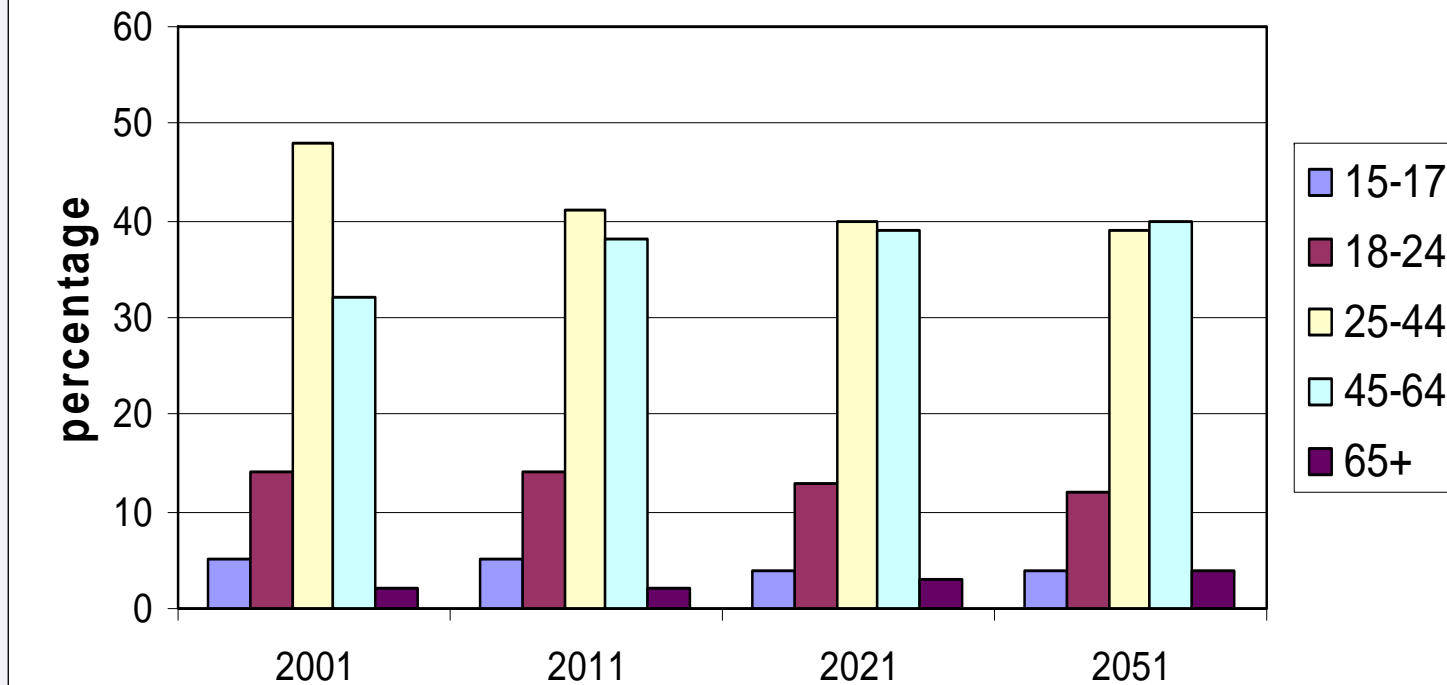
Wellington

29 May 2007



Ageing workforce

Labour force projections by age group,
2001-2051

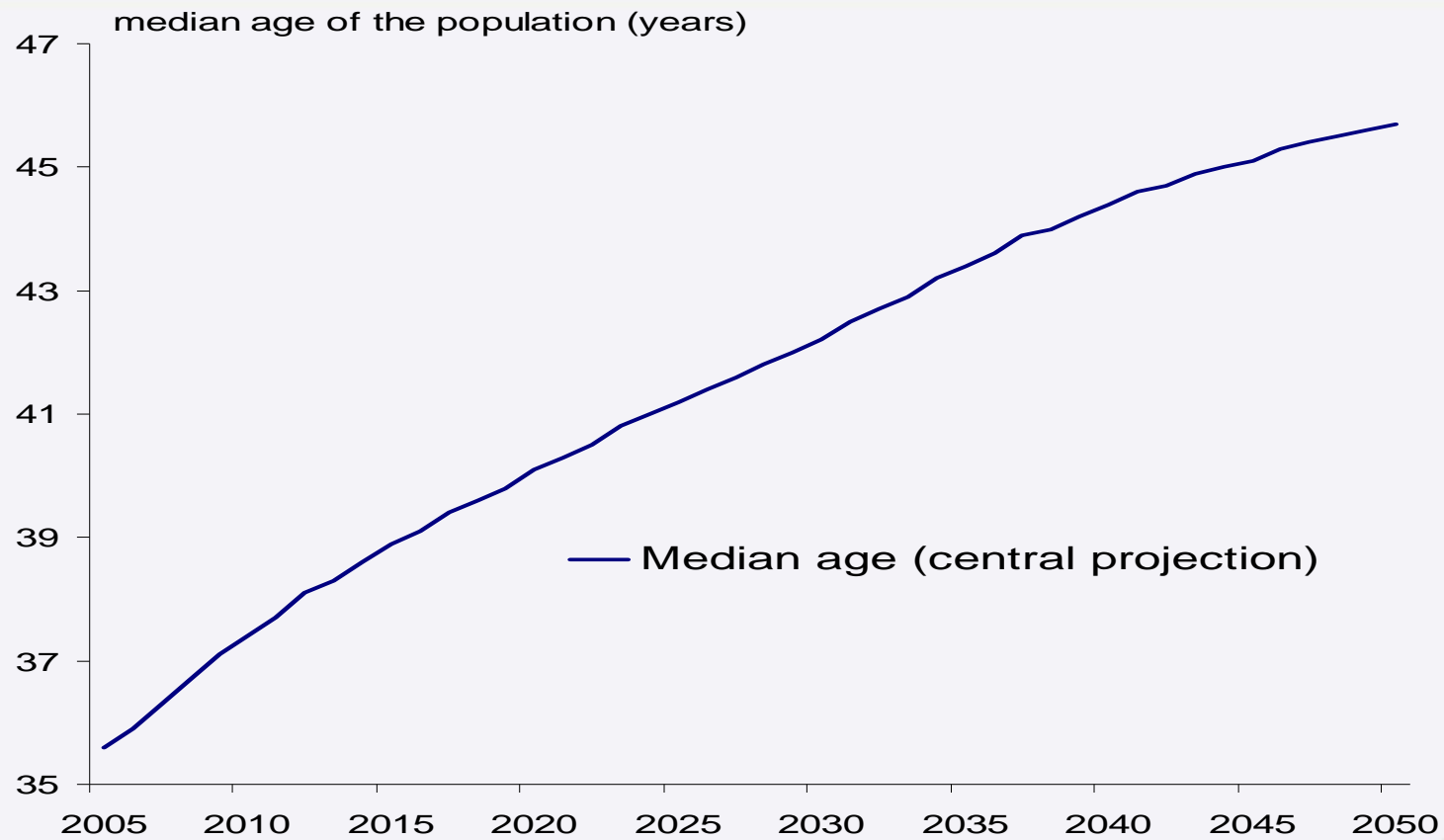


Demographic summary

