

Advantages of retaining older workers

[Business](#), [Work](#)



Encouraging older workers to remain in the workforce has many advantages along with some disadvantages for both the employee and the workforce in general. The term older worker refers to workers aged sixty-five and over. Older workers are an invaluable asset to the Australian workforce. Through age and life experience older workers hold great knowledge and wisdom in which they are able to pass onto the younger generation. Traditionally there was an age where people retired, however people these days people are now living longer.

Therefore the time spent in retirement has also increased. This means people today will have to work longer than ever before to cover the costs of their retirement. This essay will outline why Australia needs to retain older workers in the workforce, why older people are staying in the workforce for longer and discuss some of the advantages and disadvantages associated with encouraging older workers to stay in the workforce for longer.

Australia's decreasing birthrate and an ever-increasing life expectancy has caused the Australian Government as well as employers to become increasingly concerned about how the distribution of the population within the workforce will affect the Australian economy. Presently the net growth of the Australian workforce is 170, 000 people each year. Access Economics has estimated that over the decade 2020 to 2030, the Australian workforce is expected to only grow by only 125, 000 people. That averages a mere 12, 500 people per year.

The ramifications for Australia are clear, new entrants will simply not provide enough manpower to the workforce to meet expected demand. (Andrews, K

2003) This demographic shift means the workforce will need to rely more on older workers in the near future, as Australia can no longer afford to waste the valuable resources that older workers contribute to businesses, the economy and society in general. Older workers will be crucial to the success of many companies in the future, and contribute greatly to the profitability and the survival of these companies.

Australia's need to encourage older workers to stay in the workforce for longer, will mean employers will need to structure the work environment in such a way as to fit in with the activities that older people are wanting to do. " The main reason why older workers retire or leave the workforce is to pursue new activities. " (Future of Work) While the government is encouraging people to work longer if they can, beyond traditional retirement ages, older workers are unlikely to respond to that call unless work can be more flexible and better organised to take account of what they want to do with their time.

Many older workers don't want to give up working all together and would prefer to work part time so they can still earn an income whilst having the flexibility to pursue new activities. The Government as a policy-setter and as an employer will need to meet this demand, just as the corporate sector will, by increasing workplace flexibility in order to encourage older workers to remain in the workforce for longer. 2005 figures from the Australian Bureau of Statistics shows that grandparents are delivering childcare services to more than 660, 000 children nation wide.

This information has led the ACT Chief Minister Mr John Stanhope to agree with the need for the restructure of workforce practices in order to encourage older workers to remain in the workforce for longer and in particular older workers within the ACT public service sector. Mr Stanhope says that “ Our ageing workforce, and our need to retain older workers for longer, means that over time we will need to provide working conditions that better suit mature-age workers. Mr Stanhope also believes that a side benefit of having more flexible working arrangements will also encourage retention of younger staff because they will see that their employers can be open and adaptable to change and work-life balance. “ We need to ensure younger employees can also see the benefits of older workers in their workplace, not as competition for jobs, or barriers to promotion, but as the leaders who will help redefine work practices. (Changing working conditions to suit, 2007) (ACT Chief Minister Exploring Grandparental Leave, 29th August 2007)

Encouraging older workers to remain in the workforce for longer has endless advantages for the workforce in general, as older workers possess more life experience and work experience than their younger counterparts. Older workers are a great on the job training resource as they have a greater willingness to share experiences with their younger co-workers and have fewer external responsibilities and distractions as their children have all grown up.

According to research conducted by Australian Health Management, workers aged 55 or above are more productive than under-35s because they suffer less depression and headaches, and have no childcare problems. While the younger group of workers had an average of 19% reduction in productivity

due to childcare responsibilities, allergies, depression, headaches, and asthma. A recent case study conducted by DMS Glass found that the employers considered that their older workers provided higher quality standards, which in turn encouraged younger employees to improve, as experienced staff passed on the benefit of their years of knowledge.

Mature workers will also stay longer at an organisation, especially after receiving training, rather than younger workers, who are five times more likely to change jobs than a mature age worker. Older workers also have less absenteeism and sick leave and, fewer accidents than their younger colleagues. (The Australian, 2006) Influencing older people to remain in the workforce not only benefits the workforce and the economy, but it also has advantages for the worker themselves.

As people age they want to remain as physically, mentally healthy and as socially active for as long as possible, and for many, work serves as a means of being able to do so. “ Research tells us that there is a correlation between staying in the workforce and good health. ” (Managing Your Ageing Workforce Conference, 2005.) work also provides individuals with a sense of purpose, income and status. The reality that people today are spending longer in retirement than ever before emphasises the point that individuals will need to remain in the workforce for longer to ensure that they are financially able to live out a comfortable retirement.

Some disadvantages to having older workers remain in the workforce for longer include the risk of health problems associated with older workers and their ability to perform as efficiently as their younger counterparts. As people

get older they are more subject to deteriorating health, this is a part of life, and something that we have little control over. With deteriorating health these older workers may have to take time off work to attend medical appointments and may even have to restrict some of their work activities for health reasons.

With older workers being restricted in their ability to perform certain tasks that are part of their job description this could prove costly to the employer as the employer will have to bare the costs of employing someone else to carry out these tasks that the older worker can no longer perform. Another problem with older workers being limited in their ability to perform certain tasks is their ability to be allocated another job within a firm or seek employment elsewhere as “ a high proportion of older workers lack qualifications and have acquired their work skills on the job and these work skills may be specific to their occupation. (Managing Your Ageing Workforce Conference, 2005.) Older workers are also more likely to be resistant to change, less willing to work long hours, and less willing to train. However this fact is debatable as professor McGregor from the University of Surry has found that older workers saw themselves as being “ committed to the job with employees seeing themselves as eminently willing and able to be trained. ” Encouraging older workers to remain in the workforce will be crucial to the success, profit, and survival of many Australian businesses in the future.

The decline in Australia's birthrate means the Australian workforce will grow an estimated 125, 000 people over the decade from 2020 to 2030, which

clearly it is not enough workers to meet demand. With this in mind employers will need to rely more on older workers in the future and have to find ways to restructure the work environment in such a way as to fit in with the activities that older people are wanting to do as it has become a known fact through much research that many older workers leave the workforce in pursuit of new activities.

If the workplace were restructured as to fit in with the wants and needs of older workers, older workers would be able to have the best of both worlds by being able to still earn an income whilst having the flexibility to peruse new activities. Generally there are more advantages than disadvantages in having older workers remain in the workforce for longer; within the near future, older workers will prove to be an invaluable asset to the Australian workforce and play a crucial role in sustaining Australias economic stability.

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