

Attitudes to older workers

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Overview

**The Fact That Matters Most:
Over 1 million Australians aged 50 or over today have
insufficient pension or superannuation cover.**

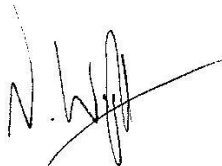
In commissioning this work, the Financial Services Council is taking some of the first steps in Australia to deal with a problem that is confronting many developed countries. While population growth and fertility rates continue to stagnate, people are living longer, meaning that in Australia the over-60s are growing in number at approximately four times the rate of other demographic groups. At current trends, by 2050 there will only be 2.7 working Australians for every citizen over 65. In the 1970s, the ratio was 7.5 workers for each older Australian. Without decisive policy action, this will have significant implications for the quality-of-life of every Australian.

Increasing the labour force participation of this age group provides a double benefit in combating the impact of an ageing population:

- By increasing the number of people in the workforce, ameliorating skill shortages and reducing the dependency ratio (the ration of retirees to workers); and
- Giving these workers more time to save for retirement, increasing their income in retirement and ultimately reducing the burden of the age pension on the Federal Budget.

Understanding the attitudes of both older workers themselves - and those that employ them – is a demanding task and the present report represents the first complete picture: A unique survey of the views of Australians over the age of 50, grafted to an in-depth qualitative study of employers, including representatives from a range of sectors and sizes of business and government. The qualitative data presented here covers several subject areas, from perceived prejudice and productivity, to the attitudes and attributes of older workers – as well as their awareness of the demographic dilemma. This is in pursuit of the core research objective of pinpointing as precisely as possible the key, salient issues in public opinion.

For a clear majority of those we surveyed - 56% - the statistic highlighted in the box above is the most concerning of all. In the end, it will be only through smart, effective decisions by politicians and policy-makers that this 'demographic time-bomb' can be defused. By providing an understanding of the views of employers and employees about working past 50 and pinpointing the specific attitudes and problems in this market, this report provides an important step in developing those policies.



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Executive Summary: Employers & Employees Aged 50+

The proportion of Australians of retirement age is increasing rapidly. What was previously an alarming blip on demographers' charts is now a present policy challenge. While the labour force participation rate for prime age persons for Australia is 5th in the OECD and well above the OECD average, the participation rate for 55 to 64 year olds is ranked 13th and for those aged 65 and over, 10th.¹

There are nine key overall findings which synthesize both the employer and employee parts of the survey to illustrate the situation faced by workers over the age of 50 today.

1. The World has Changed: The financial crisis of 2008 has dramatically affected the attitudes, financial outlook and needs of the over 50s as well as those that employ them.

Since the crisis in the global financial system three years ago, which began in the US and continues today in the European Union, the business environment in Australia has transformed significantly. Previously profitable businesses have become marginal enterprises looking to shave costs, at precisely the moment that the over-50s have been pressed into working longer than expected, having seen their retirement savings reduced unexpectedly. The implications of this changed context are only now being fully realised by employees and employers alike – the financial crisis has only accelerated the processes and policies brought about by the demographic bubble.

2. The problem is most acute among middle-income, middle-managers.

The challenges presented by Australia's ageing workforce are sketched out in considerable detail over the pages that follow, including the attitudes that need to change and the barriers that we face in improving older Australians' employment prospects. However it is important to consider where the problem is at its most acute.

Among the over-50s, those earning under \$80,000 per annum are more than twice as likely to have experienced age-related discrimination as those earning more.

The problem of age-related discrimination is most keenly felt in the "middle" of the Australian workforce – those earning at or about the average Australian wage of circa \$70,000 each year² - as illustrated on the chart overleaf. Over a third of those questioned in this wage bracket (35%) said that they had experienced age-related discrimination, a figure that falls away sharply at the top and bottom ends of the wage spectrum.

Interrogation of these figures through the qualitative component of the study revealed that this was because necessity has bred flexibility among both the lowest and highest earners. At the top level, more senior executives are taking on part-time or consultative roles, while this research revealed that service and hospitality sectors have

¹ Productivity Commission Workforce Participation Rates – "How Does Australia Compare", Staff Working paper, December 2006. The Productivity Commission has adjusted OECD data to take into account differences in calculation across OECD countries.

² www.abs.gov.au

always relied on a high rate of ‘churn’ of low-paid employees to keep their businesses running, regardless of age.

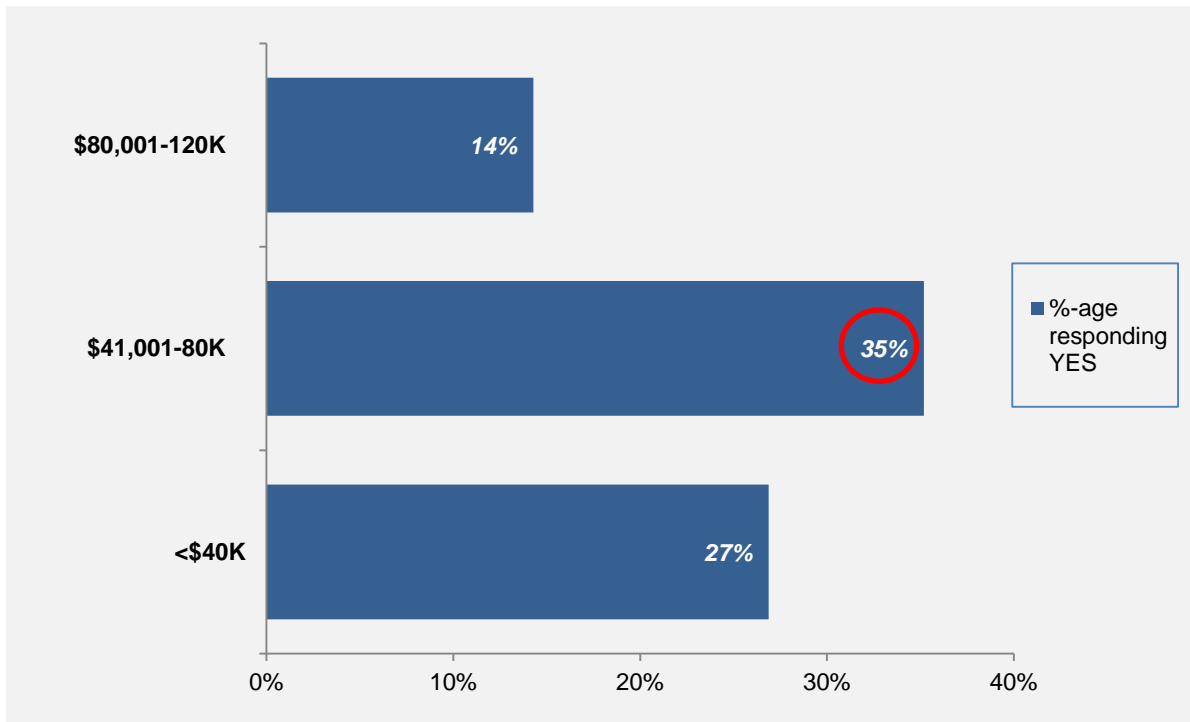


Chart I. As a member of the workforce aged over 50, have you ever felt discriminated against because of your age?

