



**MAXIMISING THE POTENTIAL
OF THE MATURE AGE WORKFORCE.**

**WHITE PAPER - ADDRESSING THE BARRIERS FACED
BY MATURE AGE WORKERS**

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INTRODUCTION.

Attracting and retaining an engaged and productive workforce is key to the success of any organisation and, in turn, is critical to a thriving economy.

With an ageing Australian population and skills shortages experienced across many industries, it is more important than ever for organisations to encourage experienced workers to remain in the workforce.

Whilst the benefits of attracting and retaining mature age workers have been widely discussed and promoted in recent times, the reality is that mature aged men and women face significant challenges in finding paid employment. There are 80,000 unemployed Australians aged 55 years or over, which represents an increase of 12% over the year to January 2015.¹ Additionally, the average duration of unemployment is 69 weeks, compared with 42 weeks across the entire Australia workforce.²

Economically, research shows that an increase of 5% in paid employment of Australians over the age of 55 would result in a \$48 billion impact on the national economy each year.³

In order to better understand the circumstances surrounding mature age workers, IPA has collected data by conducting two independent surveys:

1. A survey of 223 management level representatives from Australian employers; and
2. A survey of 104 workers (employed and unemployed) aged 45 years and over.

The results of the surveys show some key differences between employer and worker perceptions of the world of mature age workers, as well as a number of areas where the perceptions are remarkably similar.

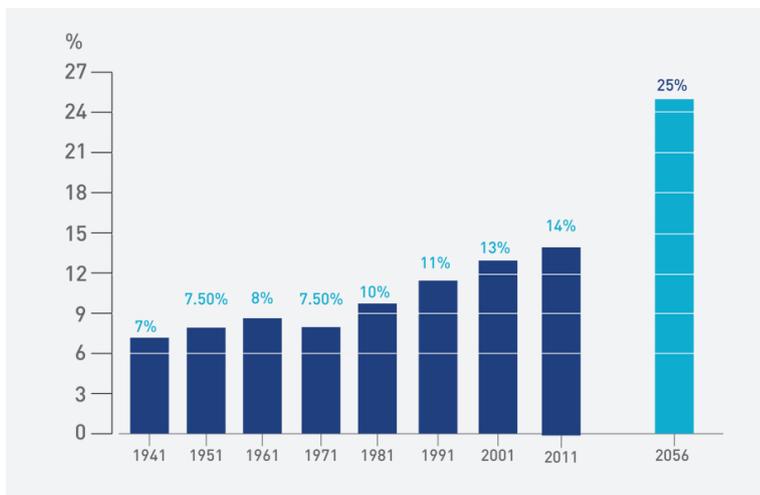
In this white paper, we explore these differences and put forward recommendations to help organisations address the key issues that may prevent them from maximising the potential of the mature age workforce.

IPA has produced this white paper in support of our role as a Corporate Champions provider, partnering with the federal government to assist employers of all sizes to attract and retain mature age workers.

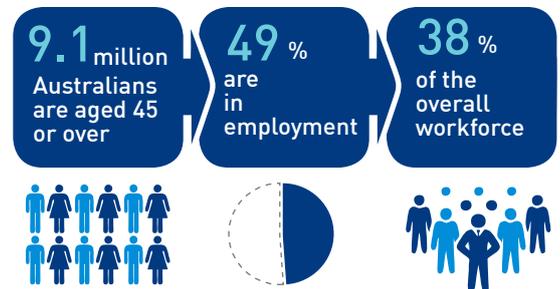
The Mature Age Worker:

The definition of a mature age or older worker varies widely in Australia. The Department of Employment refers to mature age workers as being 45 years or older, the Australian Bureau of Statistics terms an older worker as someone aged 55 plus, and the government's Restart program provides wage subsidies to assist mature job seekers aged 50 or over. For the purpose of our surveys, mature aged workers are classed as being 45 years or older, consistent with the Corporate Champions program.

Persons aged 65+ as a proportion of the total population



Source: Reflecting a Nation: Stories from the 2011 Census, 2012-2013



Between 1971 and 2011, the proportion of Australia's population aged 65 years and over increased to 14%.

By 2056 it is estimated that around 25% of the Australian population will be 65 and over, while the proportion of younger Australians is expected to decline.

1. ABS, Labour Force, Australia, January 2015, 12 month averages
2. Department of Employment, Survey of Employers' Recruitment Experiences - combined data all regions surveyed in the 12 months to December 2014
3. Deloitte Access Economics (2012). Increasing participation among older workers: The grey army advances

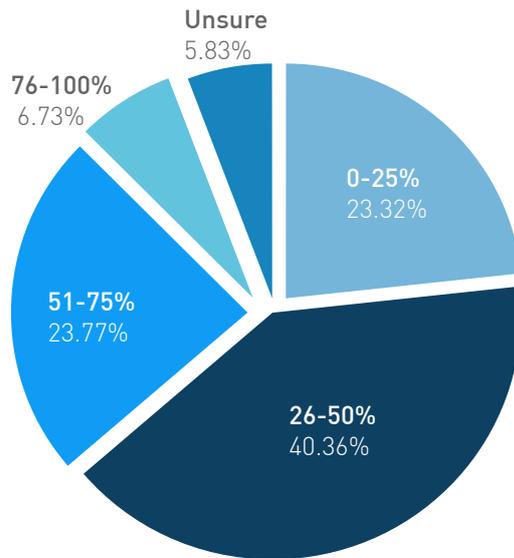
OUR FINDINGS.

