

**Section 1:
Business, Work & Ageing -
An Australian Partnership
(BWA)**

Background

Business Services

Business, Work & Ageing - An Australian Partnership (BWA)

Background to Business Work and Ageing – An Australia Partnership

Business Work & Ageing (BWA) is an Australian initiative that is recognised as an international leader in supporting industry, business and government to respond to the impacts of ageing on the supply and skill profile of labour.

Since 1999 BWA has undertaken applied research to support the development of information products and other organisational tools that raise awareness of the challenges presented by workforce ageing and assist business to sustain performance through effective responses to shifting labour profiles.

BWA's centre for research has an evolving research agenda, which is informed by business information, and resource needs. BWA has recently extended its research activities to include international collaboration and research partnerships that inform cross-national policies to adapt global workplaces to changing age and industry profiles.

Business, Work and Ageing – Business Services

BWA Business Services can provide organisations, such as Area Consultative Committees, with services that build regional responses and strategic local development options to address the ageing population.

BWA is recognised internationally for its capacity to provide practical and innovative support to organisations, businesses and governments so they are able to strategically respond to the ageing profile of the workforce.

BWA can also provide local business with services to support the development of policy and practices related to managing an ageing workforce and to offset the current trend of displacement of workers from employment as they age. For more information please contact Business, Work and Ageing.

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Section 2: Summary of the Business, Work and Ageing Presenters Kit: Work & Ageing in Context

Introduction to the BWA Presenters Kit:
Work & Ageing in Context

Summary of the Presenters Guide

Summary of the Overhead Presentation

Summary of the BWA Fact Sheets

Summary of the Business, Work and Ageing Presenters Kit: Work & Ageing in Context

Introduction to the BWA Presenters Kit: Work & Ageing in Context

Understanding the economic, corporate and social implications of an ageing population today, including the impact on business, industry, government and individuals, is critical to long term sustainable development.

BWA developed the 'Work & Ageing in Context' Presenters Kit both as a practical information forum to alert business and related organisations of the key demographic and labour force trends that are emerging, as well as an insightful resource for the development of proactive strategies to address the major implications of an ageing population.

The Presenters Kit is designed for use by organisations chartered to promote business and employment development, as well as those who are forward looking and interested in understanding the trends that will shape the future workforce and business environment.

The Business, Work and Ageing Presenters Kit provides information about the ageing population and its impact on the labour market, in particular the critical role older workers will play in maintaining future labour supply. It explores the experience of workers as they age, in terms of the stereotypes and discrimination they face in the workforce, particularly in the areas of recruitment, retention and training and the negative long-term effects these have on business. The Presenters Kit informs business about the true capacity of workers as they age, highlighting the many benefits an older workforce can bring to an organisation, in terms of both the intangible cultural attributes and productivity gains. As Australia's population ages, business will need to implement age-friendly practices in order to remain competitive. This kit is also designed to help business reflect on current practice and create more positive future conditions.

The Presenters Kit is presented in three parts, a PowerPoint presentation in CD and disk format, a Presenters Guide and a series of Fact Sheets that can be reproduced as handouts.

Summary of the Presenter's Guide:

The presenters guide provides an overview of the 'Work and Ageing in Context' Presenters Kit as well as detailed instructions and suggestions for presenting information about workforce ageing and the associated management challenges to industry. It comprises four sections:

1. Introduction to the Business, Work and Ageing Presenters Kit.
2. Introduction to the Business, Work and Ageing Presenters Guide.
3. Guide to the 25-minute presentation.
4. Guide to the 90-minute presentation.

Summary of the Overhead Presentation:

There are 35 slides, which are drawn from the experience of Business, Work and Ageing. The slides aim to stimulate businesses' awareness of the issues surrounding workforce ageing and encourage them to consider and respond to the implications of ageing in their own industry and workplace.