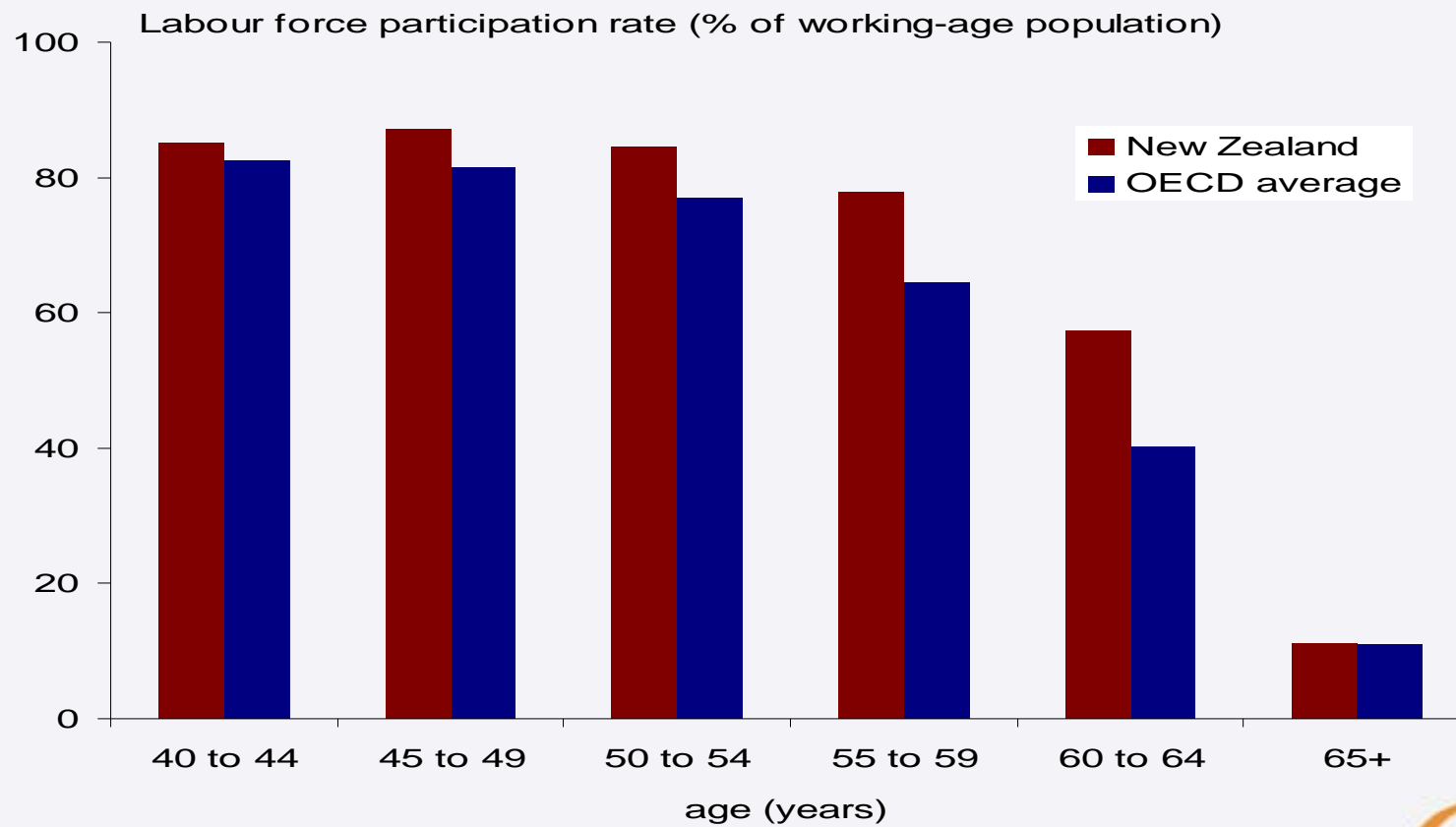
Labour Force Projections	2001	2006	2011	2021	2026	2051
Total Size	1.96m	2.15m	2.26m	2.37m	2.39m	2.38m
Median Age	39.3	40.8	41.19	42.6	42.5	43.6
Over 65	1.93%	2.83%	3.27%	4.29%	4.93%	5.33%
Aged 25 - 44	47.74%	43.63%	40.45%	38.76%	39.51%	38.04%
Ethnicity (tot Pop.)	European 79% Maori 15% Pacific 7% Asian 7%			European 70% Maori 17% Pacific 9% Asian 15%		