THE EMPLOYER VIEW

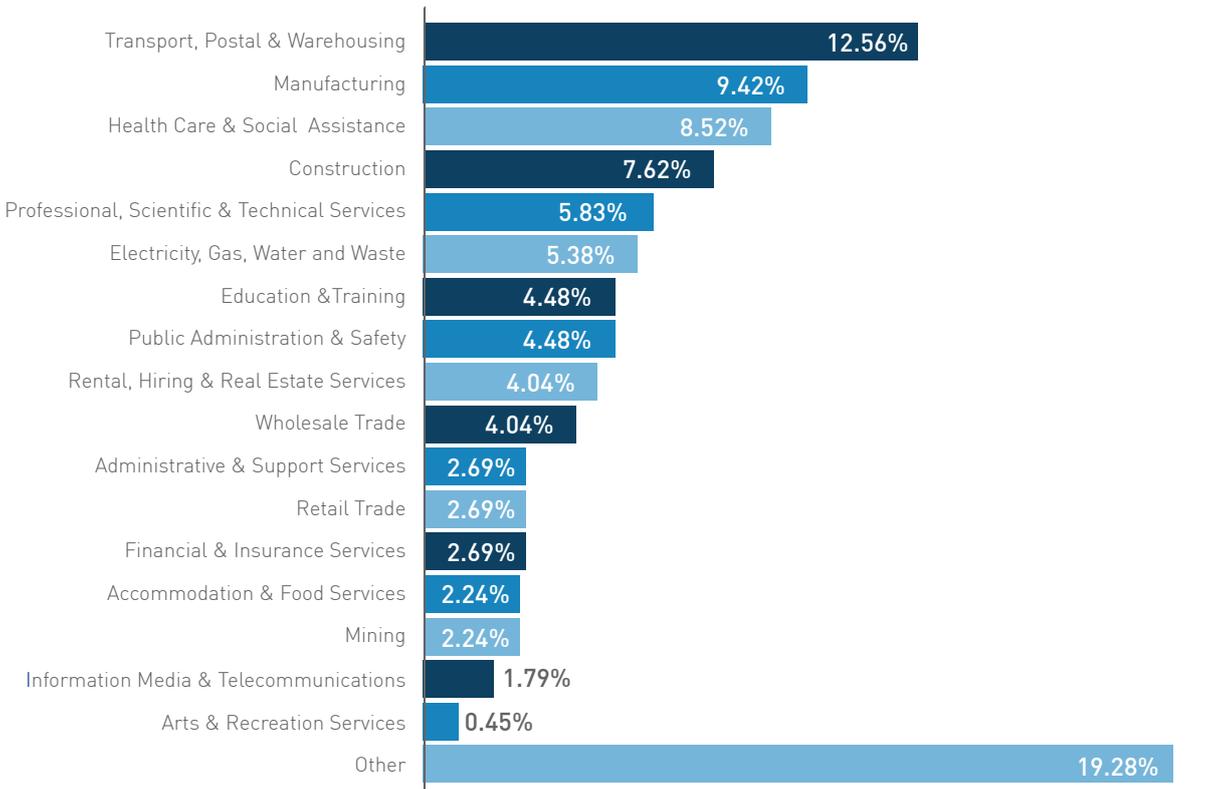
Our employer sample was a cross-section of different sized organisations ranging from sole traders to organisations with more than 250 employees. Our survey was conducted across a wide range of industries.

The employers we surveyed note the following percentage of mature age workers in their workforce:

