

How are you managing older workers?



BOARD DISCUSSION

Most businesses will need to examine how they approach the issue of ageing workers as a matter of priority.

Many businesses are taking a proactive approach to the way they engage with their most experienced workers.

The workforce is aging, with 80 per cent of workforce growth in Australia in the group older than 45¹. This introduces unique challenges for employers in Australia, which they will be required to address in the near future.

As Meaghan Morberger, Principal, Mercer Marsh Benefits, told the Marsh Workforce Strategies Forums, these trends are one of the most significant issues facing employers today. With this in mind, it's important to explore the challenges for workforces and employers around older workers to be able to create sustainable programs for them.

But first, it's essential to unpack and debunk some of the common myths of an ageing workforce. The first is that older workers suffer more ill health and disease and experience more sickness-based absence than other workers.

As Morberger told the forum, older people actually have fewer unplanned sick days than other employees. But when they do take time off work because they are sick they are away from work for more time than other workers. In addition, injuries last longer compared to

younger workers. These dynamics mean as the workforce ages, employers must explore ways they can assist older staff in the recovery and return to work process.

Another common myth is that older workers are less adaptable than younger workers. But, Morberger argues this is just a stereotype and it has been found the more training people receive the more engaged they ought to be in the role.

It's also often easy to assume older workers will be comparatively less productive, but this is also not necessarily the case. Complex reasoning and decision-making improve with age, although productivity can be negatively impacted through excessive physical activity and stress.

Although a significant proportion of businesses are yet to substantially address the issue of an aging workforce, there are plenty of steps businesses can take to start creating sustainable programs for older workers.

These might include adapting workspaces to accommodate the physical needs of older workers, as well as offering them career guidance and flexible working options.

From a management perspective, it may be a good idea to start measuring



¹ Australian Bureau of Statistics, (2002), Labour, Hours and Work Patterns, Australian Bureau of Statistics, Canberra

health and absence analytics across various age groups, measuring productivity by age and examining distribution of training spend by age. Other initiatives businesses could consider include performance grading equity checks, preparing for retirement programs, regular age discrimination checks, reverse mentoring and reviewing pay and bonuses by age.

Most businesses will need to examine how they approach the issue of ageing workers as a matter of priority. Those that do this now can generate a competitive advantage in a world where the war for talent is ongoing.

Three steps to help maximise competitive advantage around the ageing workforce

1. Gather quantitative evidence to make a business case for change
 - Draw on workforce analytics to illustrate the current and future impact of the demographic challenges on your business.
 - Quantify metrics for these results in cost terms (salary, retention, pension, benefits) and quantify the numbers of critical roles impacted. Estimate timeframe of impact.
 - Do this for key geographies and critical value-driving areas of the business.
2. Use data to ensure actions are effective and relevant
 - Facilitate conversations with employees, trade unions and works councils to understand their points of view. Build solutions together.
 - Interviews, focus groups and employee surveys can provide the additional qualitative insights to ensure a full picture of the likely impact and options available.
3. An action plan to make it happen
 - Create a custom roadmap of positive actions, priority coded to help ensure the right interventions happen quickly.



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