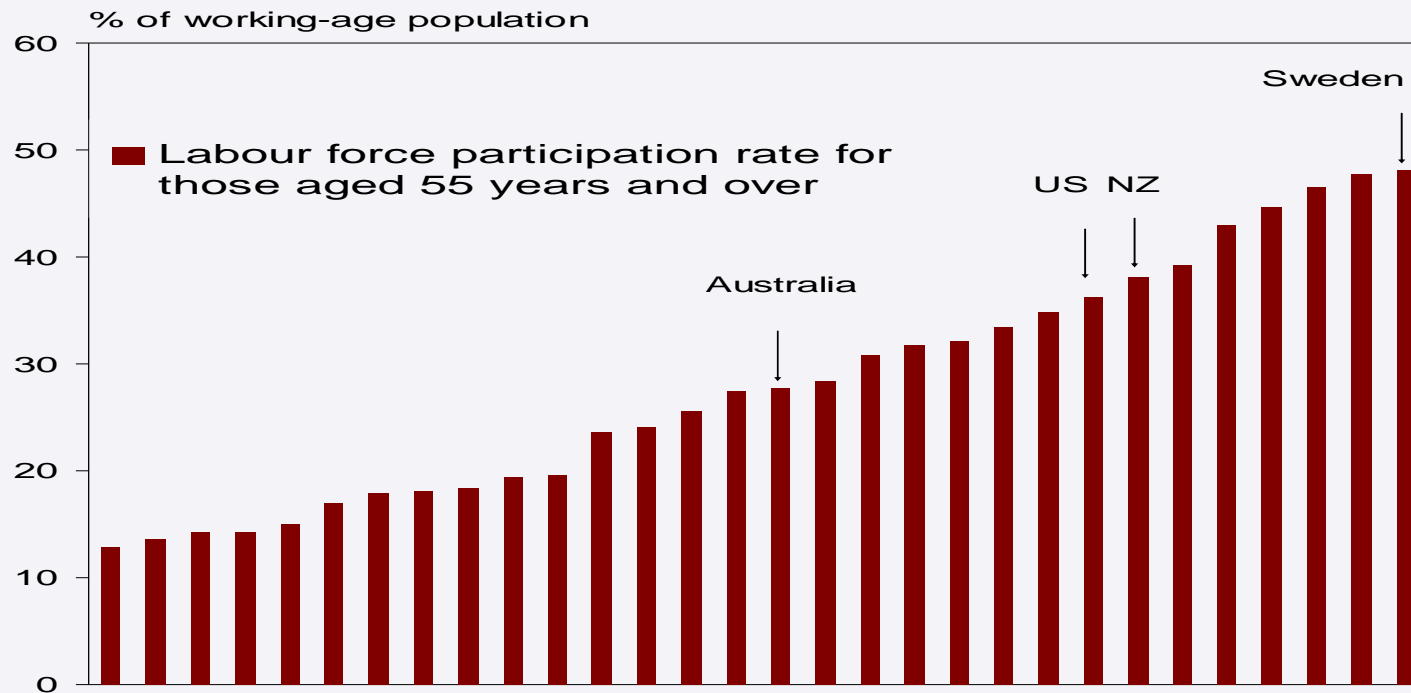
An ageing population



Labour force participation rates

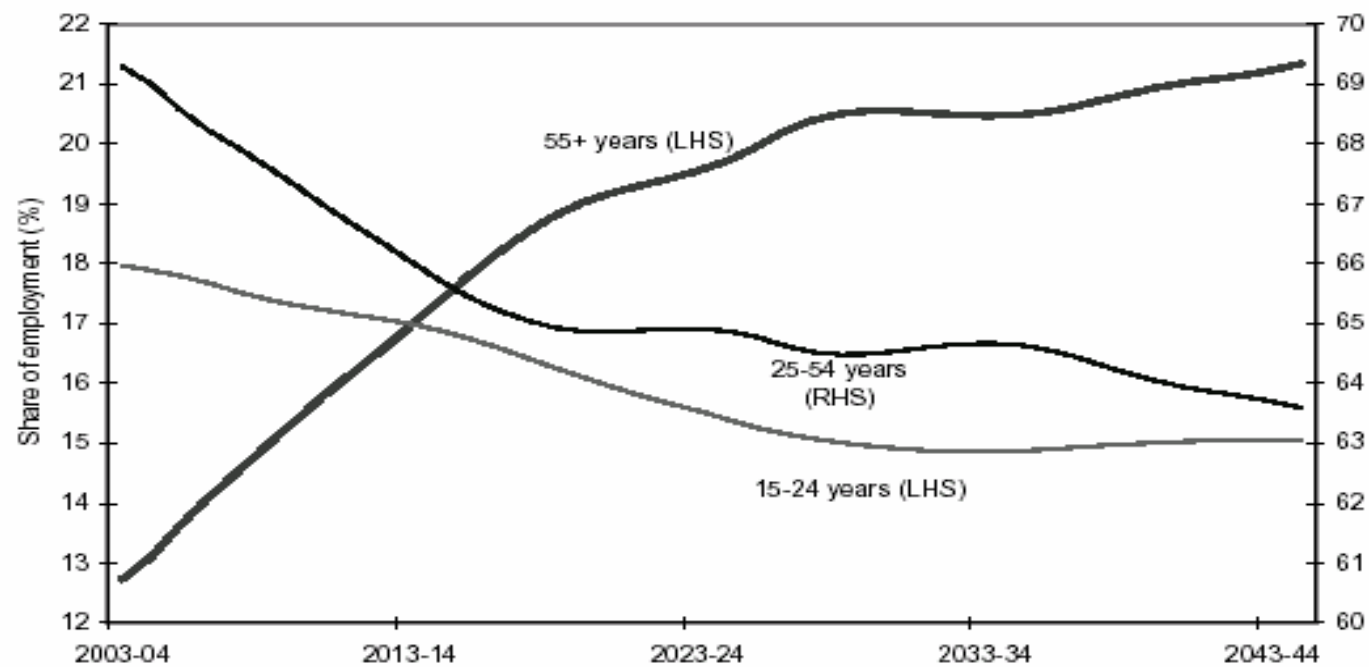


Labour force participation rates



The changing age profile of labour

Figure 4.5 **The age distribution of employment**
2003-04 to 2044-45



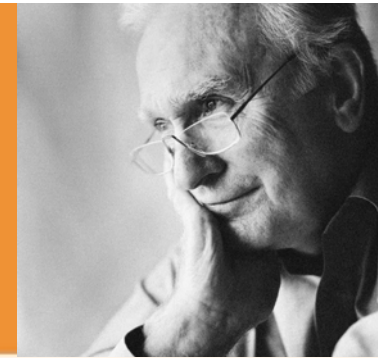
Data source: Commission estimates.



