



BUSINESS WORK & AGEING

Work Ability Program

Managing the age of change

Work Ability Program

Executive Summary

The ability to work productively is the basis of well-being for all of us. From an employer perspective, productive employees are the lifeblood of commerce. Happy, healthy employees create the most effective workforce, moreover, they are more likely to represent the company well to external clients and cost employers less in Workcover claims and time away from work with sick leave. We continue to differentiate employers based upon the concept some are established “employers of choice” whilst others are not. One key element of attaining employer of choice status is a convergence of employer and employee values and behaviours. The Work Ability program is demonstrated to fundamentally to aligning these drivers. ***The Work Ability Index is a win-win as it is designed to improve worker ability and promote benefits for both employer and employee.***

Labour Supply - Diminishing Entry of Younger Workers

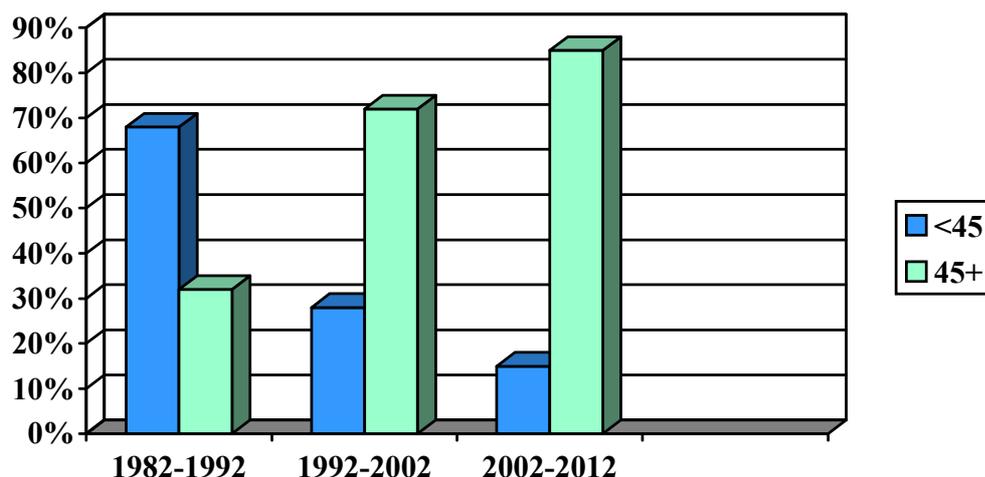
Labour force planning undertaken today needs to consider the fact that there is a reduction in the growth of young people entering the workforce as the birthrate in Australia is declining. Between 1960 and 1961 there were proportionately two and a half times as many young people entering the labour market compared to today. Between 1960 and 1961, young people aged between 15 and 24 grew by around 67,000 people. Between 2000 and 2001 however, this youth cohort grew by only 25,000 people. Looking forward another 40 years, growth will slow even further to approximately 11,000 people.

Employers, especially large employers, need to start positioning themselves to meet the demand for labour with a diminishing cohort of younger workers available to them. Whilst this group is diminishing and competition for young employees grows, the group of available workers 45 years and older is growing. The result is that as the Australian population and workforce ages, organisations will be forced to embrace older workers to secure a continuing supply of labour. **This will required markedly different thinking and action for many companies.**

For every young person entering the labour market today, there are seven people aged over 45 years and over *able to participate in the workforce*.

One of the key issues for effective management of workers aged 45 years and above is maintaining their work ability. Activities to maintain and develop work ability result in **benefits to both the employee and employer.**