Percentage of mature age workers in their workforce

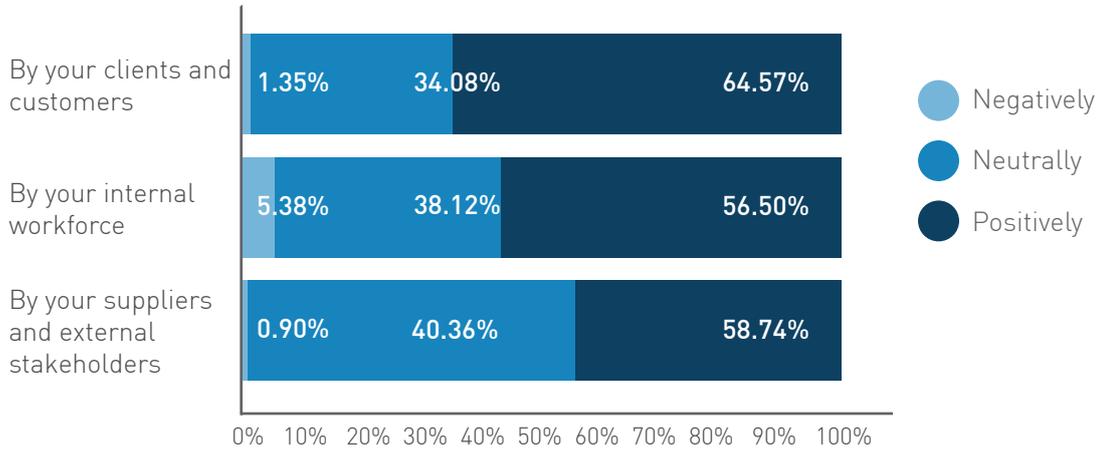


Employer respondents by industry



The data clearly shows a very positive perception of mature age workers across the employers sampled. The employers also express that this positive perception is reflected by their clients and customers, their internal workforce, and their suppliers and external stakeholders.

Employer perception - How mature age workers are regarded

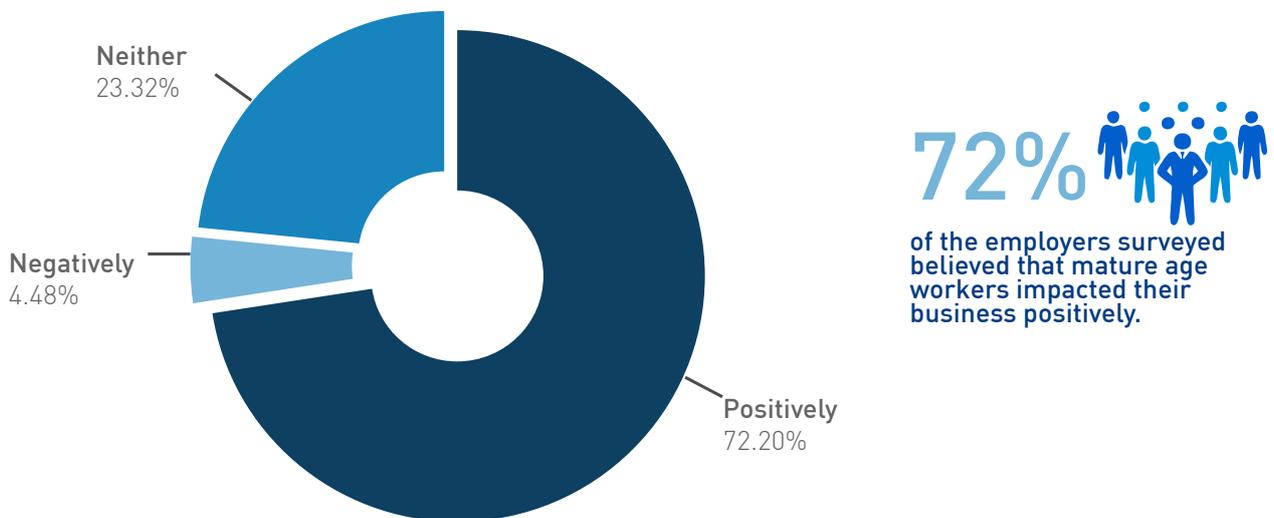


When we explore this positive perception more deeply, the majority of employers surveyed feel that mature age workers:

- Contribute equally to labour productivity
- Have lower attrition levels
- Demonstrate commitment
- Have a strong work ethic
- Are self-confident
- Utilise their knowledge and experience effectively
- Work safely.

Other positives are that most employers surveyed feel that mature age workers understand the demands of a modern workplace, and make good mentors for other employees.