**3. The trend is towards greater flexibility in contracts and careers for younger people
Government and business needs to act to create similar pathways for the over-50s.**

One result of the instability in the global markets has been an increase in flexible working in Australia – most visibly at opposite ends of the wage spectrum. In order to work longer – which older workers say they want to do, regardless of financial circumstances - employees need to be prepared to accept part-time or contract roles. Most companies say that they too are happy to discuss more flexible hours at a lower pay rate (provided the business doesn’t suffer) although the current evidence suggests that too many barriers still exist to make this truly practicable.

While in some sectors, most notably government, there is considerable willingness to be more flexible, this research revealed that corporate Australia still persists with a bullish ‘one-size-for-all’ mentality – full-time or nothing. Among workers too, there are attitudinal barriers to overcome. Men especially were found to be less willing to accept a drop in pay or perceived status, even as they expressed the desire for more flexible working arrangements. Herein lies a paradox; older workers tend to want less stress and need less money. Why shouldn’t this be commensurate with a more flexible work schedule?

It is not enough to simply make the hiring of the over-50s more flexible and easier. This research uncovered a need to drive demand on the employer side, in order to encourage the recruitment and retention of older workers. Employers themselves need to

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consider using the experience, skills and wisdom – that they willingly admit older workers possess in abundance – as an untapped reservoir of opportunity, to be deployed in new and innovative ways. Here there is a role for government in promoting and expanding best practice in unlocking the potential of older workers.

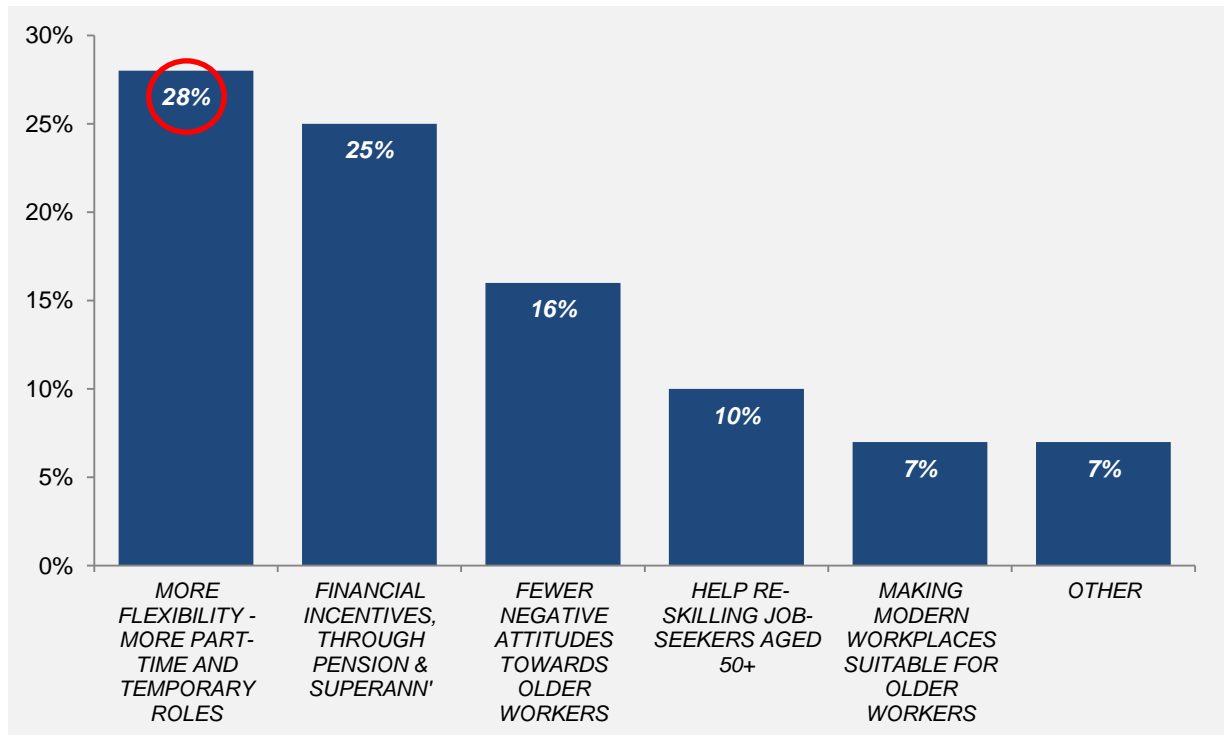


Chart II. Which factor would be most influential in helping you decide to carry on working later in life?

Consider the chart above, which demonstrates the demand for increased flexibility from older workers themselves. It is not enough to suppose that ‘the market’ will do the job alone. Irrational prejudice and in-built systemic bias against workers aged 50+ mean that changes both to attitudes and financial incentives are necessary, if all those older workers who currently wish to work are able to do so.

The inference from the survey and interviews is clear - employers and the Government need to encourage new flexible and creative roles for those aged over 50 such as directorships, consultancies and mentoring.

4. Discrimination is a problem, and it will not go away without real action to change the “rules of the road” for 50+s

While three out of ten of older workers surveyed had direct experience of age-related discrimination, employer representatives freely confirmed that the problem is ‘widespread’ from where they sit. However, it is important to note that this is not a simplistic, cross-the-board picture of bias; it is nuanced according to sector, income and gender. In the thriving resources sector for instance, demand for experience is actually

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soaring (as discussed in more detail, at Finding 8 below). It is a similar story right at the top of some other industries, where specific skills and expertise are at a premium. Women also are significantly less likely to have experienced discrimination of this kind. It is in other words, a patchwork picture.

This is why a generalised call for a campaign of ‘attitudinal change’ by itself would be empty, hollow and likely to be ignored. Instead, the observations made here are directed at those areas and industries where there is a readily identifiable problem. Furthermore, they are geared to structural factors – changing the rules-of-the-game in order to remove disincentives to employees working longer, and those who would take them on.