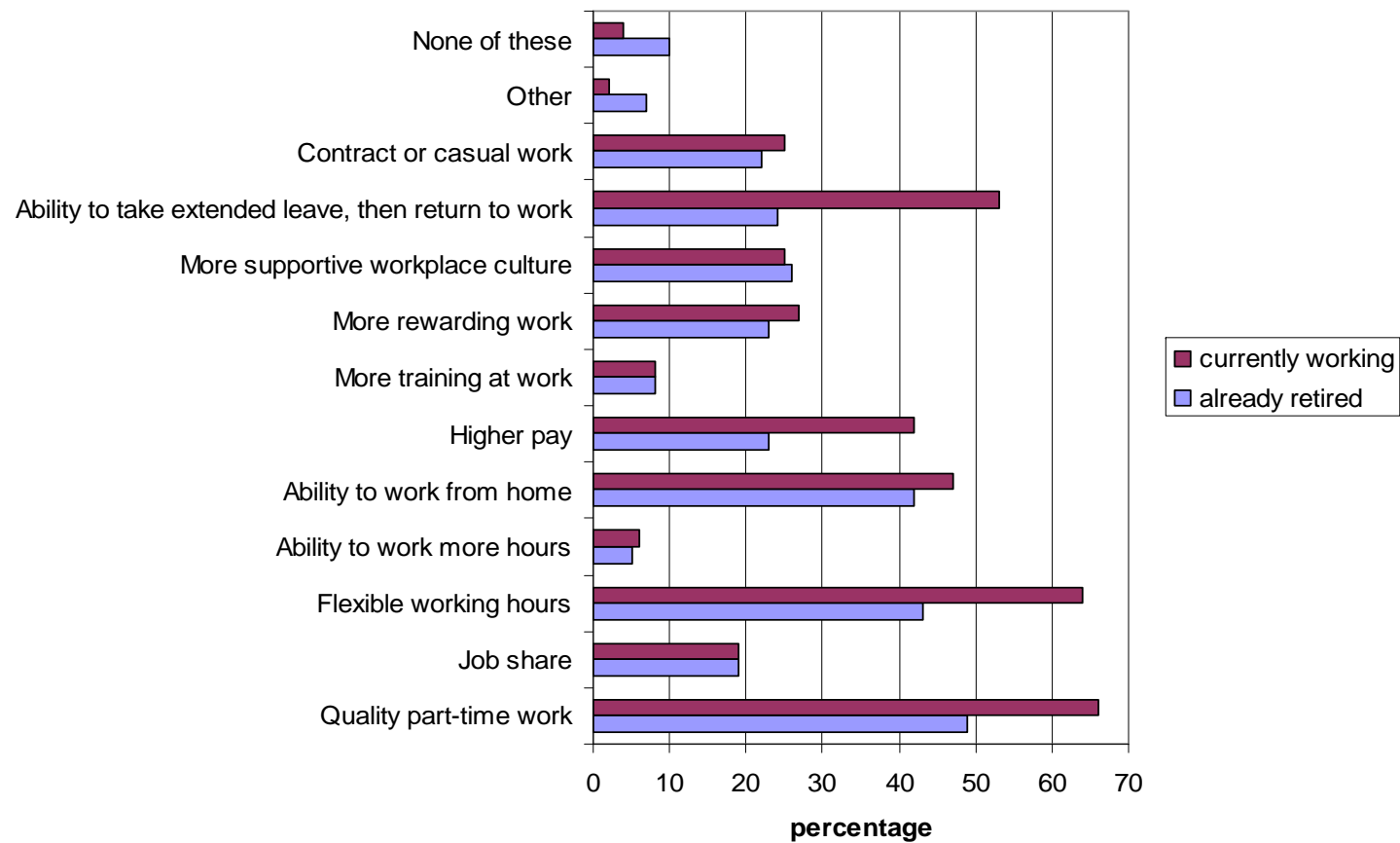
Work and age survey

- **Online survey April 2006**
- **Over 6,000 respondents**
- **Majority in 45-64 age group, 5% 65+, 12% under 35**
- **34% male, 56% female, 10% no detail**
- **71% NZ European/Pakeha, 8% Maori, 10% other**
- **84% employed, 9.2% self-employed, 6.7% retired**