Employer perception - How mature age workers impact their business



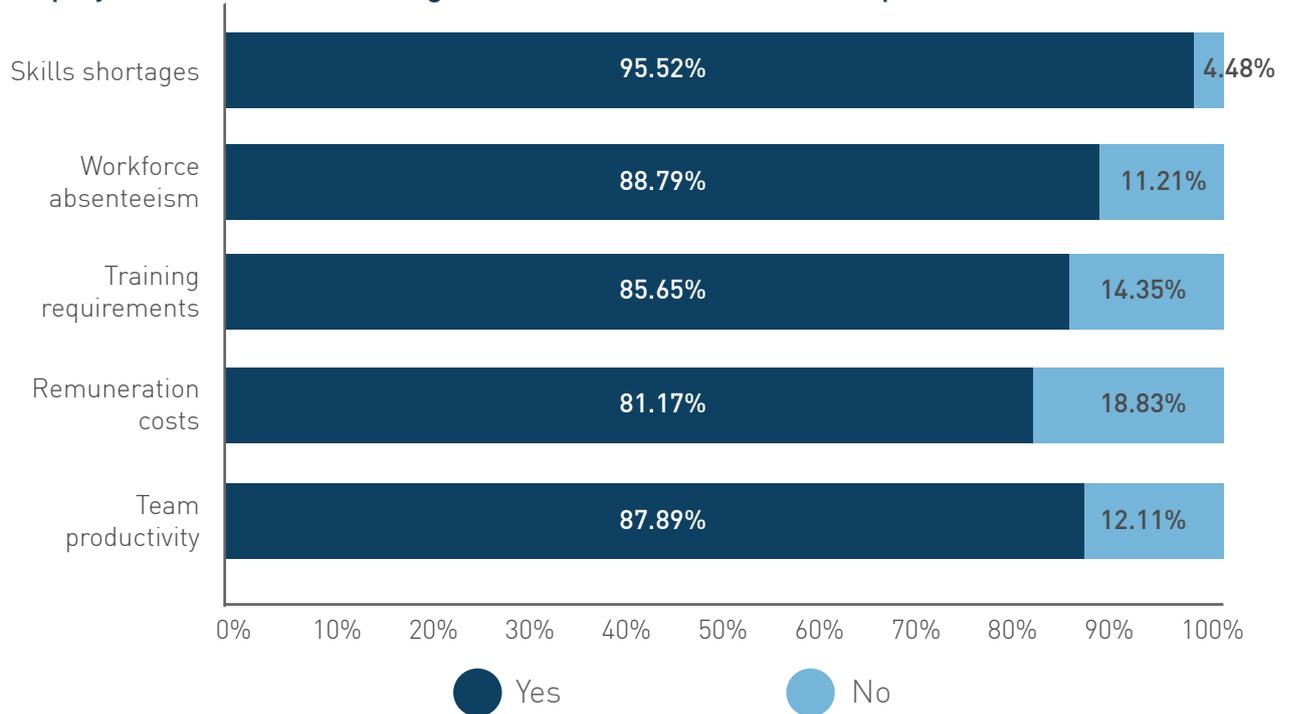
In addition to these positive perceptions, the employers do not agree with a number of negative stereotypes of mature age workers, such as that they have higher levels of absenteeism, lack initiative and creativity, are slow to learn new skills, become frustrated when things go wrong, and that they are resistant to change.

It should be noted however that although levels of agreement were low, the level of neutral responses (the options being "Agree", "Neutral" or "Disagree") were higher for showing resistance to change, time to learn new skills, and becoming frustrated when things go wrong.

One key finding from the survey was that a significant majority of the employers surveyed would consider mature age worker recruitment as an option to address a number of business issues including skills shortages and workforce absenteeism.

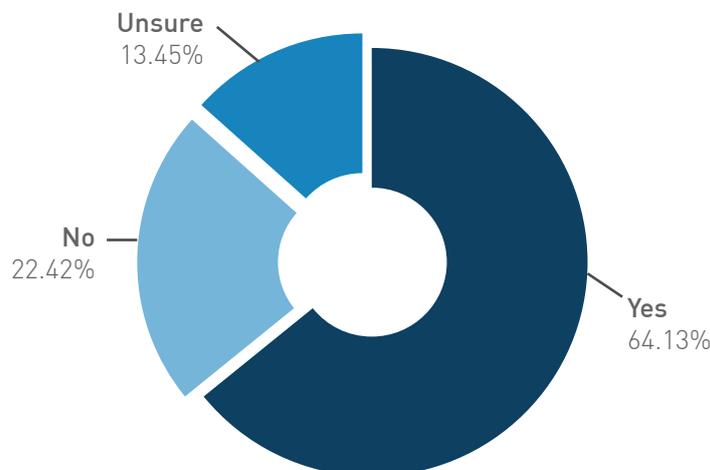
A significant number of employer respondents (28.25%) agreed that mature age workers are overlooked for promotion. In fact, only 29.6% of respondents disagreed with this statement (42.15% were neutral).

Would employers consider mature age recruitment to address workplace issues



The final piece of data from our surveyed employers looked at their hiring pattern over the last 6 months. Approximately 64% had recruited a mature age worker in that period of time.

Has your businesses hired a worker aged 45+ in the last six months?