Summary of the Business, Work and Ageing Fact Sheets:

The Fact Sheets aim to bring together the extensive collection of research conducted in the area of Business, Work and Ageing. They draw on Australian and international knowledge as well as exclusive studies conducted by BWA. There are six Fact Sheets that progress from facts about population ageing to action in response to the impact of ageing within organisations. The titles of the six Fact Sheets are:

1. Ageing in Context.
2. A Mature Workforce – The Impact of Population Ageing on the Workforce.
3. The Experience of Older Workers - Recruitment, Training and Retention.
4. What We Think But Don't Know – Work and Age Stereotypes.
5. Developing and Retaining Older Workers – The Business Case.
6. Focus on Workplace Ageing – Pro-active Responses for Business.

Section 3: Overview of the Presenter's Guide

Overview of the Presenter's Guide

Target Audience

Presentation Time

Overview of the Presenter's Guide

Overview of the Presenter's Guide:

The Work and Ageing in Context Presentation contains the latest statistics on ageing and workforce participation as well as research that provides insight to the current experience of older people in employment, education and training. The presentation includes insight from major research findings in the area of the ageing workforce. In particular information covered includes:

- the impact of ageing on human resource management practices,
- age discrimination in employment,
- the capacity of older workers; and,
- business based solutions to assist organisations to respond effectively to the challenges and opportunities presented by population ageing.

Each slide has presenters notes linked to it providing additional information that expands on the material contained in the slide. Information can be adapted to individual audiences and additional slides can be introduced that offer local content. Suggestions for local content are included in this guide. A slide template has also been included at the end of the presentation for this purpose.

Target Audience:

- Local Business (e.g. HR Department Heads; Managers in Charge of Recruitment; Company Heads).
- Business Media.

Presentation Time:

- The presentation has been tailored to provide:
 - A 25-minute presentation that may be run at a forum with multiple agendas.
 - A 90-minute presentation that may be run as a seminar in itself or be broken into three 30-minute sessions.

Section 4: Guide to the 25 minute presentation

Introduction

Structure

25-minute Presentation Content

Guide to the 25 minute presentation

Introduction:

This 25-minute 'Work and Ageing in Context' presentation is designed to be run as part of forum with multiple agendas or as an introduction to the impacts of ageing on work in Australia. It provides highlights of the research and debate around the issues of population ageing and the implications for business.

Structure:

1. The 25 minute presentations contain 13 slides with accompanying contextual and presentation style notes.
2. The topics that are included in this presentation include.
 - Ageing Australia (Population Trends).
 - The Ageing Workforce.
 - The Experience of Older Workers.
 - The Business Case for Older Workers.
 - Achieving Age-balance in Business.

25-minute presentation Content:

Heading Slide



Slide One:

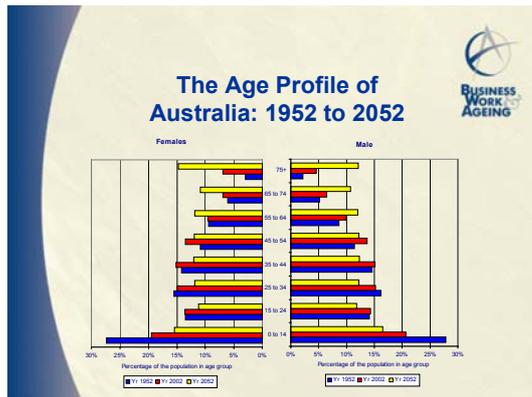


Presenter's Notes One:

The reality is that as Australia ages, business will be forced to embrace older workers. This presentation encourages business to reflect on current organisational practice and consider how these will need to change in order to attract and retain a skilled workforce in the future.

The presentation provides an overview of Australia's ageing population and the implications of ageing on the workforce and industry. It describes current workplace practice in relation to older workers and cautions business about the negative impact that the limited development and attachment of workers as they age may have to the organisation. There will also be a focus on how organisations can secure a continuing supply of skilled labour by attending to the growth and retention of workers as they age.

Slide Two



Presenter's Notes Two:

The population of Australia is ageing; we are faced with population trends that have never been experienced before. Two thirds of all people who have ever lived beyond 65 are alive today. ¹

This chart illustrates that the demographic profile of Australia has shifted significantly over the last half century and this shift is going to continue.