There are clearly some examples of success in employing older workers and there may be a role for Government in showcasing best-practice outcomes in employing, retaining and retraining older workers.

“In Australian business, the fact is that your chances of landing a permanent job are MUCH reduced in your 50s and 60s, when competing with people in their 30s and 40s...”

- Senior-level NSW Executive Recruiter

5. Training & Development is seen as having a declining Return on Investment for workers aged over 50 at the time they need it most.

This research found that companies are prepared to re-train or up-skill older workers if they see an immediate return on the investment. This support for re-training falls away sharply if the over-50s worker seeks more extensive education for, say, a career change within the organization. In that case, the return on investment is regarded as insufficient when compared with a 30-year-old, for example, who might be regarded as having greater potential as a longer term employee and a future leader. When economic times – and increasing physical longevity – mean that all employees need to work for longer, this suggests a need for action to ensure older workers’ skills are kept up-to-date.

A development of recent decades, sometimes underplayed, is the revolution in work places caused by the internet and information technology. People under the age of forty grew up with computers– while those over the age of fifty had to adapt when they were mid-way through their careers. When we asked older workers what kinds of training or up-skilling would be most useful to them, Information Technology was by some stretch the most in-demand.

However, while demand from older workers for training and development is substantial – illustrated on the chart below – supply is falling away. As has been discussed, firms can see the over-50s as offering a declining ‘return-on-investment’. The remedy then should be to offer the kind of retraining that is in such demand, while concurrently creating incentives for firms who would offer it to their older employees.

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This indicates that there may be a market failure in the provision of education to older workers where the economic returns on investment do not flow to the employer. In this case there may be a role for Government to provide financial or other incentives to retrain older workers.

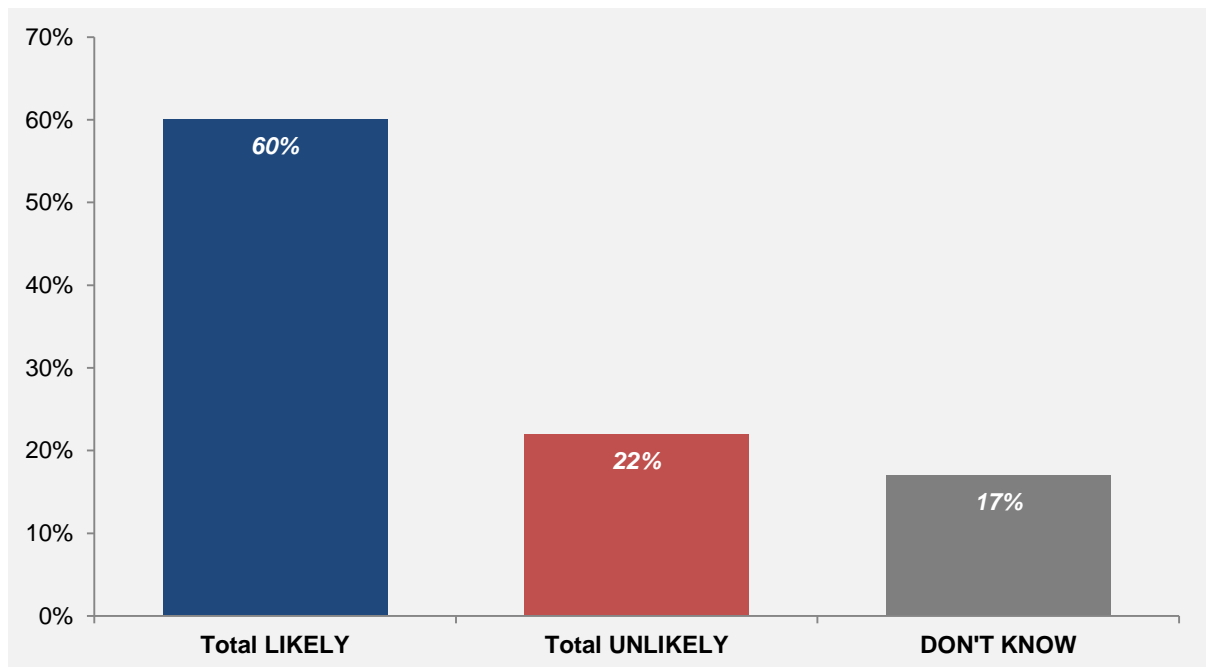


Chart III. If training/development opportunities were to be made available, how likely would you be to take them up?

6. Money matters: Currently, the costs of hiring and retaining workers aged over 50 are too high and act to push people into retirement

Both workers and their employers note that the wages and retirement income system actively discourages people from staying in employment later in life. We heard from recruiters who noted that the current preservation age (when people can access their superannuation -still as low as 55 for some) encourages some people to leave work as soon as they can access their superannuation.

This can cause people to leave the workforce for good. At the same time, it is an acknowledged truth by both employers and employees alike that the over-50s are especially keen to carry on working, even if it is in a part-time capacity (because they are less keen on the stress of full-time work and less motivated by financial necessity).

As the preservation age rises to 60, this will become less of an issue. However, the interaction of tax, welfare and superannuation systems need to be considered to ensure those who can already draw on their superannuation do not automatically leave the workforce. The total costs of employing somebody over the age of 50 (and even more so

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over the age of 60) are disproportionately high. There is a range of factors behind this reality, from the costs of insuring workers aged 60 and over to the often inflated wage expectations that older workers have.

Change is needed if Australia is to move towards a system that encourages those who do not want to retire, and carry on working into their sixties. Some interviewees also questioned the 2009 decision to halve employees' maximum annual superannuation contributions to \$50,000 (for over 50s), as discouraging efforts to save more.

7. For both employers and employees, there is a need to define a picture of 'what work can look like' in your fifties and sixties.

Australia is a young country and the 'cult of youth' pervades our workplaces, according to the results of our interviews. A model for *how* people might continue working into their later years has yet to be established here, in contrast to some European countries. This has bred the perception of a black-and-white picture in which employees are either working full-time, or they are retired or retrenched.

This will take some time to change. However there are important lessons to learn from other countries, where employee mentoring by older workers is commonplace, as is their involvement in community or volunteer projects. This is as much a change that needs to take place in the minds of older workers themselves, however. Employer representatives questioned for this survey argued that older workers need to accept the reality that the days of 'a job for life' in one's fifties and sixties are over – and embrace new possibilities in order to extend their working life.

