

# BUSINESS WORK & AGEING

“Flexibility, Work and Ageing”  
*Work Life Balance Conference 2006*  
*Attracting and Retaining Tomorrow’s Workforce*

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## *Business Work and Ageing (BWA)*

Established in 1999

Providing a cross sectoral forum to develop and disseminate information and resources to Australian organisations to stimulate responses to life course factors in work and demographic change

### Activities:

- Research

- Business information products and resources

- Government policy and projects

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## *Overview*

- An era of opportunity & risk
- Integrating age management
- The role of flexible work as pathway to retirement

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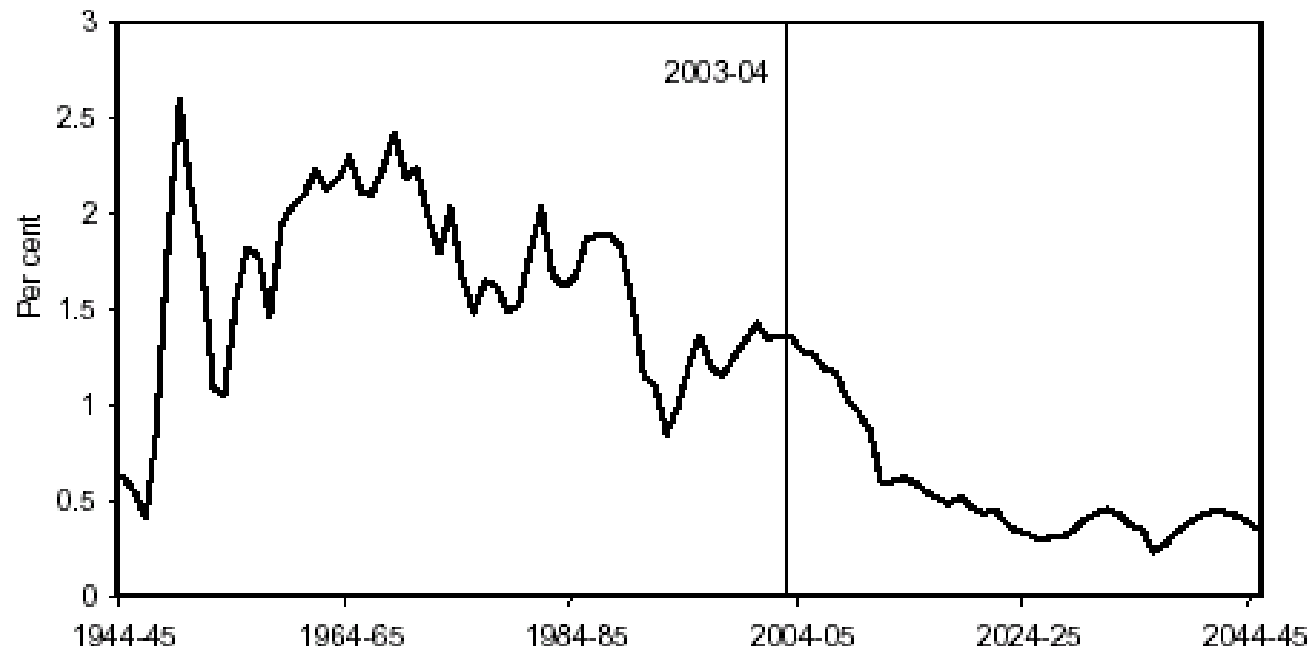
## *The shifting age structure and supply of labour*

- In 1960-61 the growth of younger people entering the labour market was 2 1/2 times that of today
- In that period the age group 15 – 24 grew by 67,000. Between 2000 & 2001 it grew by 25,000 and in 40 years it will grow by 11,0000
- For every new young person entering the labour market today there are seven workers over the age of 45 years available.

## *Impacts on labour supply*

Figure 3.13 **Growth in worker numbers is set to decline**

Yearly percentage change in the number of people aged 15-64, 1944-45 to 2044-45



Data sources: PC-M population projections and ABS historical population data for earlier years.