Two key trends, falling fertility rates and increased longevity are combining to present this unprecedented era of ageing within the Australian population that is fundamentally reshaping the age profile of Australia.

The average life expectancy in Australia has increased by 20 years of age over the last eight decades. At the same time the average number of children being born to each woman in the population has decreased from above 3.3 in the 1960's to below 1.8 in 1998. Further declines are projected in coming years.

As a result, the representation of people aged 45 and over across the population will increase dramatically between 2002 and 2051.

Not only will older people make up greater proportions of the population, but also overall population growth rates will shrink. Australia's population growth rate has been around 1.9% between the 1970s and 1990s. While similar growth rates are expected to continue for about the next ten years, by 2051 population growth is estimated to decline between -0.4% and -0.6%.²

¹ BRW. 1999

² ABS Cat 3222.0. Population projections, 1999 to 2101

Projected changes in age distribution

The population aged 45 plus years is expected to escalate at a faster rate than the population aged 44 and under, 48.5% growth compared to 13.6% growth respectively (based on projections between 2002 and 2051). The growth of the population aged 65 and over is projected to increase most significantly as the peak of post-World War II baby-boomers flows through to retirement ages (with 63.6% growth). Changes in age distribution in the population are discussed followed by changes within 45+ age groups.

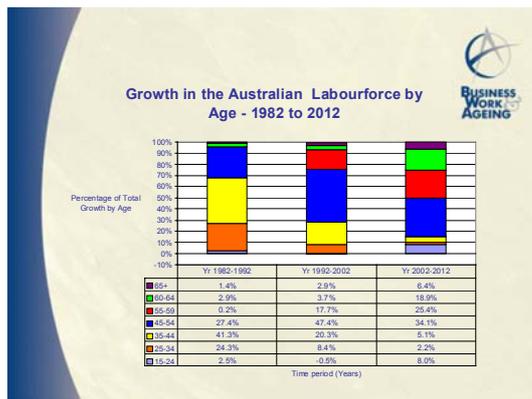
- The population aged 65 and over could triple in size increasing from 12% of the population in 2002 (2.4 million people) to 25 - 27% (7.5 – 7.9 million people) in 2051. The size of the group will increase rapidly from 2011 onwards when the post-World War II baby boomers start turning 65.³
- The population aged 85 and over is expected to be five times larger in 2051 than in 2002, increasing from 1.3 % of the population (0.25 million people) to 5% (1.3 million people) in 2051. This older age group will be contain a lower proportion of women than currently, with the proportion of men increasing from 31% to 41% over the next 50 years.⁴
- In Europe in 2050 the population aged 60 plus is expected to reach 35% of the population.⁵ In Australia, the proportion of the population aged 65+ is projected to increase from 12.5% in 2002 to approximately 25% in 2051.
- Over time, the shape of the population has shifted from a cone shape in the 1950's with large proportions of young people at the bottom, with thinning numbers as people age. Today the shape of the population has changed into a beehive, which is comprised of broadened age cohorts at older ages.

³ ABS media release, August 17th 2000. ABS says grey power on the rise

⁴ *ibid.*

⁵ Auer & Fortuny (1999). p. 5.

Slide Three:



Presenter's Notes Three:

As the population of Australia is ageing, the demographic parameters of the workforce need to mirror this change in order to service the supply of labour and reflect changing consumer needs.

Future projections of the overall increase in the number of participants in the labour market show that the supply of workers will be insufficient to service future labour demand.

Of the growth that will occur, increasingly it will centre on mature aged people. From 1982 to 1992 68% of labour-force growth was concentrated in the 15 to 44 age group. However, over the past decade growth has fallen in this age group to 28%, with a corresponding shift in growth of 72% in the 45 and over age group,

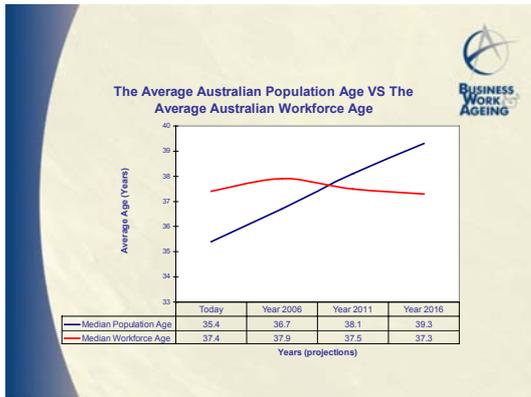
The next decade will see the contribution to labour force growth of 15 to 44 year olds reduce even further to 15.3%.