8. Demand for Australian resources is booming in line with that sector's demand for older workers.

This research discovered that when demand outstrips supply to the extent that it does in hospitality, as well as in Australia's thriving resources sector, the situation regarding older workers changes completely. Both industries are heavily 'growth-focused', so the accent when hiring is on "Organisational Capability", in which 50+ workers are perceived as having a competitive advantage. These attributes are the keys to strong, sustained growth – those workers with decades of proven ability, people-skills and leadership. In other words, older, more experienced employees.

One of the resources representatives we spoke to admitted that the sector "has had to change and become more broad-minded than we were a few years ago," but the progression has been driven by need. It is a similar story in the service-dependent hotel sector. For these respondents, it is more of a head-ache finding and retaining such skilled staff – but one that is well worth enduring, given the contribution older workers make.

"Work isn't just about showing up at the office so you can draw a salary; it's about being part of something – and those towards the end of their careers 'get' that more than anybody."

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9. Recruiters believe that older workers have “so much to offer”. And that realising this will only help the performance and productivity of the Australian economy.

The lesson now being learned in those parts of the economy that are actively using older workers is that they can be a valuable asset to a business or organisation. From workplaces that rely on *“a cool head when dealing with customers”* to some of the most advanced parts of private equity and business management, experienced employees aged 50+ get a huge thumbs-up. Our interviewees used expressions such as, *“easier to manage”*, *“safe pairs of hands”*, *“less high maintenance”* and *“energetic and enthusiastic”* when talking about grey-haired workers. Perhaps most interestingly, in terms of financial management of a business, managers we spoke to thought of hiring older workers for specific projects as ‘de-risking’ because, *“I don’t have to worry about them stuffing something up in the same way as a much younger person”*.

This research gauged reaction to legal and professional services firms retiring their partners compulsorily in their early fifties, a policy which was universally seen as, *“a colossal waste of talent”*. We found no disagreement or dispute among the HR or recruitment community that we interviewed, right across Australia: At that time of their careers, people have perhaps the most to offer of all.

We are living longer, healthier lives and are so quite logically as competent, energetic and enthusiastic later in life as we were earlier on. To summarise our respondents’ conclusions, the challenge today is not getting employers to understand the value of this asset – it is to make it easier and more efficient for them to be able to deploy it.

* * *

The View from Workers Aged 50 and Over

The findings in this section present - for the first time - a detailed, quantitative breakdown of the opinions and attitudes of Australian workers aged 50 and over. Along with detailed analysis of key statistics, a clear picture emerges here of a group of people who are experiencing – and concerned by – the ‘demographic bubble’ that Australia is currently seeing. As a way of contextualising the findings that follow, it is worth considering that attitudinally, older workers see the big issue as something that is both a matter of government action and individual responsibility – it is not an either/or equation.

10. Australians want to work for longer, and especially since the events of 2008, they need to.

An overwhelming number of our respondents said that the principal reason they continued to work into their fifties and sixties was “*Financial security*” (53%) which compared to 16% choosing their enjoyment of the job – the second highest response. So it should not be surprising that well over half of those aged over 50 that we spoke to are keen to continue working for as long as possible, as illustrated in the graph below.

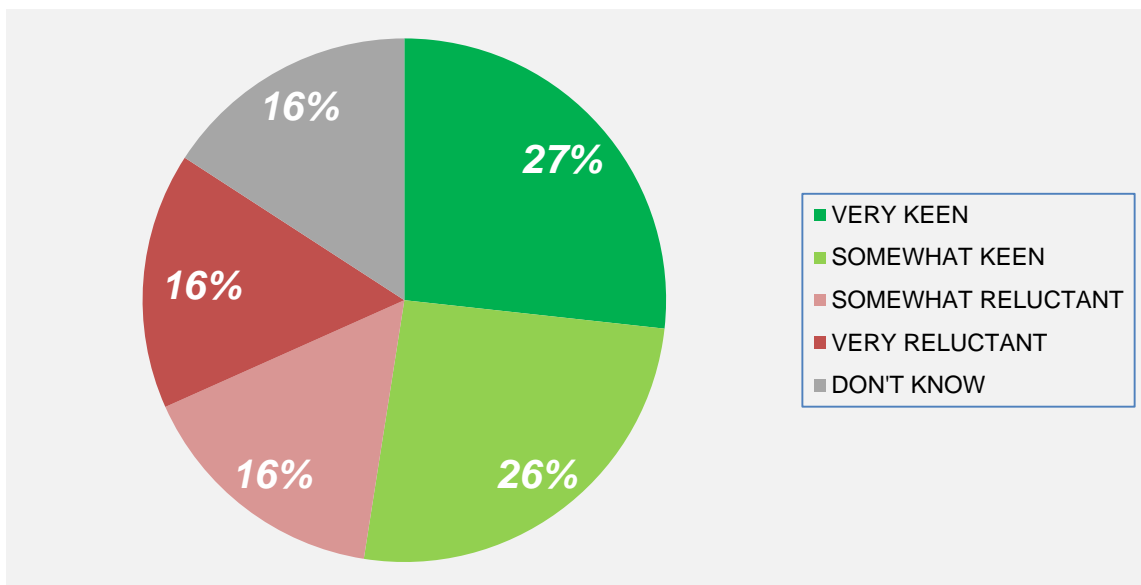


Chart IV. Regardless of your financial situation, how keen would you be to continue working for as long as you feel willing and able?

11. There is awareness of, and discomfort at, Australia’s Superannuation ‘Black Hole’

The statistic that 1 million Australians aged 50 and over have inadequate superannuation or pension coverage was easily the most concerning to respondents. And this concern was reflected elsewhere, with almost half of those questioned admitting to being “*dissatisfied*” with the amount they have put aside for their retirement. Even more worryingly, over a quarter - 27% - of those questioned said that they were ‘*very*’ concerned (this rose to 30% of those who are single/separated and 33% of those aged 65-70). Meanwhile, 42% pronounced themselves “*satisfied*” with the amount they had saved – unsurprisingly, this correlated most strongly with household income levels.