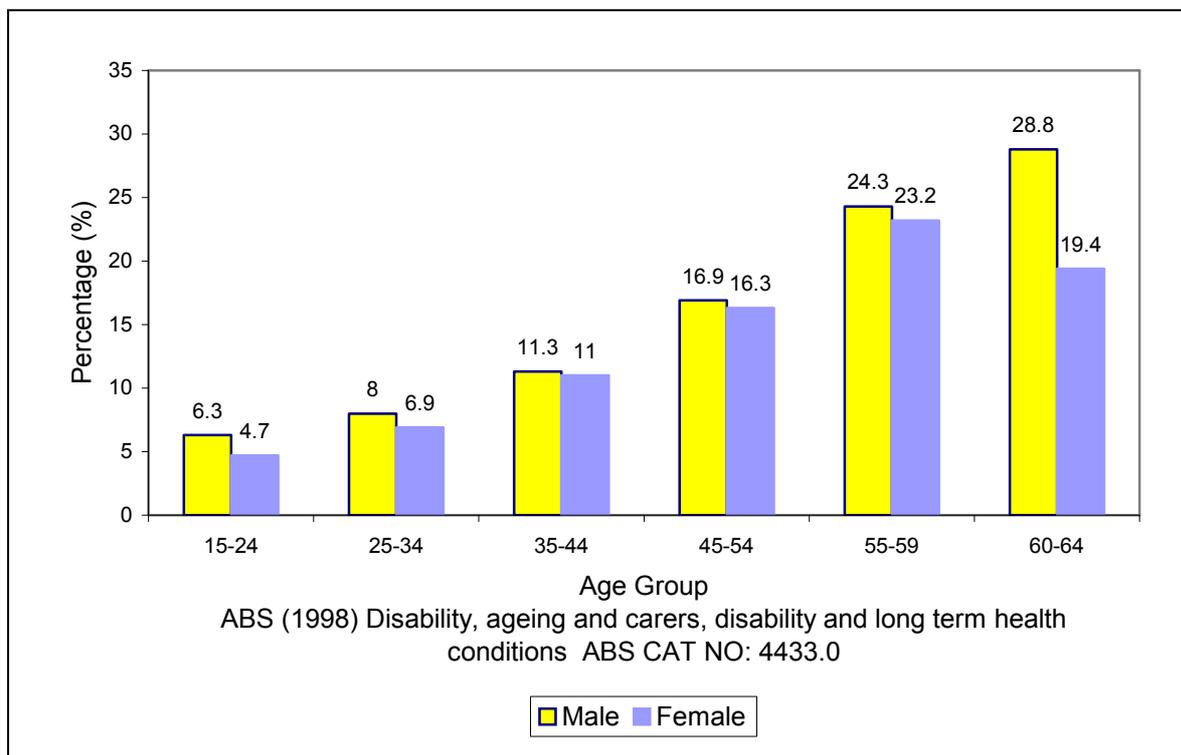
The following chart depicts relative growth trends in the Australian labour force from 1982 and where the figures will be by 2012.



Work Ability and Older Workers

The impact of an ageing workforce can have severe short to long-term implications for businesses outside simply their ability to recruit. If employee work ability is not monitored and appropriate interventions acted upon in the workplace, ageing workers are more likely to leave as health and disability factors figure strongly in both voluntary and involuntary early retirement decisions. This will begin to hurt more employers as they find it increasingly difficult to fill positions with unavailable younger workers.

The following chart shows the growth in disability that restricts employment by age in Australia. (ABS – 1998)



Within many businesses, the age profile of the workforce is older than that of the general Australian workforce, so factors such as the bulk retirement of people may come into effect sooner and have a more profound impact. It is important therefore, to discover the extent of loss of people and knowledge and how this relates to the future labour and skill needs of the organisation. Secondly the high level of manual handling across the some organisation suggests that a focus on health and well-being may assist to extend the working life and its quality for many people. A key question is where should this focus be and what interventions will have the greatest impact. **Most work/life and employee health programs do not really target effectively the areas they should, as most employers do not know enough about their own demographics to make targeted interventions.**

The **Work Ability Index (WAI)** is at the forefront of organisational planning tools for business and can add significantly to a company’s ability to effectively plan for workforce health, well-being and productivity – the work ability of their employees..