In summary organisations are no longer able to rely on an increasing supply of new young entrants to the workforce each year. That growth in supply is now in the 45 and over age group.

Young people entering the workforce have traditionally been viewed as the future. As such they have received high levels of investment in their attraction, development and retention. Conversely workers over the age of 45 are traditionally viewed as moving into the last phase of their career and therefore able to draw on their residual skills and experience, with industry investing little in their training and investment.

Today research suggests that workers at 45 have the mental capacity to continue to work for another 30 to 35 years. It is essential that workers of all ages invest in continuing skill development and are exposed to work variety, opportunities and challenges that will maintain their attachment and motivation.

Slide Four:



Presenter's Notes Four

This chart draws together the projections of both the workforce age and population age, discussed in the previous slides. It shows that the average age of the population will increase into the future, while the average age the workforce will decline, based on current trends. In the next decade the two will cross for the first time in history.

Slide Five:

The Experience of Older Workers

- Recruitment
- Retention
- Re-training & Training

Presenter's Notes Five:

Analysts who are concerned with the implications of the ageing population for business regard age discrimination in employment as one of the key barriers to addressing the labour supply problem just identified. They advocate that business must understand and respond to the way in which social attitudes to ageing manifest as age discrimination in the workplace, particularly in the areas of recruitment, training and retention.

Slide Six:



Recruitment

Discrimination occurs when employers consider the employment of a person over the age of 45 years as less than 'optimum', due simply because of their age.

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Presenter's Notes Six:

A wide body of research has been carried out that documents widespread age discrimination in Australian recruitment practices. Employers, recruitment agencies and individuals themselves are at risk of discriminating on the basis of age, usually this form of discrimination is not overt but influenced by social attitudes related to ageing.

In general research shows that employers are reluctant to recruit anyone older than 56. One-third of employers would 'rarely' hire employees over 45; given that the optimum age for new recruits as judged by 500 employers and human resource managers was 31 to 40 years of age.⁶

⁶ Steinberg et al (1996); Reark (1994) & Drake (1999)

Slide Seven:

Retention

Continuing covert and overt pressures to retire early.

Over 6% of Australian males retiring through early retirement packages

Older workers are targeted in downsizing and re-engineering to new technologies

Over 12% of males retiring due to retrenchment

BUSINESS WORK AGEING

Presenter's Notes Seven:

Although compulsory retirement was abolished in Australia in the 1990's, the majority of the workforce (89% of workers) still retire before the traditional retirement age (65 years of age)⁷. This is due to a range of factors including:

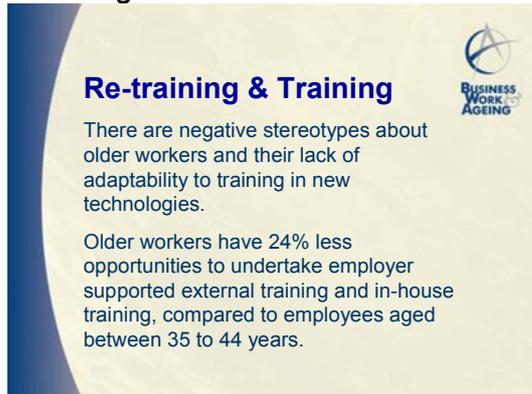
- out dated superannuation systems that encourage early exit through optimum financial returns when workers are in their fifties.
- workers wishing to achieve better work life balance, health status and/or,
- lack of opportunity to continue working.

Older workers not only experience age discrimination in recruitment, they have also become the targets of corporate downsizing and restructuring.