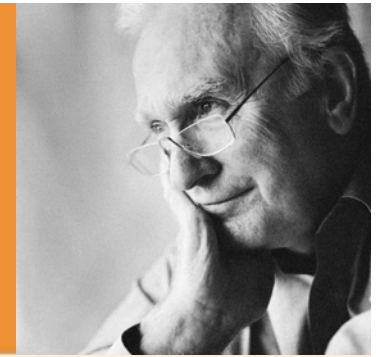
Work and age survey



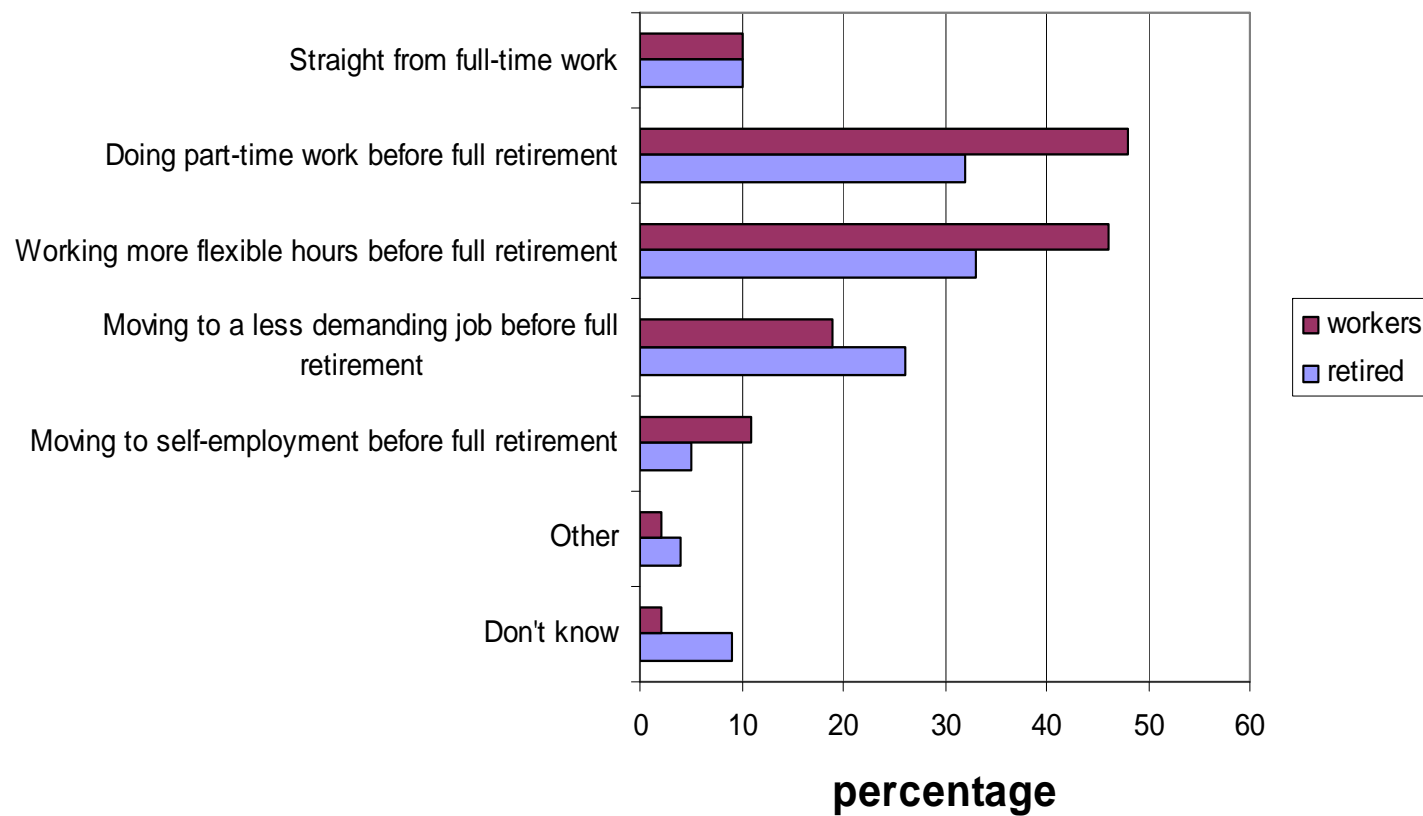
What would encourage older workers to keep working