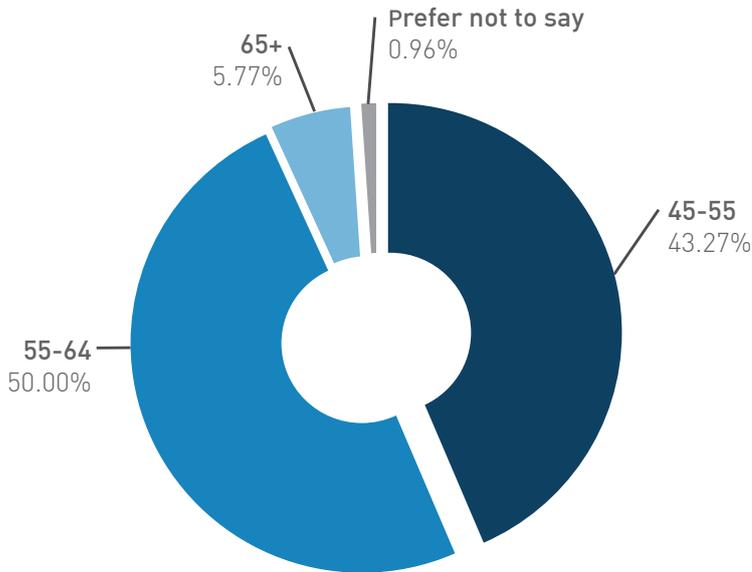


The data from our employer survey indicates that attitudes to mature age workers and their ability to add value to a business are extremely positive, shared by their customers and other stakeholders, and reflected in their recruitment decisions. The one area where there may be a negative impact for mature age workers is in the area of promotion.

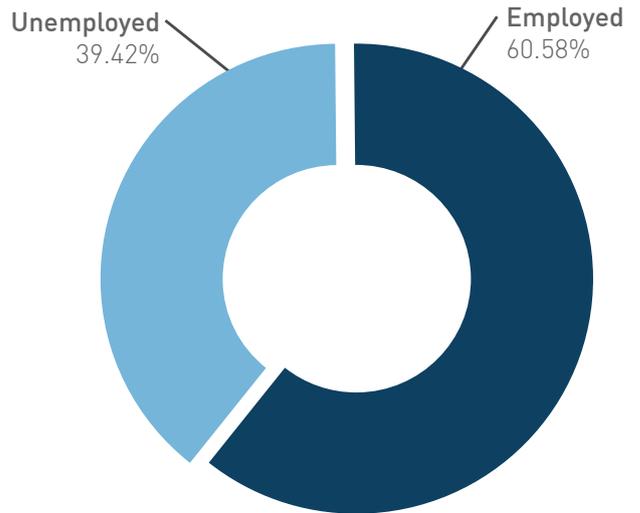
THE MATURE AGE WORKER EXPERIENCE

Mature age worker responses were gathered from a similarly broad range of industries. All of the mature age workers were aged 45 years and over. 39.42% of respondents are currently unemployed and of these, 81.58% are actively looking for work.

Age of respondents



Employment status of respondents



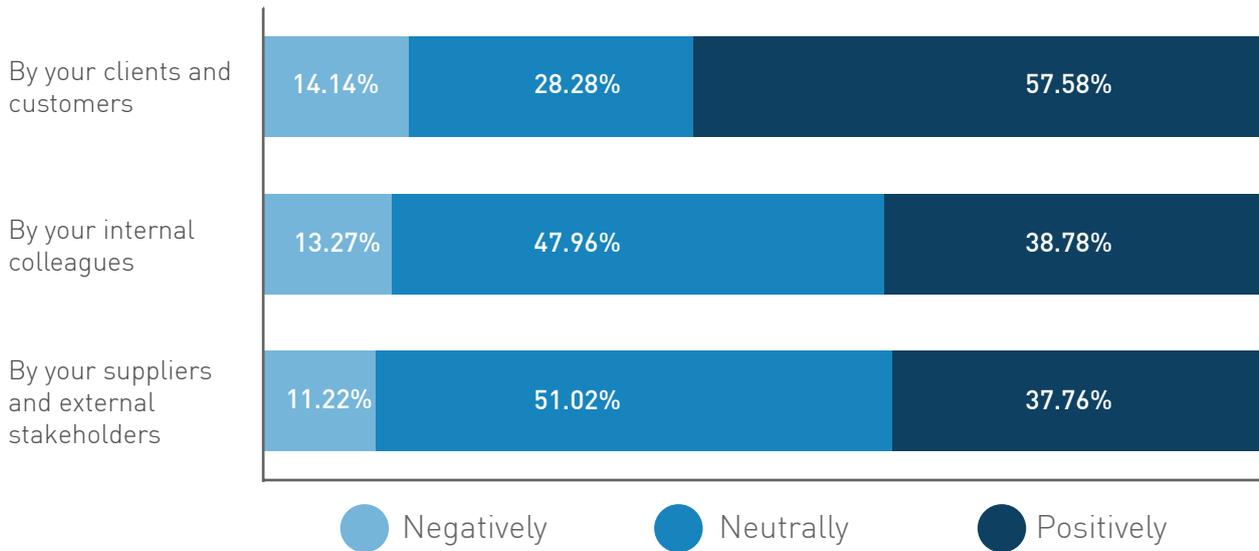
In addition to the same perceptions explored in the employer survey, mature age worker respondents were asked questions about age discrimination in the workplace and were given the option to share their experience as a mature age worker in Australia.

