

# The ways to improve older workers' contribution to the workforce

[Science](#), [Geography](#)



In recent years, the demographic trend is towards an ageing population. The productivity growth of Singapore's workforce has been slow possibly due to the increase in older workers in Singapore. As technology advances, the skills that older workers possess are no longer relevant (Vikram, 2018). Hence, more has to be done to help them integrate and catch up.

This paper aims to encourage employers to hire older workers in Singapore to speed up the rate of productivity growth as older workers' skills when upgraded will be on par with the younger workers. This paper aims to encourage employers to adopt more constructive criticism on how to increase the involvement of older workers in Singapore. This will, in turn, make the older workers more valuable and on par with the younger ones. This paper covers the ways to improve older workers' contribution to the workforce. It does not cover the various impacts of an ageing population.

## **Varying Productivity Across Occupations**

Studies have shown that skills do not remain relevant as one ages. Older workers might be more experienced and matured in the field for current methods used in work. However, as society evolves, job requirements change, making it more challenging for older workers to familiarise with the new environment (Vikram, 2018). The impact of ageing on productivity differs across different occupations. Although productivity slows down as one ages, some occupations depict otherwise, such as professors and lawyers. These professions require ample experience in its field of work to enhance efficiency and productivity (Vikram, 2018). The International Monetary Fund (IMF) evaluated that the ageing workforce in the euro area could drag

productivity growth by around 0.2% in each year between 2014 and 2035 (Vikram, 2018).

### **Increasing Employment Age For Older Workers**

In July 2017, the re-employment age was increased from 65 to 67 (MOM, 2017). This allows older workers to continue working as long as they are willing and capable to continue working. The Retirement and Re-employment Act has been revised such that employers, together with the employee's permission can deploy workers elsewhere. However, if employees disapprove, and the company is unable to find a job for the employee, the original employer would have to offer Employment Assistance Payment (EAP) to the worker (Neo C. C., 2017). However, there are some concerns from the employers on the new policy. Employers fret that purchasing insurance and sending workers for skill upgrading would amplify their business costs. (Yasmine, 2018) Therefore, to promote the growth of productivity in Singapore's workforce and the economy, we have to encourage seniors to retire at an older age.

### **Challenges of Employing Older Workers**

Senior employees today do not have the necessary skills and abilities required to keep pace with operations of the business, therefore functioning at optimal levels pose a challenge to them (Simon, 2015). They may come across challenges that require knowledge and skills in new work processes and social networking as well as trouble communicating with younger colleagues. However, different employers require different skills for a particular type of work, therefore the fault does not necessarily lie with the

older workers for not acquiring those skills. (Simon, 2015) Even so, there are still exceptions to this rule. Older workers tend to be less flexible and more challenging to train; especially in the more technical areas.(Simon, 2015) Pursuing a new job is not a problem for many seniors. That being said, they might be less contented with their new job, as they would yearn for a higher pay given from their previous job. (Simon, 2015)

Older workers are also vulnerable to sickness and require more health insurance from the company compared to younger colleagues. Inevitably, it would be more expensive to hire older workers. (Simon, 2015)

To support the hiring of older workers, the government extended the extra 3% wage subsidy on Special Employment Credit scheme when companies re-hire Singaporeans above 65 who earns up to \$4, 000 a month. (MOM, 2017)

Older workers can benefit and also be a burden to Singapore's workforce. They can be helpful to some occupations which require experience but not helpful to some of the occupations as their skills might no longer be relevant. Thus, schemes have been implemented to reskill them and encourage the hiring of older workers. Encourage intergenerational workplaces by creating an environment of open communication by encouraging employees to provide their insights, idea and feedbacks.

Human resource departments in companies can send older employees for Skillsfuture upgrading. Flexible work arrangements to be made for reporting times, lunch hours and break times especially so for senior staff members.