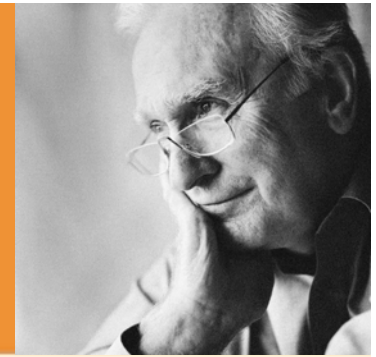
Transitions to retirement



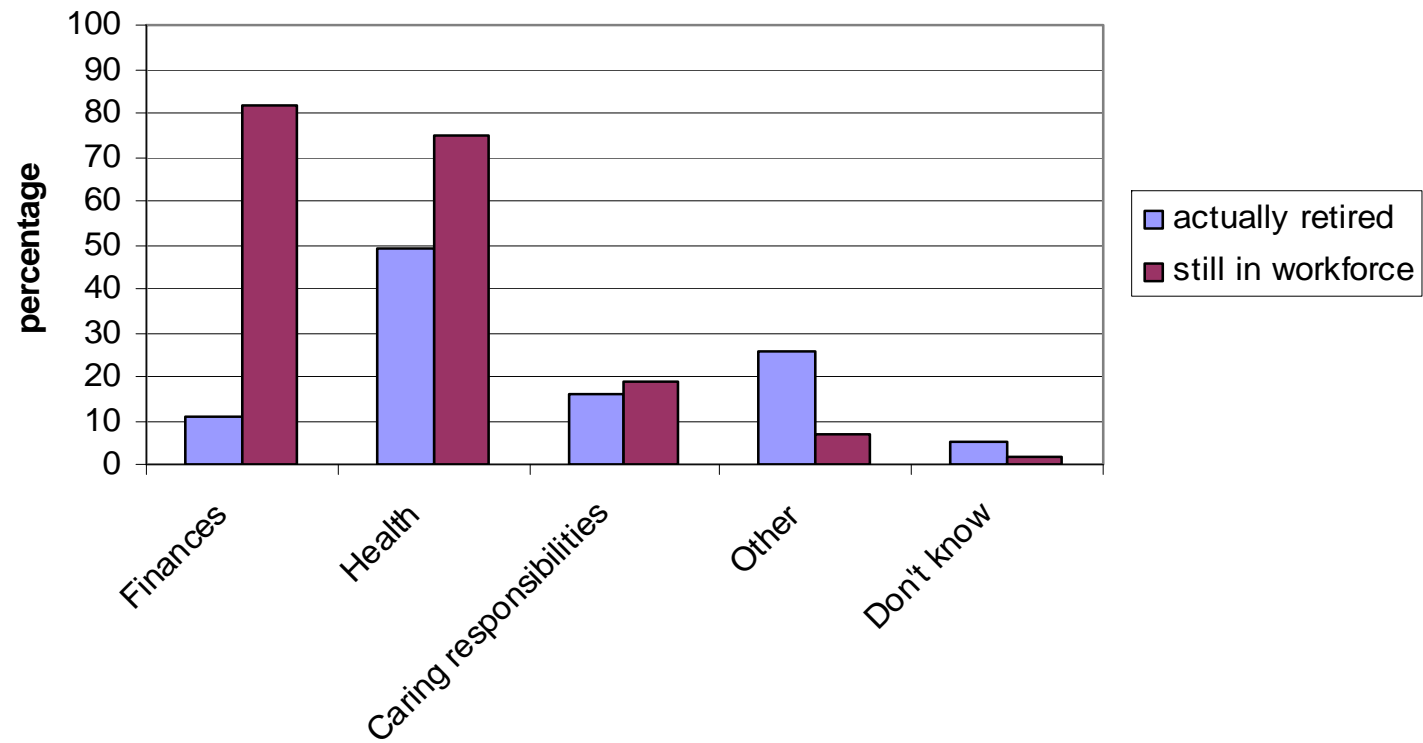
Ideal transition to retirement, retirees compared to workers



When to retire?



Factors affecting decision on when to retire



Career development for older people

“Because of my age I am not allowed to go on some of the courses the younger ones go on.”

“Tend to assume because I have been around a while I would not be interested in new training opportunities – tend to get offered to new younger staff.”

“Unspoken assumptions that I’ve done all the training I want to do. Unspoken assumptions that I am no longer interested in career development.”

“Although I had previously held a management position, I was overlooked on a management training course as my employer thought I’d be ‘too tired’ at my age to take on board the course.”