Although there are similarities in a number of areas, there are also some key differences in the perceptions that employers and mature age respondents have of mature age workers in the workplace.

The employer perception of labour productivity contribution is actually more positive than the mature age worker view, with 83.36% of employers surveyed agreeing that mature age workers contribute equally compared with 69.75% of mature age worker respondents.

If we explore the mature age worker perceptions, the first key differences are reflected in how they believe mature aged workers are regarded. The mature age worker perception is less positive than the employer perception across all three categories (clients and customers, internal colleagues, and suppliers and external stakeholders). Importantly, only 38.78% felt that mature age workers were regarded positively by their internal colleagues.

Mature age worker perception - How mature age workers are regarded



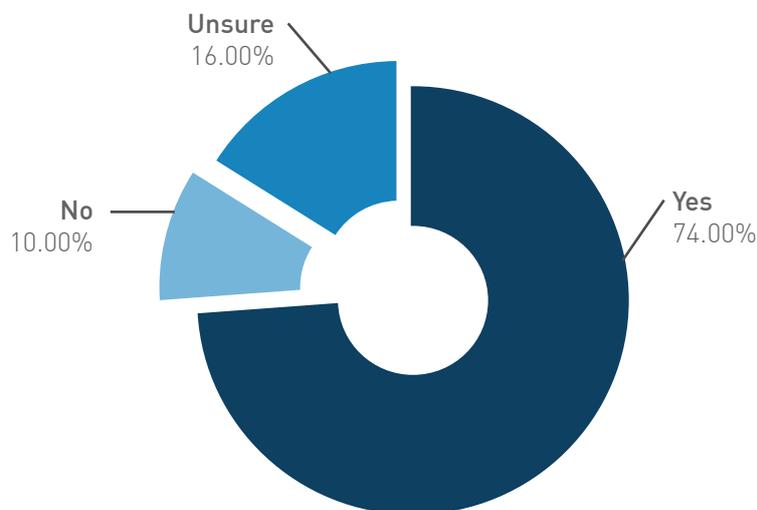
Other differences include:

- The belief that mature age workers understand the demands of a modern workforce - 66.67% "Agree" compared to 56.05% for the employer group.
- 46.88% respondents disagreed that mature age workers show resistance to change compared with 24.66% of employer respondents.
- There was stronger agreement that mature age workers contribute positively to workplace morale (81.25% "Agree" compared with 71.75% of the employer respondents).

Although both respondent groups agreed with the perception that mature age workers may be overlooked for promotion, more employers disagreed with this statement than mature age workers (29.6% compared with 10.42%). There were a relatively high number of "Uncertain" responses for this question from both respondent groups.

The issue of workplace discrimination was key to the mature age worker respondents' experiences and a significant number (74%) of the respondents believed that age discrimination is common in Australian workplaces.