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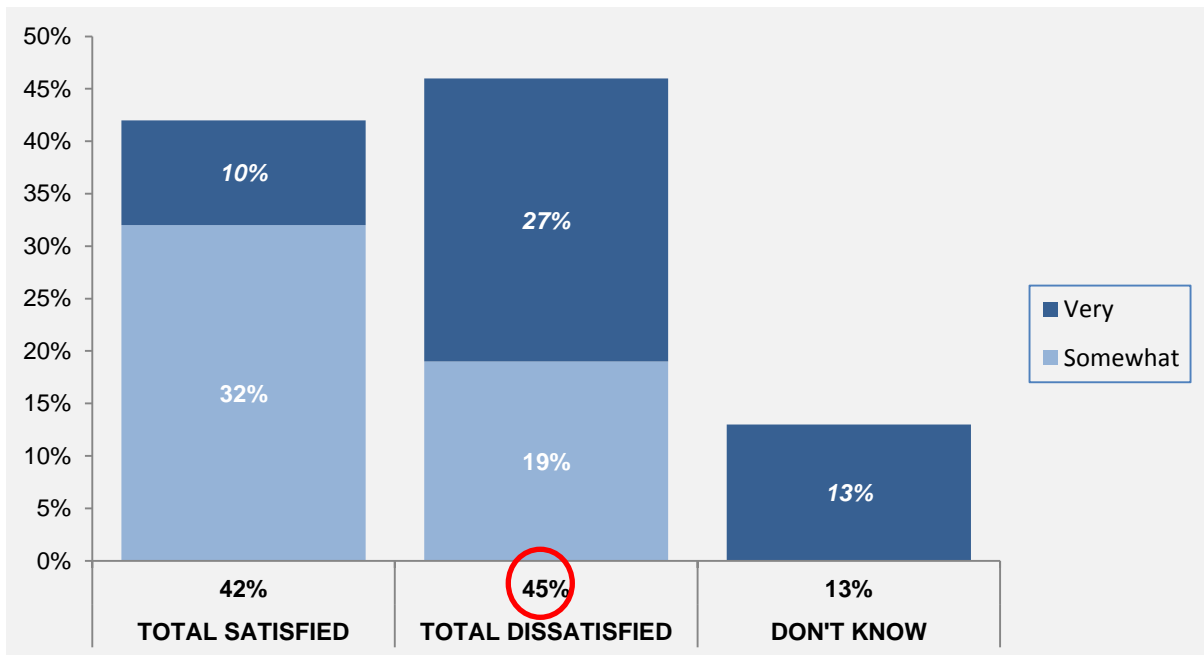


Chart V. How confident are you that you have sufficient funds put aside to provide comfortably for your retirement?

12. If there is a 'barrier' to people over 50 working longer, it's their physical condition...

While expressing enthusiasm for employment, 41% of the over 50s agreed that there is *'nothing holding me back'* from being able to work. For those identifying barriers to workforce participation, the largest number cited their *'physical condition'* – a reflection of the realities of ageing, and one that is mirrored in the employers' component of the study. Hard physical labour and long hours are simply less realistic as employees get older. Interestingly, *'employer attitudes'* were only cited by roughly one in six (16%) as a barrier to employment. A significant but not overwhelming number. Slightly more of the people questioned – 17% - said that finding suitable work was the main problem.

13. ... And certainly not their productivity or motivation.

In order to compare and contrast the data, the self-perception of workers aged 50 and over was measured against the views of those who employ them. By and large, there was consensus across both parts of the research; as the graph below shows, older workers accept that their energy levels – and in some cases motivation and productivity – have dropped, but their knowledge, experience and skill levels have improved by at least as much. This trade-off is consistent with the picture painted in the employers' survey component of the study.

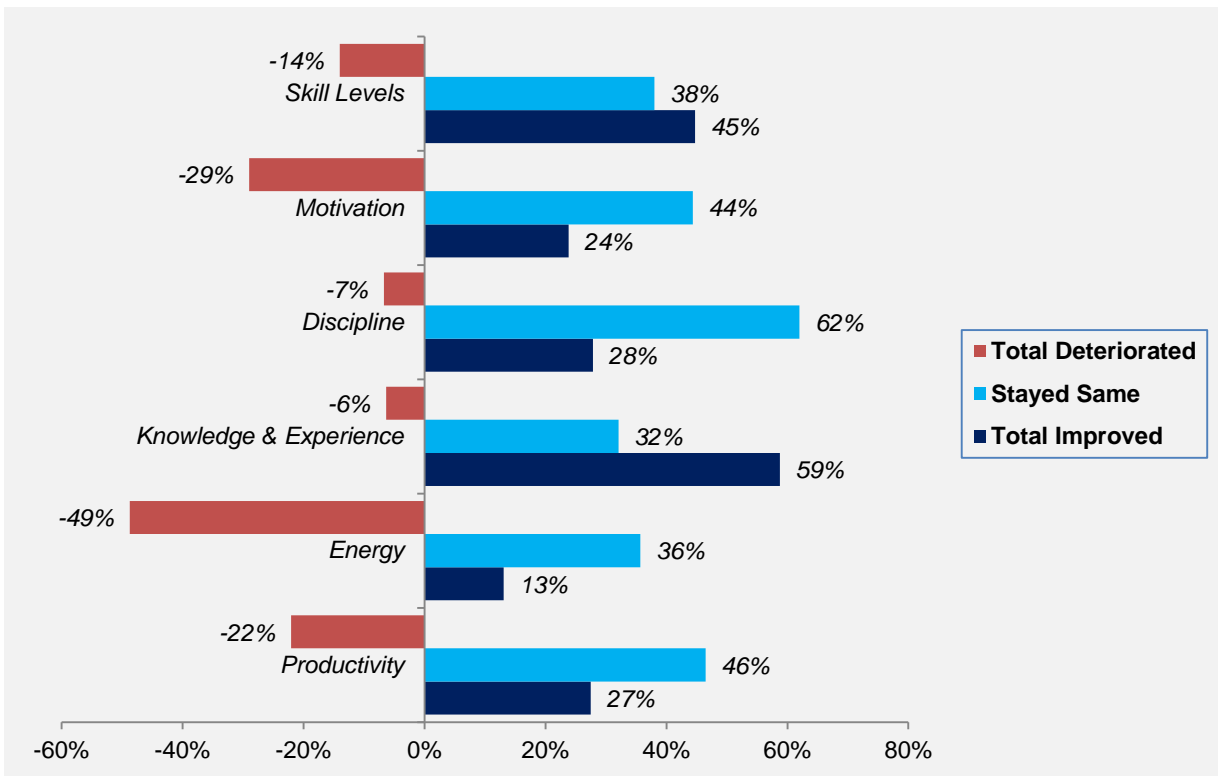


Chart VI. How have you changed over the past ten years as an employee – have you improved or deteriorated?

14. Discrimination is an issue... And most often takes the form of being let go before others

Reflecting the discussions we had with employers and recruiters, older workers lend weight to the view that discrimination on the basis of age is rife. Almost three in ten (28%) reported some form of direct discrimination, and the table below breaks those responses down. The most frequently cited example was being made redundant or laid-off before others, which was backed up by employers – who noted that this was by far the most common form of discrimination they encountered. Others highlighted by the workers themselves include lack of training/development opportunities, verbal abuse and inflexibility towards health and physical needs.