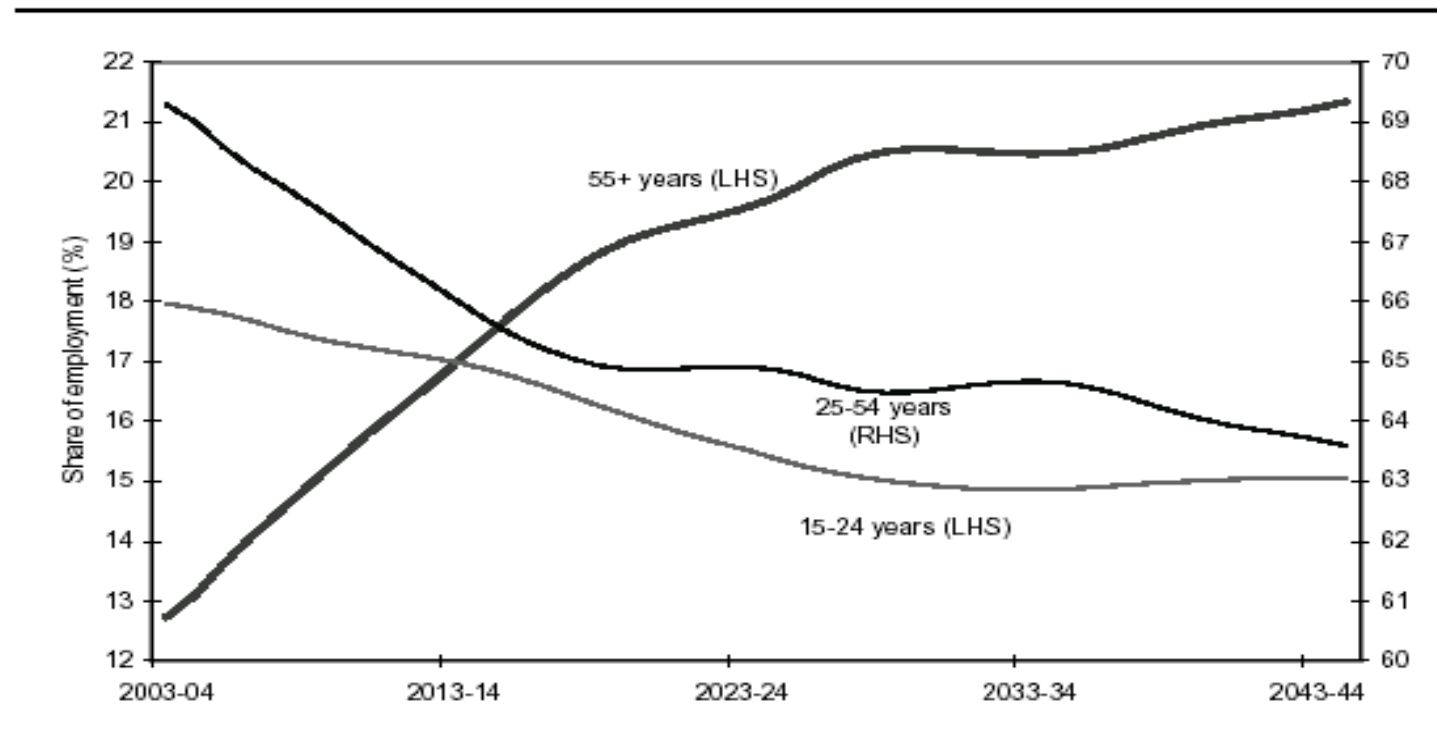
Implications of an Ageing Australia, Productivity Commission April 2005

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# The changing age profile of labour

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



Data source: Commission estimates.