Do you believe age discrimination is common in Australian workplaces

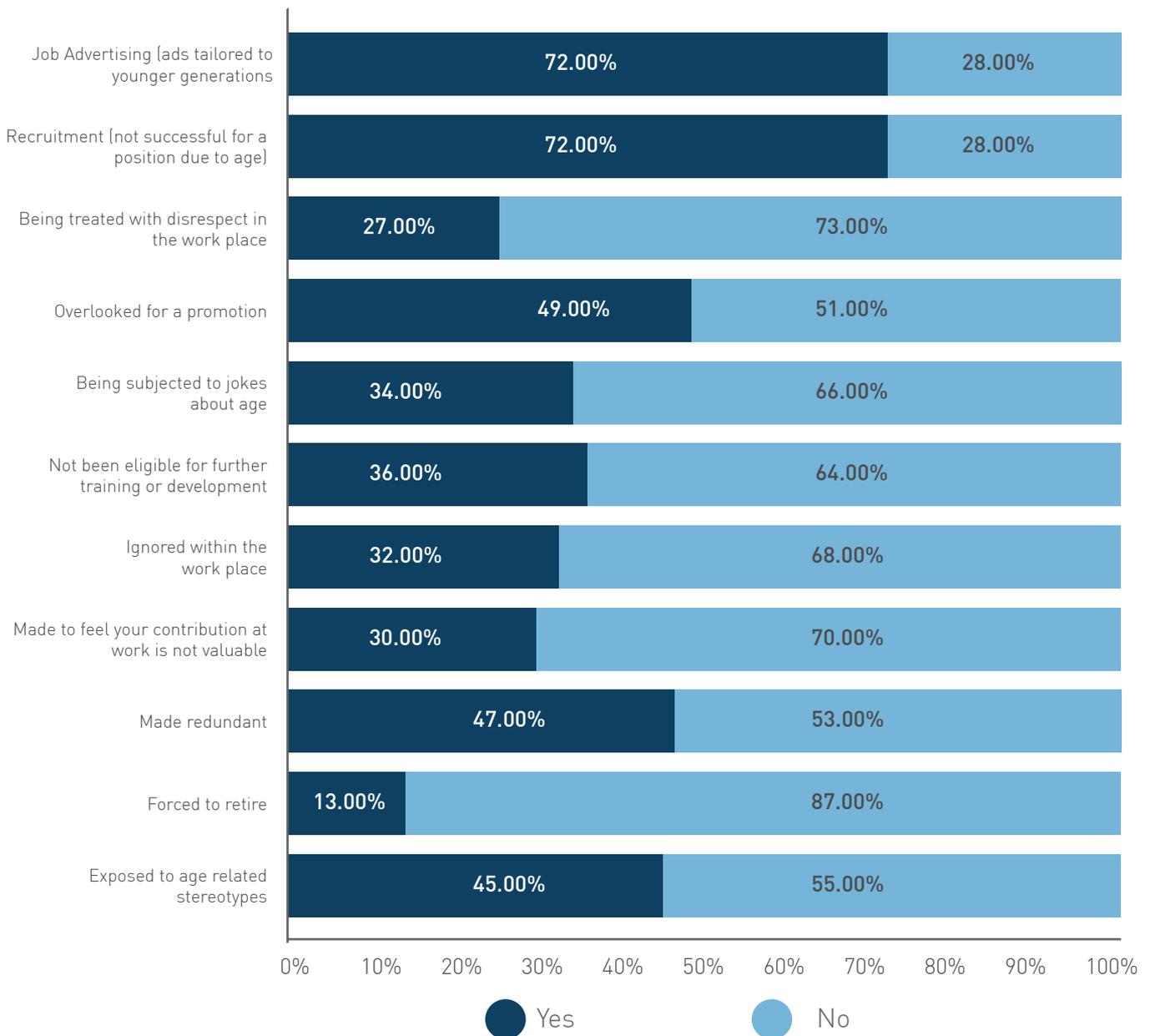


This perceived workforce discrimination has been experienced across a broad spectrum of workplace interactions.

The most significant levels of perceived discrimination are in job advertising, recruitment, being overlooked for a promotion, redundancy, and exposure to age related stereotypes.

The majority of respondents feel they have experienced age-related discrimination in some form.

Experience of work related age discrimination



Respondents were given the opportunity to provide further comment about their experience with, or as, mature aged workers. One third of respondents chose to do this and a selection of comments follow:

My last interviewer asked me if any of my referees were still alive. I have a lot to give an employer, not just skills, but experiences, wisdom, knowledge based in a vast array of types of employment and different sectors here, nationally and internationally.

(WA, Sales)

On the one hand, most employers want experienced staff they don't have to train because they don't know how to build, develop and retain - or can't afford to. On the other hand, employers hesitate to hire very experienced (highly competent) staff in the fear that flaws in their business may be brought to the surface that they were otherwise unaware of and incapable of identifying.

(NSW, Accommodation & Food Services)

People over 45 cannot compete no matter what experience or qualifications they have. There is no regard for loyalty anymore. Younger people are getting the jobs then leaving to take on better paid roles in the future. We just want to be able to use all our skills and experience.

(SA, Not for Profit)

My experience looking for permanent work through a recruitment agency has not been positive and believe it can only be attributed to age as my skill level is advanced. I have also found in general that recruitment personnel are quite young and don't fully comprehend the skills of an older worker.

(WA, Transport, Postal and Warehousing)

Opportunities for career change later in life are very rare indeed, especially once you turn 60 and are edging towards retirement.

(WA, Rental, Hiring and Real Estate Services)

I find that there is more discrimination in pre-employment than once you are in the workforce. Getting a job is the problem not keeping it.

(NSW, Administrative and Support Services)

Working in IT I have very few peers. I feel uncomfortable at team building exercises as they usually involve extreme sports or late night drinking activities.

(SA, Information Media and Telecommunications)

I am being made redundant due to mine closure. I am expecting difficulty obtaining a full time position due to my age. My wife, aged 60 is applying for positions has several times made it through the recruitment process to the final face to face interview where on seeing her age, it seems to be a show stopper.

(QLD, Mining)

I finished my MBA aged 49. I feel possessing this qualification has disqualified me for a lot of low-medium level positions. I have removed this from my CV.

(QLD, Administrative and Support Services)



RECOMMENDATIONS.

To be successful in the future, organisations must engage a diverse range of talent, knowledge and skills.

The skills and experience held by mature age workers will become increasingly valuable to employers.

It is critical that those who are willing to work have the ability to do so to the best of their skill level and aspiration.

The 'Investing in Experience Charter' is key to the Corporate Champions program and provides a set of nine best practice principles to encourage the recruitment and retention of mature age people, and strengthen age-management practices in workplaces throughout Australia⁴.

1. We know our workforce and plan for the future
2. We recruit the best, regardless of age
3. We believe in life-long learning and we encourage skills and knowledge transfer
4. We are proactive in retaining our staff
5. We support our employees in the transition to retirement
6. We practise age diversity
7. We provide a safe working environment
8. We involve our staff
9. We promote and share better practice.