[Of those reporting discrimination]... What form did that discrimination take?

SACKED OR MADE REDUNDANT BEFORE OTHERS	24%
INFLEXIBILITY REGARDING HEALTH-PHYSICAL NEEDS	19%
VERBAL	13%
LACK OF TRAINING OR LEARNING OPPORTUNITIES	10%
SALARY-REMUNERATION	5%

15. There is real demand for training and development for the over-50s... But little supply

As has previously been seen, six out of ten of those over 50 would be likely to take up training and development opportunities in their place-of-work (slightly fewer – 55% -

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would take up training opportunities offered by the government). Now consider the following chart; an almost identical percentage has never been offered the opportunity.

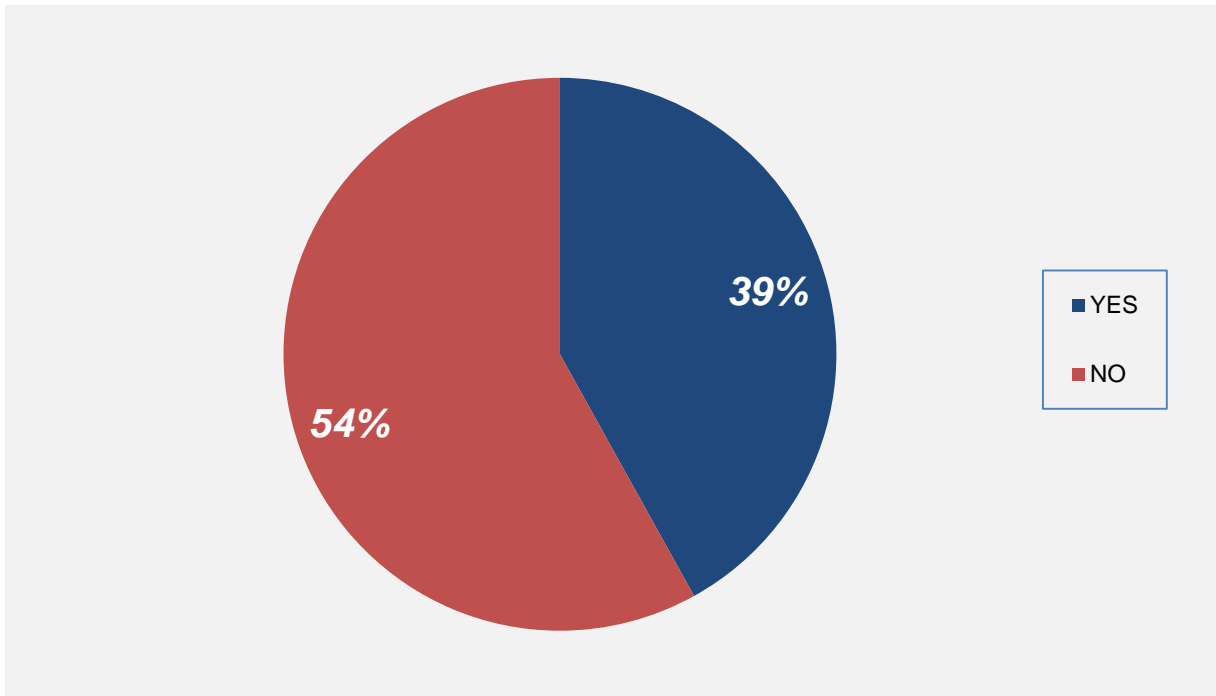


Chart VII. Have you ever been offered training or up-skilling in order to ensure your skills are up-to-date?

This is the disconnect between supply and demand that any future policy work needs to address. This indicates there is a market failure in the provision of training for older workers where returns on such investment are not fully captured by the employer. As such, there may be a role for Government to ensure there is a sufficient training to retain older workers in their jobs or in the labour force.

16. Given where the pressure is greatest – IT training should be a priority area of focus.

The revolution in information technology, computers and the internet has left many over-50s under-skilled in its wake – or, it is probably more accurate to say that it has left those under the age of 40 with a distinct advantage. Those who grew up in a world of email, Google and online socialisation are completely comfortable with the modern office. The same is not true of older workers; this was a finding backed up by our survey of senior recruiters. For the over-50s we questioned, this certainly explains the demand for IT and computer training – a quarter of those surveyed chose this kind of learning and development as of most interest, over business and personal development skills, and development either in a current or prospective career.

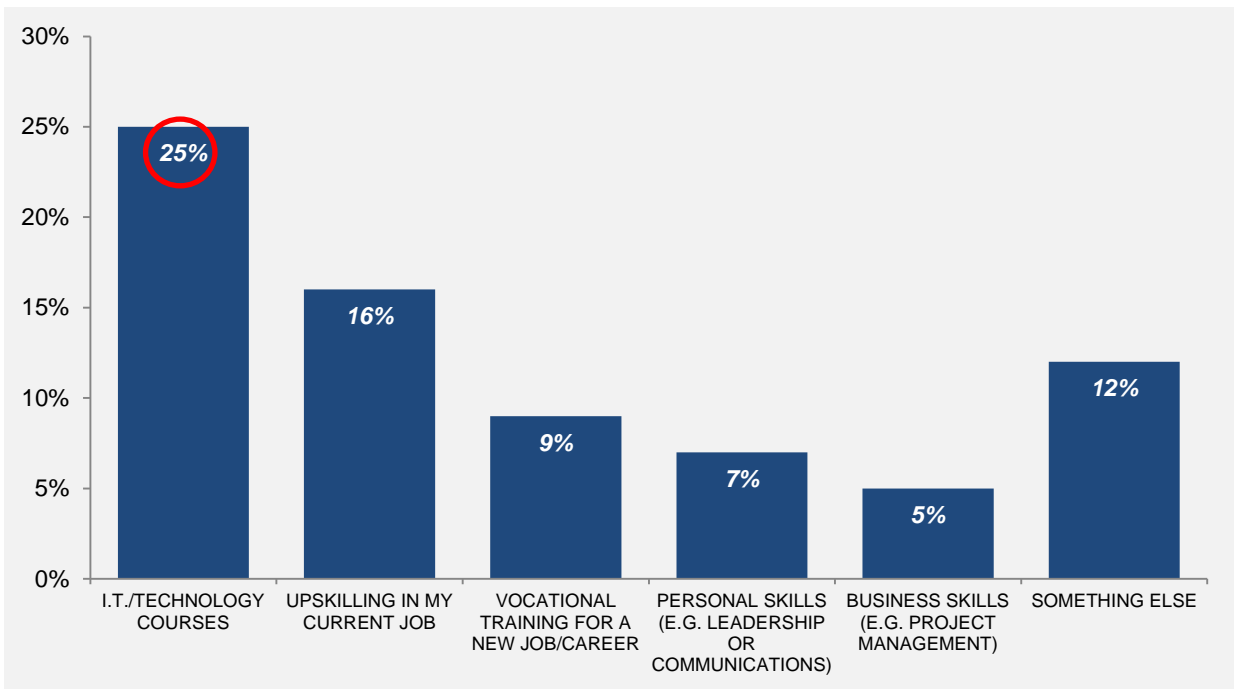


Chart VIII. Which kind of training/up-skilling would be of most interest to you?