The human resource management profession is only beginning to realise the dangers of cutting older people from the workforce. To date older workers have suffered covert and overt pressures to retire early, with over 6% of Australian males retiring through early retirement packages. They have been targeted in downsizing and re-engineering to new technologies, with over 12% of males retiring due to retrenchment and they have being given a limited range of retirement options and a lack of post-retrenchment support.

⁷ ABS (1997) "Retirement and Retirement Intentions" ABS Cat No: 6238.0 Nov 97

Slide Eight:



Re-training & Training

There are negative stereotypes about older workers and their lack of adaptability to training in new technologies.

Older workers have 24% less opportunities to undertake employer supported external training and in-house training, compared to employees aged between 35 to 44 years.

Presenter's Notes Eight:

An opportunity for skill and knowledge development in the workplace is not commonly thought of in terms of discrimination. Yet, older workers do experience significant discrimination in training, which limits their potential for career development.

Workers aged 45 and over are given 24% less opportunities from their employers to undertake external and in-house training, compared to workers aged between 35 to 44 years.⁸

Outside of the workplace there are structural barriers that impede older workers access to training. This is due to age-based award wages for training and apprenticeships as well as a lack of access to information about where they can find and gain access to appropriate training.

This overt age discrimination has been fuelled by negative stereotypes about older workers' capacity to learn new skills, particularly in relation to their training in new technologies.

The effect of such stereotypes however is that older people participate in formal education seven times less often than younger people.⁹

Both individuals and business need to come to terms with the need to commit to continual skill development to accommodate the opportunities for extended working lives and the pace of change that demands new and upgraded skills to maintain relevance. BWA case studies of workplace practices related to older workers have identified that while individual's need to increase their desire to upgrade skills as they age organisations need to provide access to skill development opportunities and monitor training participation by their older workers.

⁸ ABS (1997) Education and Training Experience, ABS Cat No. 6278.0

⁹ ABS (1999) Education Participation Rates, ABS Cat No. 4102.0

Slide Nine:

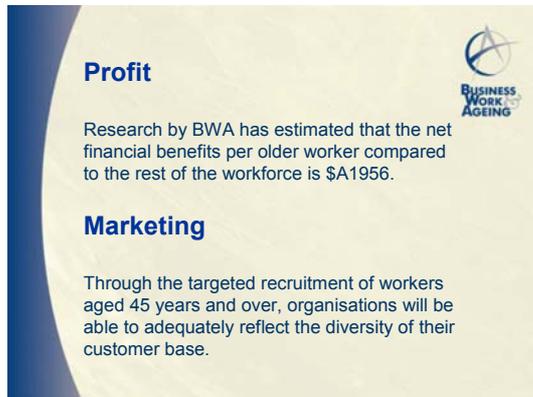


Presenter's Notes Nine:

To recognise and understand age discrimination, it is necessary to monitor age stereotypes in the workplace and re-educate employers and workers themselves about the capacity of individuals as they age.

This discussion aims to introduce research that shows the tangible benefits of retaining older workers in an organisation, including direct financial gains and the benefits older workers bring to the culture of an organisation.

Slide Ten:

The slide features a light yellow background with a dark blue curved border on the left side. In the top right corner, there is a logo for 'BUSINESS WORK AGEING' which includes a stylized globe icon. The slide is divided into two sections: 'Profit' and 'Marketing'. The 'Profit' section contains text about research by BWA, and the 'Marketing' section contains text about targeted recruitment of older workers.

Profit

Research by BWA has estimated that the net financial benefits per older worker compared to the rest of the workforce is \$A1956.

Marketing

Through the targeted recruitment of workers aged 45 years and over, organisations will be able to adequately reflect the diversity of their customer base.

Presenter's Notes Ten:

The fundamental concern of business is profitability. Research conducted by BWA however shows that the net human resource management cost benefit per older worker compared to the rest of the workforce is \$A1956 per annum, due to the higher retention rates for older workers which translate to a greater return on recruitment and training investments.¹⁰

Marketing is critical to the operations of a business. It is essential therefore consider that as the Australian population ages the importance of certain consumer segments will change. Through the targeted recruitment of workers aged 45 years and over, organisations will be able to adequately reflect the diversity of their customer base, and compete for their share of the baby boomer market - the largest age group with the highest disposable income of the 21st century.