Implications of an Ageing Australia, Productivity Commission April 2005

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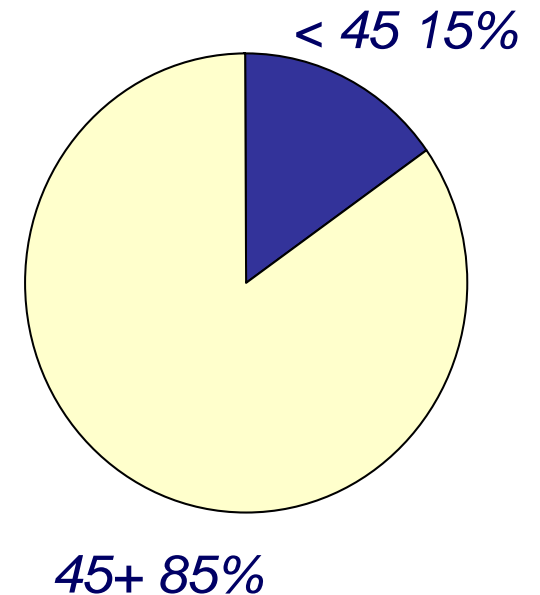
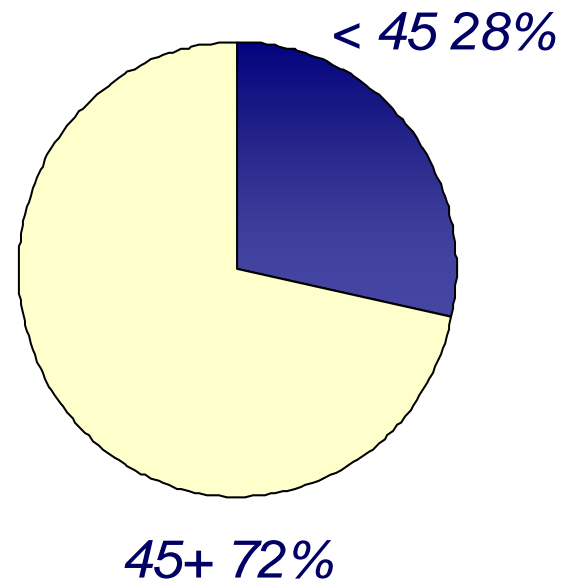
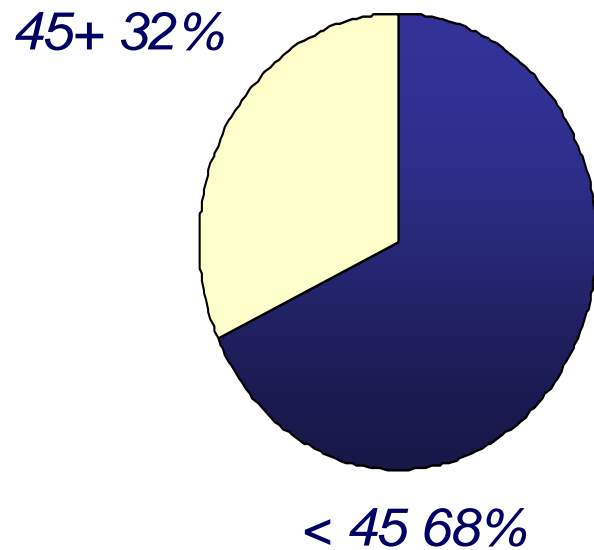
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## Labour force growth

1982-1992

1992 - 2002

2002 - 2012



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## *Organisational & industry risks*

1. Attaining adequate levels of labour supply as labour market growth diminishes
2. Attracting and retaining critical skills
3. Increased attrition amongst younger workers driving up costs
4. Wage pressures
5. Concentrated loss of people as the baby boomer generations retire
6. Loss of difficult to replace organisational, technical and management knowledge and skills
7. Increasing occupational health and safety risk in some areas

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## *Attracting & retaining older workers*

- Business who are responding to the shifting demography of the labour market are largely focusing on recruitment & flexible work to support phased retirement.
- Other factors that interplay with attraction and retention also need to be considered.
- These include:
  - *Learning & development*
  - *Job change*
  - *Health and well being*
  - *Leadership*
  - *Age awareness*

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## *Understanding work and retirement*

- The Work & Retirement survey was designed by BWA to explore the attitudes and expectations about transitions to retirement amongst people aged 45 years and over.
- Over 13,000 people have completed the survey, across Australia Post, Westpac, and the Victorian Public Service.
- See *Retirement, Resignation & Retention study*, [www.ope.vic](http://www.ope.vic) (data & research)
- A survey of recent retirees was also conducted in one company
- The average age at which respondents expected to retire was 61 years.
- Almost one quarter of respondents reported feeling internal organisational pressure to retire before the age of 65 years.

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## *Flexible pathway to retirement*

- Over 65% of respondents were interested in a flexible pathway to retirement.
- Of these, over 60% would take a flexible pathway to retirement if they could work in the same job for fewer hours.

