

## **Third International Symposium 2006**

### **Theme E – Career Development and Older Workers**

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##### Introduction:

The Symposium theme of older workers has not attracted attention from the participating countries, so no synthesis paper has been possible. Having, unknowingly been in this category, for the past two decades I have survived retrenchment in my mid fifties, and other significant losses, and developed the third stage of my own career journey by establishing a small business delivering career development services. I have immersed myself in further learning and continued to serve the national and international career development community in a voluntary capacity. As an older worker I not only have a personal interest in this topic but appear to have modeled a portfolio career for many of the 50+ public and private clients with whom I work.

##### Background:

###### Developing Nations

In developing nations, where there is may be a surplus of potential labour, the opportunities for older unskilled or under skilled people to remain in the workforce are sometimes prompted by a desire for survival, or where they may be supported by families in a mutually dependent relationship providing unpaid services so that younger members of the family are able to seek paid work. Certainly in agrarian communities the older workers still have much wisdom and knowledge to contribute, and are highly valued.

###### Developed Nations

The attention paid to older workers by governments in developed nations primarily relates to them as an untapped resource who offer tremendous potential value to business, the economy and the community. However the perception is that they are also being discriminated against continuing to contribute to the workforce by public policy measures and workplace practices at a time when their knowledge, skills and value are sorely needed.

The failure of governments to predict and act on the possibilities of both skills and also labour shortages in the developed nations, has been compounded by the global trends to downsize organisations in the 80s and 90s, where older workers were often covertly targeted for retrenchment through the application of public policy, and the industry model of using core, consultancy and contingent workers to focus on core business and the bottom line. Many older workers then were sadly aware of the potential loss of their knowledge, skills, commitment, innovation and values, and the thread of corporate experience that was broken.

###### OECD Report (21 countries)

The OECD has reported extensively on the reforms needed in both public pension and superannuation systems to encourage older workers to stay in paid employment, but, on their own these measures would not be sufficient to encourage later retirement and reduce the risk of further labour shortages.

Other measures would include adapting wage setting practices for older workers, reducing age discrimination and negative attitudes to working at an older age, improving both job skills and conditions of employment for older workers and to better “activate” older job seekers.

The OECD thematic review will examine the issue of aging and employment with 21 countries, and 18 reports have been published to date, with the Australian report being issued on 21 June 2005.

Older workers have been defined as being 50 years or over, as this is the time when participation rates start to decline. The report makes clear that the perception of older workers is very subjective and that older workers should not necessarily be assumed to be “old”

#### Age Boundaries

In the UK report of the *Challenging Age Research Project* supported by the Department for Education and Skills and the Learning Council, in conjunction with the Third Age Employment Network (with its two partner organisations, the Centre for Guidance Studies at the University of Derby and the National Institute for Careers Education), the age 45 plus is taken at the lower end of the range for older workers as discriminatory practices can start well before 50.

#### Australian Government response

##### Federal Portfolio of Ageing

In the Australian country paper it has been stated that the Australia Government has created a Federal Portfolio of Ageing to respond to the challenges and opportunities presented by an ageing Australia.

##### National Strategy for Ageing Australia

It has produced a National Strategy for an Ageing Australia (Commonwealth of Australia, 2001). which notes that responsibility for addressing the issue is shared across governments, business and the community and that “public programs should supplement rather than supplant the role of individuals, their families and communities” (p. 2).

Included in the principles guiding the National Strategy for an Ageing Australia are that “all Australians regardless of age, should have access to appropriate employment, training, learning, housing, transport, cultural and recreational opportunities and care services that are appropriate to their diverse needs, to enable them to optimise their quality of life over their entire lifespan” and that “opportunities should exist for Australians to make a lifelong contribution to society and the economy”.

##### Mature Age Employment and Workplace Strategy

As part of the federal government’s Mature Age Employment and Workplace Strategy, the Department of Employment and Workplace Relations manages the Jobwise website that is dedicated to promoting mature age employment. The Strategy seeks to improve the labour force participation of mature age Australians as a key strategy for managing the impact of demographic change. This includes encouraging mature workers to remain in the workforce for longer, or to return to it if they have already left.