Our respondents noted recruitment, career progression, and access to development as the key barriers they experienced. These barriers can be directly addressed by considering the first three principles of this charter.

1. Know your workforce and plan for the future.

The first step in any strategy to improve the recruitment and retention of mature age workers is to understand the make-up of your existing workforce in order to identify and address potential skill or knowledge gaps.

2. Recruit the best, regardless of age.

Successful businesses source a broad and diverse range of talent, knowledge and skills. When organisations adopt recruitment practices that are age-friendly they widen the candidate pool and increase the likelihood of finding the best person for the job.

The worker survey respondents sent a very clear message that job advertising, the recruitment process, and their experience with recruiters all left them with the feeling that they had been treated less favourably because of their age – this is not only illegal, but poor business practice and will compromise the quality of new recruits into a business.

In order to ensure that the recruitment and sourcing process does not unlawfully discriminate against mature age workers your mature age recruitment and sourcing strategy should include:

- Goals or objectives for the strategy (commercial outcomes, operational and productivity effectiveness, employer branding)
- HR forecasting and workforce planning
- Developing a company Employee Value Proposition that appeals to mature-age candidates
- Training managers on age diversity
- Ensuring your recruitment processes are age-friendly and in line with best practice.

During the recruitment of mature age workers, it is important to take into consideration sound age management strategies and practices such as:

- Being aware of age diversity human resources policies such as ensuring references to age (actual or implied) are removed from job descriptions and advertisements, as well as during the interview process.
- Paying attention to the language used in advertisements, for example omitting the use of vernacular that describes personal characteristics such as 'energetic', 'fast paced', 'highly driven', 'vitality'.
- Reviewing recruitment and promotion methods to identify possible areas of inadvertent discrimination such as intimidating mature applicants.
- Ensuring managers and HR practitioners recognise and value the recruitment of mature age workers based on competency and skills, rather than hiring based on formal qualifications alone.
- Recognising and valuing the particular skills that mature age workers can bring to an organisation, for example, mentoring, coaching, the wisdom of longer experience, in-depth knowledge of the organisation and systems, and established networks.
- Gaining an understanding and utilising good public support programs such as government funded programs for wage subsidies or settling-in grants such as the Federal Government's Restart Program.
- Working with external recruitment agencies to ensure that they adopt age-fair practices.

3. Believe in lifelong learning and encourage skills and knowledge transfer.

Continuing to invest in people regardless of their age and utilising the skills and experience of mature age workers as mentors for less experienced workers delivers benefits to business including improvements in morale and increased productivity.

Ensuring continuous development of all employees regardless of age improves the overall skill level within the business and increases the capability of employees to share skills and knowledge throughout the entire employment life cycle.

Establishing mentoring networks partnering mature age workers with their less experienced colleagues is an excellent avenue to build and develop improved workplace relationships and overall morale.

SUPPORT FOR EMPLOYERS.



Restart is an Australian Government wage subsidy of up to \$10,000 (GST inclusive) that encourages businesses to employ mature workers.

To receive this wage subsidy, a business needs to employ a job seeker who is:

- 50 years of age or older.
- Unemployed and on income support for six months or more.
- Registered with a jobactive or Disability Employment Services or Community Development Programme provider.

Up to \$6,500 (GST inclusive) is payable if the employment is for at least 30 hours per week, over 12 months. A bonus of up to \$3,500 (GST inclusive) will be paid for employment which lasts the full 12 months, making it a total of up to \$10,000 (GST inclusive).

You will receive a pro-rata wage subsidy starting from \$3,250 (GST inclusive) if you employ an eligible mature age worker for 15–29 hours per week.

For further information, contact your nearest jobactive provider by visiting www.jobactive.gov.au



IPA is one of Australia's leading recruitment specialists with over thirty years' experience providing workforce and career solutions that help organisations and individuals succeed at work.

Our service offering is designed to assist you in achieving your business goals through the attraction, selection and retention of an engaged and productive workforce.

Through the Corporate Champions program, IPA successfully partnered with organisations of all sizes to help them implement best practice mature age recruitment strategies.

If you are interested in learning more or would like assistance putting together a tailored mature age recruitment strategy, contact our diversity consultant, **Georgina Storey** on **03 9252 2204** or via email gstorey@eshgroup.com.au.

T: 1300 658 400
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A jobactive provider, Employment Services Group (ESG) helps people develop their capacity to achieve lasting employment and provides expert workforce solutions to employers.

We deliver a range of services to organisations of all sizes, many of which are funded by the Australian Government through jobactive.

Our services include professional no cost recruitment services that connect employers with work ready job seekers, post placement support to assist new employees settle into their job and assistance accessing various wage subsidies such as Restart which help employers with the associated costs of taking on new employees.

T: 1300 658 414
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