This is perhaps the most logical place for policy reform – after all, a good level of competence in information technology is now a ‘must-have’ across an entire plethora of workplaces and sectors.

17. And most agree with a retirement age of 65.

Finally, we took a temperature-check on where workers aged over 50 felt the normal retirement age in Australia should be. Broadly, there was agreement with the current retirement age of 65, although interestingly, one in ten believes that it should be set at 70. Twice as many would argue that the retirement age should be somewhere between 55 and 64. In broad public policy terms though, this finding suggests that there is no appetite in Australia for a political fight over the official retirement age. Older workers are largely content with the status quo.

Older Workers: The Employers' Perspective

Understanding the underlying attitudes of employers towards workers over the age of 50 is a considerable research undertaking. The findings in this section represent a synthesis of a series of structured Depth Interviews, a research technique designed to get beneath the veneer of equal opportunities rhetoric and establish the true picture – how recruiters view older workers, their attitudes and attributes, and learning what are the real barriers to extending their life in the workplace.

18. There is real *discordance* between the rhetoric and the reality surrounding employees over the age of 50.

Firstly and most vitally, this is no monotone picture – attitudes towards older workers vary from sector to sector and, almost certainly, from company to company – see Finding 21 for more. But get beyond the ‘corporate-speak’ and recruiters, executives and HR directors will tell you that the picture painted by the older workers themselves is largely accurate: They are treated differently and, while this is sometimes a matter of discrimination, it is often also a matter of common-sense. People in their fifties and sixties *are* different; what employers and businesses need is a better sense of how they can tap this resource.

“Oh, it [discrimination] is a HUGE issue – but you’ll never get anyone to admit to it; it’s much easier to find excuses related to ‘culture’, ‘workplace harmony’ or some other such language...”

- Senior ASX 200 HR Manager

In this environment, stronger anti-discrimination legislation may simply lead to greater corporate “mature age employment strategies” and “glossy internal policy documents without changing attitudes or outcomes. Rather, attitudinal change is required. This is consistent with OECD research which found that stronger anti-discrimination legislation has led to worse outcomes for older workers.

19. It is not a question of Productivity, Motivation, Energy or similar potentially age-related attributes...

While we heard plenty of stories of latent, tacit prejudice against the over-50s it is important to report that of the attribute tests we put to prospective employers, they generally scored older workers well. Using measures such as motivation, skill levels and Energy, employers tended to rate older workers as at least as high-scoring as their younger co-workers. For some ratings – such as productivity – they actually scored them higher than the workers themselves. This suggests that while some attitudes and cultures need to change, the experience of employers themselves with older workers is usually at least positive as any other age bracket. Where there are issues, for instance with physical deterioration or IT skills gaps, these are seen as redeemable and resolvable. In short, there is no innate reason why people aged 50 cannot work for at least another decade or more.

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“Generally-speaking, productivity, age and motivation don’t correlate with age... Knowledge, experience and discipline do... But in a very positive sense.”

- Senior Mid-Cap HR Manager

20. ... Rather, it is a combination of factors – principally Cost, Workplace Culture and Attitudinal Concerns – that is causing employers to recruit younger.

We asked those involved in the day-to-day recruitment of employees why they thought firms were hiring younger, especially in the sensitive domain of middle-management and ‘middle’ (i.e. 40-50) age. The responses were illuminating. Employers have a ‘*desire for runway*’ when recruiting young executives and managers, in the words of one ASX 200 recruiter. It’s a question of ‘*transitioning*’ their leadership over the course of a number of years ‘*in a way that is cost-effective*’, added another. From all the interviews we conducted – some two dozen in total – the underlying causes of the trend were three:

Cost: Since the financial crisis of 2008, more expensive older workers have been more exposed. Rather than keep older workers on or retrain them, it is often far cheaper to simply retrench them.

Culture: Perhaps as a direct result of the first factor, most managers and executives are now with the range of 30-50. Most have had a minimum of half a dozen jobs, whereas a generation ago they would have perhaps had just one or two. They prefer to deal with people of their own age, or even younger. This can lead to a ‘cult of youth’, even if quite accidentally.

Concern about ‘Codgerish-ness’: Finally, the reality of people aged 50 and over simply staying too long in their roles – and becoming “*Blockers*”, in management jargon – can become a self-fulfilling prophecy. With no natural next step in their career progression, older workers can cling on in their jobs, stopping younger blood coming through the ranks while entrenching perceptions of ‘*old codgers who just stick around for too long*’.

“Look, the boom times have gone for most of us... So firms are – quite logically – churning the C-suite [CEOs, CFOs etc.] in order to get the salaries down...”

- Senior Financial Services Recruiter

The issue of transitioning to a part-time role with a mentoring focus is complex and not currently covered in most existing workplace cultures. Business and Government need to consider ways in which older workers can be encouraged to remain in the workforce through clear accountable “statesmen” roles.

21. Discrimination is a freely-acknowledged problem (at least, off the record) but the picture varies by sector.

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While discrimination is “*alive and kicking*” according to several of our interviewees in the services and corporate spheres, in other areas the picture is completely reversed. Australia’s booming resources sector suffers from a deficit of talent, to the extent that interviewees acknowledged that they were struggling to retrain and actively *recruit* older workers. It is another story again in government – especially local and state-level - where discrimination is simply a “*non-issue*” and respondents were able to cite both statistics to back their claims, along with the suggestion that better-entrenched flexibility (of hours and remuneration) as the probable success factors.

Where there is a problem, older workers can encounter discriminatory perceptions that they ‘*lack energy*’, are ‘*not IT savvy*’, or are ‘*set in their ways*’ which in-turn influence decisions affecting them. This is most often exemplified when in competition with young workers for a promotion, for example, or when choosing workers to be retrenched. More than one HR manager we spoke to noted simply, ‘*that’s just how it plays out*’.