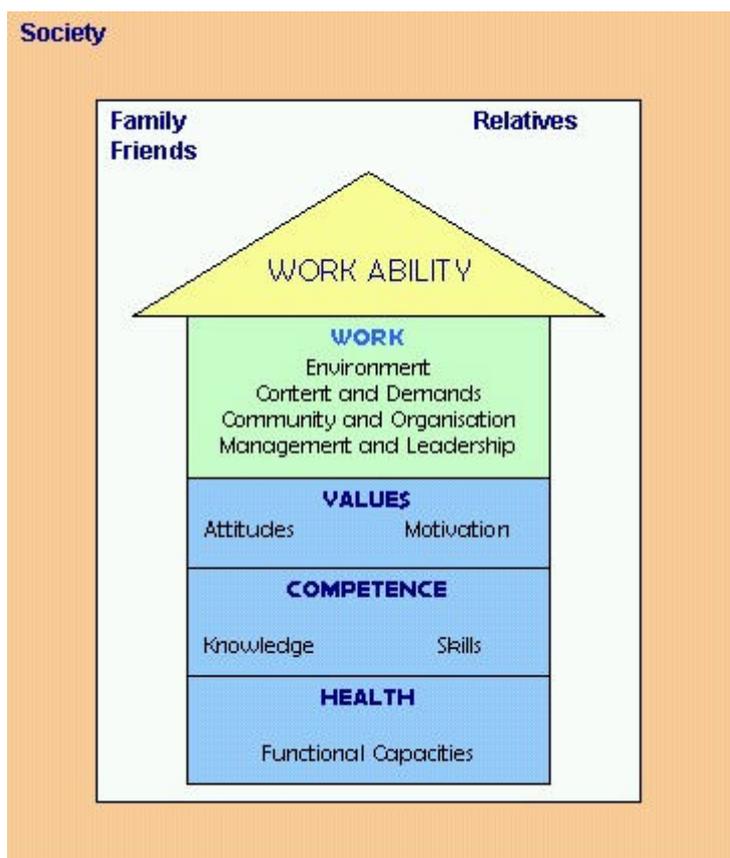
The Research Behind Work Ability

The Finnish Institute of Occupational Health (FIOH) developed the Work Ability model under the guidance of Professor Juhani Ilmarinen. It is the result of extensive research and application of the work ability principles over three decades. The Work Ability Index (WAI) is meant to support the worker. It is a diagnostic tool that can help an employer determine which workers need the support of things such as occupational health care and provide the foundation for establishing optimal working conditions as a means of preventing premature decrease in work ability. *The WAI can also be used to predict the threat of disability in the near future.*

The FIOH research has demonstrated that the factors that weaken work ability begin to accumulate in middle age and are seen in workers from about 45 years of age. Investing in the maintenance of work ability and functional capacity has been proven to produce results in a relatively short time frame.

The Work Ability Index

Work Ability programs are based around a key survey, the **Work Ability Index (WAI)** which is administered to employees and measures seven aspects of work ability: current work ability compared with lifetime best, work ability in relation to the demands of the job, current number of illnesses or injuries diagnosed by a doctor, estimated work impairment due to those illnesses or injuries, sick leave taken in the last 12 months, a worker's own prognosis of their work ability in 2 years time and their mental resources to do their job.



Professor Juhani Ilmarinen of the Finnish Institute of Occupational Health, the developer of the WAI, depicts work ability as a house. On the first three levels of the Work Ability house the WAI measures individual capacity and looks at health, competence and individual values and motivation. The fourth level looks at the work environment; the demands of work, community and organization at work and management and leadership. As an integrated approach, work ability also extends outside the work environment to factors that are known to influence work ability such as family, friends and relatives and the broader social and policy environment.

Work Ability is an integrated approach that is the result of 25 years of research by the Finnish Institute of Occupational Health.

The WAI rates each individual employee on a scale of 7 to 49. The designated value each employee attains depicts the workers own concept of his or her work ability and takes in the physical and mental demands of their work, the worker's health status and resources.

Points	Work Ability	Objectives of Measures
7-27	poor	restore work ability
28-36	moderate	improve work ability
37-43	good	support work ability
44-49	excellent	maintain work ability

A Case Study

The following table is taken from a case study of municipal workers aged approximately 50 years and indicates their work ability and the percentage of workers who retired on disability pensions. What the figures demonstrate is the ability of the WAI to predict at risk employees and sectors of the workforce. In this study, of those rated poor on the WAI, 62% of men retired on a disability pension compared with 17.8% of those rated as having excellent work ability. As Work Ability programs are an integrated approach to employee and company health and performance, even those rated in the excellent category can benefit from structured interventions.

<i>Work ability index at approx. 50 years of age</i>	<i>Number of workers</i>	<i>Retired on disability pension</i>	
		<i>Number</i>	<i>%</i>
Men			
Poor	287	187	65.2
Moderate	710	287	40.4
Good	728	203	27.9
Excellent	359	64	17.8
All	2084	714	35.6
Women			
Poor	359	215	59.9
Moderate	934	311	33.3
Good	1098	204	18.6
Excellent	470	60	12.8
All	790	790	27.6

Targeted Interventions

The benefits to employers in administering the **Work Ability Index** is that it can target *at risk* employees and *at risk* sectors within their organization. Coupled with this, targeted interventions can then be applied strategically to actively engage the workforce in developing and maintaining healthy work practices and ensuring greater work ability is achieved by employees and helping ensure a healthier and more productive workforce into the future.

Interventions				
Work Task Design	Environmental	Training and Competence	Health and Lifestyle	Systemic Barriers
<ul style="list-style-type: none"> • Promote employee autonomy • Reduce physical loads • Improve posture • Set reasonable work targets • Improve work scheduling and flexibility, including breaks and rostering 	<ul style="list-style-type: none"> • Minimise glare • Ensure good lighting levels • Minimise noise levels • Eliminate slip, trip and fall hazards 	<ul style="list-style-type: none"> • Improve training programs • Monitor and review impact of training interventions • Develop best practice performance standards • Develop and maintain support systems 	<ul style="list-style-type: none"> • Ageing and preventative approach • Gender and ageing • Health and activity • Ageing and nutrition • Work and family stress • Health screening • Work/life activities & planning 	<ul style="list-style-type: none"> • Remove systemic barriers • Drake study (1999) of 500 HR managers found they believed optimum age for new recruits was <ul style="list-style-type: none"> ○ 30s (62%) ○ 40s (23%) ○ 50s (0%)