In terms of career development service provision, there remains an emphasis on services for young people, particularly those moving from school to work, and subsequent transitions across the lifespan are not well supported (OECD, 2002b). A further potential weakness of the Australian guidance system identified in OECD Review of Career Guidance Policies is the emphasis on a remedial rather than proactive approach to the provision of guidance services for adults(OECD, 2002b).

Specifically, the emphasis has been on the provision of services to the unemployed with few services available to assist older Australians in the proactive management of their learning and work in the context of their lives and the transitions they face. However, career development services have the potential to make a worthwhile contribution to the principles of the National Strategy for an Ageing Australia.

Australia has a number of reforms already in place that will assist it to cope with the challenges of utilising older workers. The Mature Age Employment and Workplace Strategy, announced in 2204/2005 Federal Budget, includes measures to:

- strengthen incentives to remain in work longer
- reduce incentives to retire early
- improve information about future entitlements from superannuation
- link disability benefits to substantial reduction in capacity
- reinforce mutual obligations of older of seekers on public income support
- improve process for Recognition of Prior Learning and reduce costs
- improve employability
- provide access to vocational education
- enable basic IT skills

Other retention strategies include the option of working part-time flexible hours, home-based with IT support, and also with the opportunity to contribute to the career development of younger workers through training, coaching and mentoring. For those companies who are committed to the development of community capacity building, older workers may have a proportion of their paid work time on release to local, regional or national non-government organizations in the areas of their expertise.

#### Hudson Report

In February the Hudson Report was released in Australia indicating that a result of a survey of 8345 employers only 40.7% were actively seeking to attract and retain older employers, despite the nation's rapidly aging workforce and growing skills shortages.

#### Issues

This finding is of considerable concern and it would appear that in Australia, and in other developed nations, there is a chasm between the rhetoric of governments about the value of retaining older workers, the public policies that are attempting to reverse that trend, and the attitudes of many employers who are dismissive of any over the age of 45.

As people are living longer, working fewer years, and saving less for their retirement it appears that public policy measures are inadequate in isolation to reverse the trend of early retirement, or active engagement in the workforce following voluntary or involuntary separation.

There appear to be many barriers for older people who want to continue in paid employment and learning activities, and contribute to their communities, while engaging in satisfying work, both paid and unpaid.

It would appear on the basis of what little literature there is, but assumed from the recorded statements of older people in *Challenging Age*, and from the anecdotes of my own clients who are receiving outplacement services when leaving the public and private sectors, that the lack of real career development services in employment have contributed to their sense of frustration and disillusionment when they retire or are made redundant.

The real challenge of either recruiting or retaining older workers is that they are given the opportunities for learning prior to entering or during participation in the workforce, and encouraged to become accountable for their own career development. The publicly funded services that are available to young people making their first transition from education into work need to be matched with employer commitment to transforming the workplace, the economy and the community, through the development of human capital utilising the evidence-based career development strategies that have been available since the middle of the last century.

Certainly there are well researched strategies for providing support for older workers to remain in or re-enter the workforce, and career development services can both facilitate the re-energising and of older workers, and assist employers with strategies that for identifying and utilizing their strengths in the employment that also address their work/life balance issues.

The OEDCD report for Australia reported that the challenges for the next few years will be that  
a higher % of the population will have retired  
slow-down in growth of working age population  
resultant slower economic growth  
rising public expenditure, mainly in health sector

Future prospects for employed older workers will depend on:

Job status  
Industry occupation

Self Employment figures for older workers comparable to prime age workers:

Doubles between 60-64  
Trebles between 65 +

Casual older workers:

Rises with age  
Higher % of women  
Tend to work in lower-skilled occupations

Superannuation has not yet become an important way out of the labour market well before the official age of retirement.

Age pension is not seen as the main component of retirement income.

Non cash benefits and concessions available to pensioners.

Age pension assessed under income and asset tests where a lower rate of pension applies.

1992 Superannuation Guarantee required employers to contribute 3% of gross annual salary, and now stands at 9%.

Earliest age to start drawing superannuation is 55 years.

Personal savings