The fact that some industries have been driven by necessity to attract and retain older workers, and that these strategies have been successful, augers well for coming years where this demographic will become a larger share of the workforce. It indicates an ability for business and employees to respond to supply and demand, change their culture and mind-sets and make use of older workers.

“... In the resources sector we’ve had to be quite creative in actually keeping older people on-board. We see them as a wonderful source of experience and knowledge. The labour demands in our sector are massive – And the skilled talent pool is actually drying up...”

- Senior HR Director, Resources Sector

The success of the resources and hospitality sectors provides models, experience and best practice examples for the Government and other sectors to draw on. It also indicates that the Government should focus any activity on other sectors.

22. The rest of the workforce – and employers - could learn from the flexibility of the very top.

Increased flexibility is now a fact-of-life in the Australian workplace, and nowhere is this more the case than at the top of the chain, where average CEO tenure is less than four years. Whereas a generation ago, people expected to perhaps only have two or three jobs throughout their working life, this research reveals that people now expect to have that many careers. As one of our respondents put it more prosaically, “*people used to get carried out in a box at fifty*”. Not anymore. One further cultural issue uncovered is the willingness of older workers – AND their employers – to accept this new, flexible reality.

We put the notion – now being put into practice by major law and professional services firms – that senior partners and executives be ‘pensioned off’ at 50. While there was near-universal agreement, from tourism and hotel representatives to the highest levels

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of finance that this is “*tragic*”, “*a real waste*” and “*brutal*”, there was also a degree of acceptance that this is reality. There was a view that if firms want their partners to be under a certain age, that is their right. The challenge is to create roles and pathways for all that unused talent.

“You have to accept that there’s a specifically male problem here – a lot of guys aged over 50 think it’s their ‘right’ to have a six-figure salary, company car and ‘Director’ in their job title... and that’s simply not the case anymore.”

- **ASX 200 HR Director**

The message is clear – it needs to be easier for employees to stay on in mentoring roles and such models need to be considered by employers and highlighted or championed by Government. At the same time, the interaction of the tax, welfare and superannuation systems needs to be considered in any policy development to ensure older workers are not discouraged from participating in the labour market.

23. Professional recruiters urge ALL their candidates to ‘keep a young mind-set’ in order to be successful with employers

A number of our interviewees stated, “*Attitude is everything*”, repeating the idea that one’s state-of-mind is not correlated with age. Especially in the services and tourism sectors, experience dealing with people – and the ability to maintain a positive attitude – is a huge asset, yet one that older people don’t seem to realise that they possess. Similarly, some older workers allow the perception of having ‘*given up*’ to take hold, through their appearance, interpersonal skills or ability to ‘*sell themselves*’. As one high-level recruiter we spoke to put it, “*it’s not that older workers cannot do it... It’s just that there is nobody to show them how to do it*”. In short, this is a skills-gap that requires policy attention.

“Some people haven’t had to sell themselves in 20 or 30 years... Well maybe we need to help them, but the reality is they need to front up too.”

Senior HR Director, Victoria

24. Lastly, a message to the over-50s from employers: You have a responsibility too.

If there is a ‘*paradigm shift*’ to be attained here in changing the views of the over-50s as somehow ‘*over the hill*’, then it is just as vital that older workers themselves don’t live up to the stereotype. They must be willing to take on mentoring - and perhaps less directly managerial – roles, if big organisations are prepared to create them. Above all, they have to engage with the way the world has changed... and meet employers’ demand to change with it.

“You also have to remember that the under-30s don’t have a complete monopoly on incompetence...”

- **Senior HR Director, Victoria**

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Top-level recruiters we spoke to, used expressions such as, “*stay hungry, stay sharp*”, “*Be prepared to move – geographically, as well as in terms of your career*” and “*think of it in terms of risk-mitigation, in order to minimise your chances of being turfed aside too early*”. This is something that has been achieved in some European countries – Holland was cited as a specific example by respondents – where the over-50s have been seen as a vast, under-used resource, put to work in companies and the community at large to everybody’s benefit.

There is a need to showcase Best Practice in recruiting, retaining and retraining older workers, using Australian firms’ own ideas and innovations to generate discussion and debate (while simultaneously raising awareness).

Appendix I: Methodology

Westfield|Wright designed a bespoke methodology especially for this project, in conjunction with FSC Chief Economist James Bond and with input from the Department of Treasury and research staff from the OECD – who conducted a similar study on a global basis, three years ago.³ The research was broken into two, distinct components:

1. Quantitative Study of older Australian workers

A sample of n=500 Australians aged 50 and over was questioned from 20 November to 2 December 2011, using a questionnaire approximately 15 minutes in length (or 30 questions). In addition to meeting the research objectives of understanding the attitudes, attributes, opinions and views of older workers on a range of issues, the results provided a demographic breakdown, illustrating differences of opinion among men and women, income groups and geographic regions.

Specific question areas included: Attitudes to work and remuneration; views on discrimination, prejudice and abuse; Learning and development opportunities; demographic changes (e.g. the retirement age, the pensions ‘black hole’ etc.) and opinions on the Australian macro-economic and political picture in general.

2. Qualitative Study of Australian employers and recruiters

Westfield|Wright conducted a series of 24 **depth interviews** in order to target the other key population here: The recruiters and employers in the ASX200 and small and medium-sized businesses. Depth interviews are perhaps the single best way to generate substantive, weighty qualitative data to understand *how* and *why* specific attitudes and behaviours exist.

Depth interviews were conducted in person and over the phone, using a standardised Questionnaire Guide (at Appendix III) which were be used by trained moderators in each interview conducted. Interviews lasted approximately 45 minutes to an hour in length each, and were almost completely qualitative – although several numeric-scale questions were included, in order to give a quantitative sense of accuracy in some areas.

Depth interviews were **anonymous and non-attributable** in order to ensure a full and frank discussion of the issues. Wherever possible, they were held **off-site** and ensured the maximum level of confidence from our respondents.

Finally, we performed a separate set of **triads** – three-way qualitative conversations – specifically to capture the thoughts and insights of **recruitment consultants**, experts in their field. These findings were especially useful in capturing cross-sector trends, highlighting specific examples from other industries and formulating policy recommendations which could work in a variety of organisations.

Interviewees were incentivised with a donation to the charity or not-for-profit organization of their choice. Donations were made on their behalf by Westfield|Wright Pty.

³ http://www.oecd.org/department/0,3355,en_2649_34747_1_1_1_1_1,00.html