¹⁰ AEC, (2001) The Human Resource Costs and Benefits of Maintaining and Age Balanced Workforce

Slide Eleven:



Skill Shortages

The pro-active retention and recruitment of people aged 45 year and over, provides an effective corporate and government strategy for reducing skill shortages.

Quality

A BWA case study undertaken with DMS Glass found that the employer considered that their older workers provided higher quality standards, which encouraged younger employees to improve, as experienced staff passed on their years of knowledge.

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Presenter's Notes Eleven:

The current rate of growth of the labour force is approximately 170,000 each year. Access Economic projections however suggest that there will be a significant slowing of growth, with growth only increasing by 125,000 for the whole decade 2020.¹¹

Labour market projections clearly show that developed countries are moving from an extended period of over supply of labour to a situation where the governing dynamic will be competition for static numbers of new young entrants and a dramatically reduced supply of labour overall. The pro-active retention and recruitment of people aged 45 year and over provides an effective corporate and government strategy for reducing skill and labour supply shortages.

High standards for product quality are essential to profitability. Research shows that older workers can play a critical role in maintaining quality standards. A case study undertaken with DMS Glass by BWA found that the employer considered that their older workers provided higher quality standards, which set the benchmark for younger workers and encouraged them to improve, experienced staff were also critical as they passed on knowledge accrued over a lifetime of work.

¹¹ Access Economics (2001) Population Ageing and the Economy

Slide Twelve:



Organisational Culture

- Good work ethic
- Loyal to employers
- Mentoring

Assets

Older workers are valued assets as they are the keepers of corporate experience.

Sustainability

The costs of early retirement to date has been considerable – estimated at between \$A43 billion and \$A25 billion per annum (based on 1994 figures).

Presenters Notes Twelve:

Older workers can bring many positive cultural attributes to an organisation. They have a good work ethic, which is demonstrated through their quality performance. Older workers are loyal to employers, remaining with their current employer 2.4 times longer than younger workers. They also act as mentors to less experienced workers.

It is imperative that business calculates the true value of older workers. Quantifying the asset value of corporate experience can do this.

The public debate around population ageing has often centred on the negative economic impact ageing will have on the nation. Central to the debate has been the costs to the nation of health and aged care, savings, tax income and public expenditure.

Older people remaining in the workforce for longer however can assist in managing the Australian economy as the population ages. It will prevent a worsening of the labour force dependency ratio, one of the key indicators of sustainability.

If business practices continue to encourage older workers to exit the labour market, by 2030 the dependency ratio will tip to 2.5 employees for every 1 older person, resulting in a growing pool of inactive older people and a decline in the number of participants in the active economy. The national expenditure costs of this trend towards the public and private sector forcing older workers into early retirement to date has been considerable – estimated at between \$A43 billion and \$A25 billion (based on 1994 figures).¹²

¹² AEC 2001, Retirement in an Era of Ageing

Slide Thirteen:



Making Your Business Age-balanced

Focus strategies away from age variables towards business objectives and job related criteria such as worker output, current value and potential value in relation to Recruitment, Retention, Exit Policies, Training

Review and measure the current environment and implement policy to ensure age equity in relation to Human Resource Practices and Organisational Culture

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Presenter's Notes Thirteen:

Given information about the ageing population and the value of older people in the workforce, organisations will want to know how they can begin to restructure their human resource policies to be pro-active about the implications of ageing.

As a basic guideline, there are some key principals that should guide the management of an aged balanced workforce.

Firstly, focus strategies away from age variables towards business objectives and job related criteria such as worker output, current value and potential value in relation to:

- Recruitment.
- Retention.
- Exit Policies.
- Training.

Secondly review and measure the current environment and implement policy to ensure age equity in relation to:

- Human Resource Practices.
- Organisational Culture.