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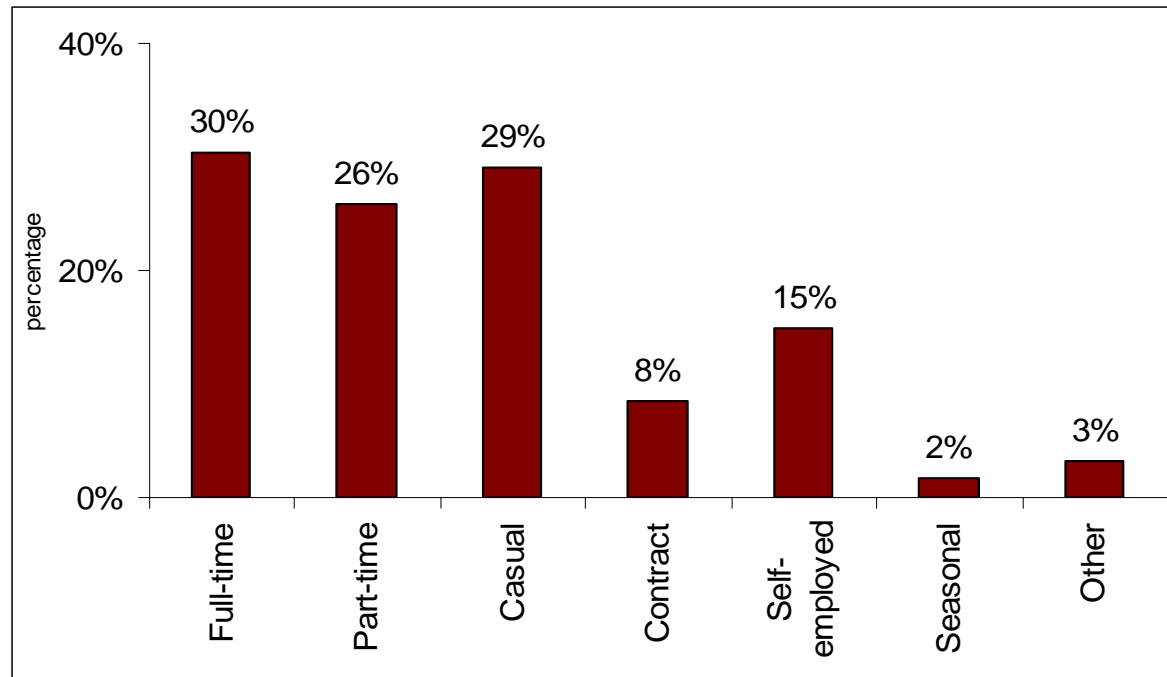
## *Life after retirement*

- Over half of the respondents planned to work during their retirement.
- Of those intending to work after retirement, at least 60% planned to work on a part-time or casual basis, most of these people would stay with their current employer if they could do the same job part time.
- Many people also intended to work in a volunteer capacity after retirement.

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## *Life after retirement*

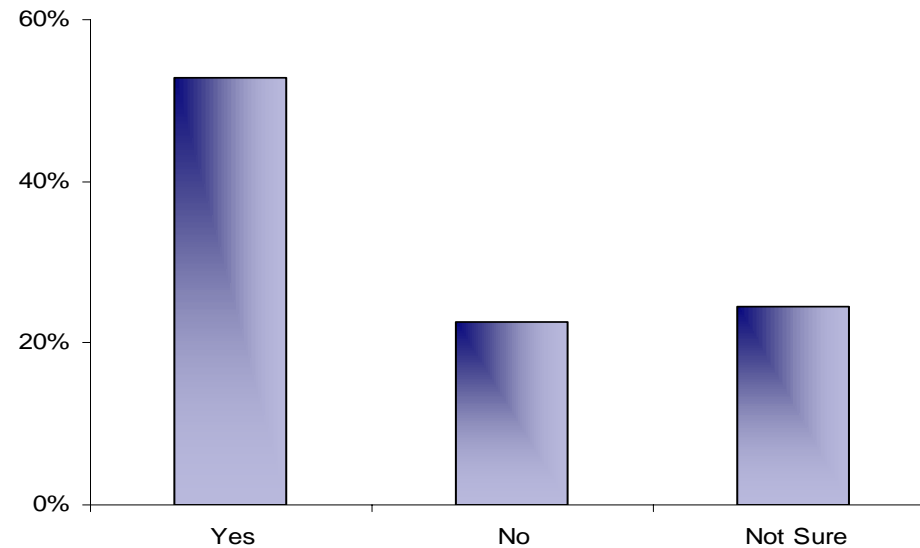


- However the reality was quite different for many retirees
- Around 1/3 of people were in paid employment, lower than expected
- May more were in full time work