Understanding work and retirement

Average age at which respondents expected to retire: 61

Almost one quarter reported feeling internal organisational pressure to retire before 65

Over half of the respondents planned to work during retirement

At least 60% of these planned to work on a part-time or casual basis - most of them would stay in their current job if they could it part-time

Many people intended to work in a volunteer capacity during retirement

Australian Work & Retirement Survey



Employer survey

- **24 EEO Employers Group members**
- **Professional service firms**
- **Manufacturing**
- **Banks**
- **Telecommunications**
- **Retail**
- **Local government**
- **SMEs**



Managing a multigenerational workforce

- **High level of awareness of ageing as an issue, but widely varying responses within organisations**
- **67% respondents to Diversity Survey collect data on age (70% EG members, 74% public sector, 64% private sector)**
- **Concern over transgressing Human Rights legislation and Privacy Act**
- **Retirement and succession planning strategies seen as key concerns**



Baby Boomers (1945-1964)

- **View work from a process-orientated perspective**
- **Value company commitment and loyalty**
- **Believe in sacrifice to achieve success**
- **Value teamwork and group discussion**
- **Believe achievement comes after “paying dues”**
- **Seek long-term employment but don’t expect a “job for life”**
- **Ambitious at work and in personal life, and status orientated**



Baby boomers

- **Planning within performance review/annual planning process**
- **Retirement & financial planning seminars, information packages**
- **Succession planning strategies, including potential change of role/job content**
- **“Downshifting” as option – days/hours worked or role**
- **Knowledge retention strategies**
- **Coaching and mentoring programmes**



Generation X



- **Focus on work/life balance**
- **Both partners likely to be in workforce**
- **Sharing parenting/work responsibilities key concern**
- **Financial pressures – mortgages and student debt**
- **Flexible work-hours, part-time work**
- **Reluctance to relocate – except for lifestyle reasons**
- **Stress management, “time out”**



Generation X

“Being in the middle watching the older generation’s approach and that shown by the younger generation makes them an interesting generation. They are getting two quite different perspectives. It gives them the courage to reassess what they want out of work. And that does not include making the sacrifice that goes with being an executive in terms of hours.”



What younger workers say



“In general, firms attract me by their reputation, the ability to offer relevant work areas, reasonable work hours, the lifestyle of the firm and their pay scale. I want a good job and the ability to learn from people with good reputations. Two other firms have tried to attract me recently and I assess the calibre of the firm generally and whether I can retain my work-life balance. Salary is just one element of consideration.”



What younger workers say

“I would not go there. I’m not sure of the details but understand there are very unhappy people who work there. I believe the firm pays well but you cannot retain people solely by that means, it’s not the only consideration.”



Generation X

“This is the generation most in turmoil. They are experiencing conflict between career progression and money to now having other things of importance, like family. As a result this generation struggles most with work/life balance. They have also learned the lessons from their own parents and they don’t want to make the same mistake of being consumed by work and having no engagement with their family, not being involved in their kids’ lives. This applies to men as well as women.”



Generation Y

Generation Y – are they as different?

Interviewees tended to be Baby Boomer or Gen X

Emphatic that Gen Y different to previous generations

Characteristics conformed largely to stereotypical –
negative and positive

Applied more to professional sector than
lower-skilled

High sense of social responsibility and look
for this in employer brand



Generation Y

“They have a belief that they are an equal partner in employment relationships, compared to previous generations where the employer was like God and you did as you were told.”



Managing a multigenerational workforce

- **Few respondents felt intergenerational conflict a major issue**
- **Most concern in retail sector & SMEs**
- **Communication and cross-generational teams, social activities**
- **Benefits in terms of diverse ways of thinking, innovation**
- **Matching of interests of older workers passing on experience to younger, enthusiastic people and mentoring new recruits**
- **Age range reflecting customer profile**



Managing a multigenerational workforce

“A multigenerational workforce is not an issue, it is a positive benefit.”

“Teams are structured by mixed skill level, so the young bring an injection of energy and at the same time they can learn from older and more experienced team members.”

“We’ve got every age from 17 to 70 plus. It’s about good relationships – the older ones share knowledge and experience and mentoring. The young bring energy, enthusiasm, new ideas and initiative. The firm would become stale without them to keep us on our toes.”



Managing a multigenerational workforce

- **High level of awareness of demographic changes – most problematic for those with “skewed” workforce**
- **Multigenerational workforce seen as positive – matching range of customer profiles, combining experience & knowledge with enthusiasm & new ideas, succession planning**
- **Changing working and management styles for the benefit of whole workforce, not simply one generation or other**
- **Acknowledging individual, diverse needs**