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*Is it your intention to work at all after you retire?*



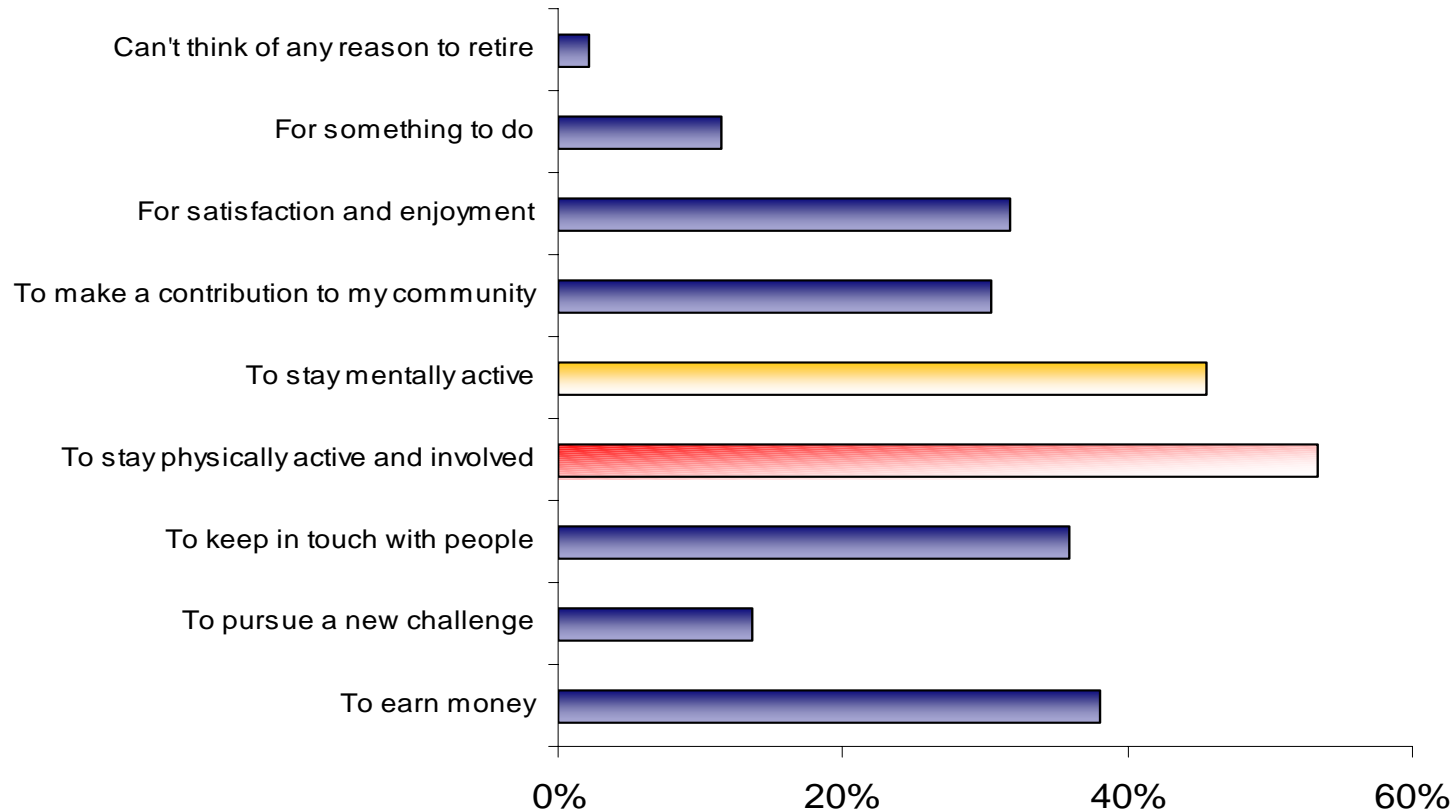
- It is obvious that how people define retirement is shifting
- A majority of people plan to continue to work once they retire from their life or career job.
- This presents a significant opportunity to retain people beyond their current retirement age.

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## Reasons to keep working after retirement



- Responses provide insight to the work motivations of the group
- More than half are driven by the desire to stay active and involved

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## *Delaying retirement*

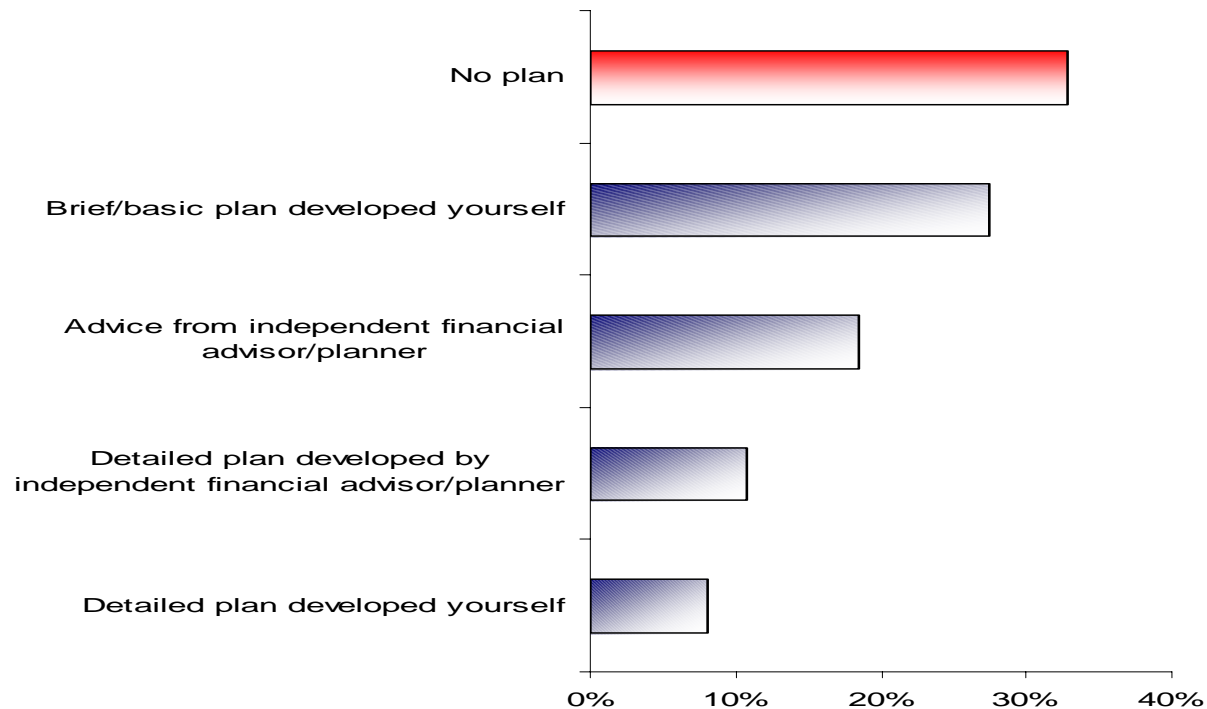
- Common reasons respondents would delay the timing of their retirement were:
  - Ⓢ Better work/life balance
  - Ⓢ Being sure work would not impact adversely on their superannuation entitlement
  - Ⓢ A greater sense of belonging at work
  - Ⓢ Greater access to learning and development opportunities

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## *Financial planning*



- A majority of people will retire with inadequate financial and life plans.
- 33% of respondents had a limited or no financial plan, highlighting serious gaps in retirement planning for two thirds of people
- This suggests that current approaches to planning support are not effective

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## *Summary*

- All businesses face an increasing proportion of older people in their workforce.
- Increasing the participation rate of older people in work will help to offset labour and skill shortages and the impact of ageing on the national economy.
- There is a real opportunity to extend the working life of the current group of workers aged 45 years and over.
- However, significant change in the way flexible work is structured and offered to people in later working life will be necessary.
- Urgent attention is needed to assist people to prepare more adequately for retirement.

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*Thankyou*

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