



# Managing older workers in a period of tightening labour supply

**Professor Philip Taylor**

Director of Research and Graduate Studies,  
Monash University, Gippsland Campus

**Age-friendly Cities with Cooperation &  
Participation – The Asian Pacific Perspective  
19-20 November 2010 Hong Kong**



## Content

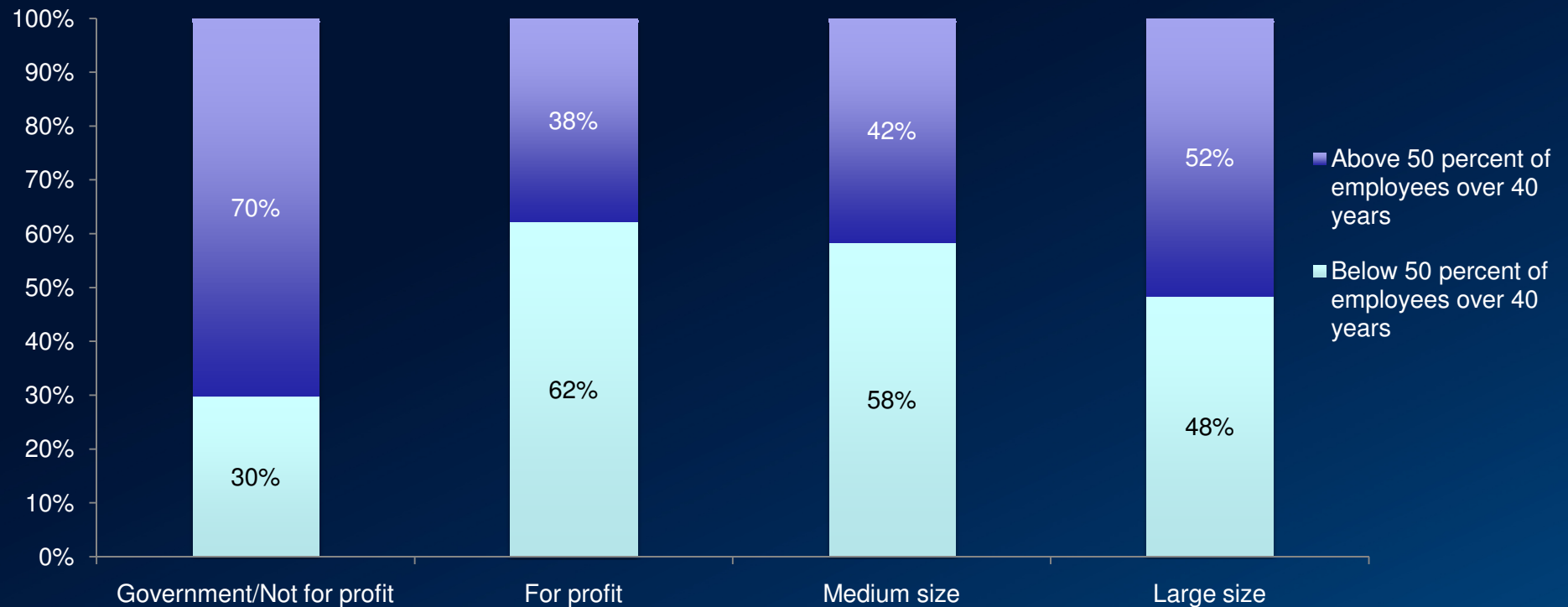
- Considers the changing status of older workers in the Australian labour market.
- Examines new evidence on employer behaviour of employers towards older labour, in the context of labour supply pressures.



## Working late and the spectre of uselessness

- Funded by the Australian Research Council and industry partners.
- CATI survey of 2,000 Queensland employers with more than 50 employees (29% response rate i.e. 590).
- Carried out during February-June 2010.
- All employment sectors.
- Asked a range of questions concerning the management of labour supply.

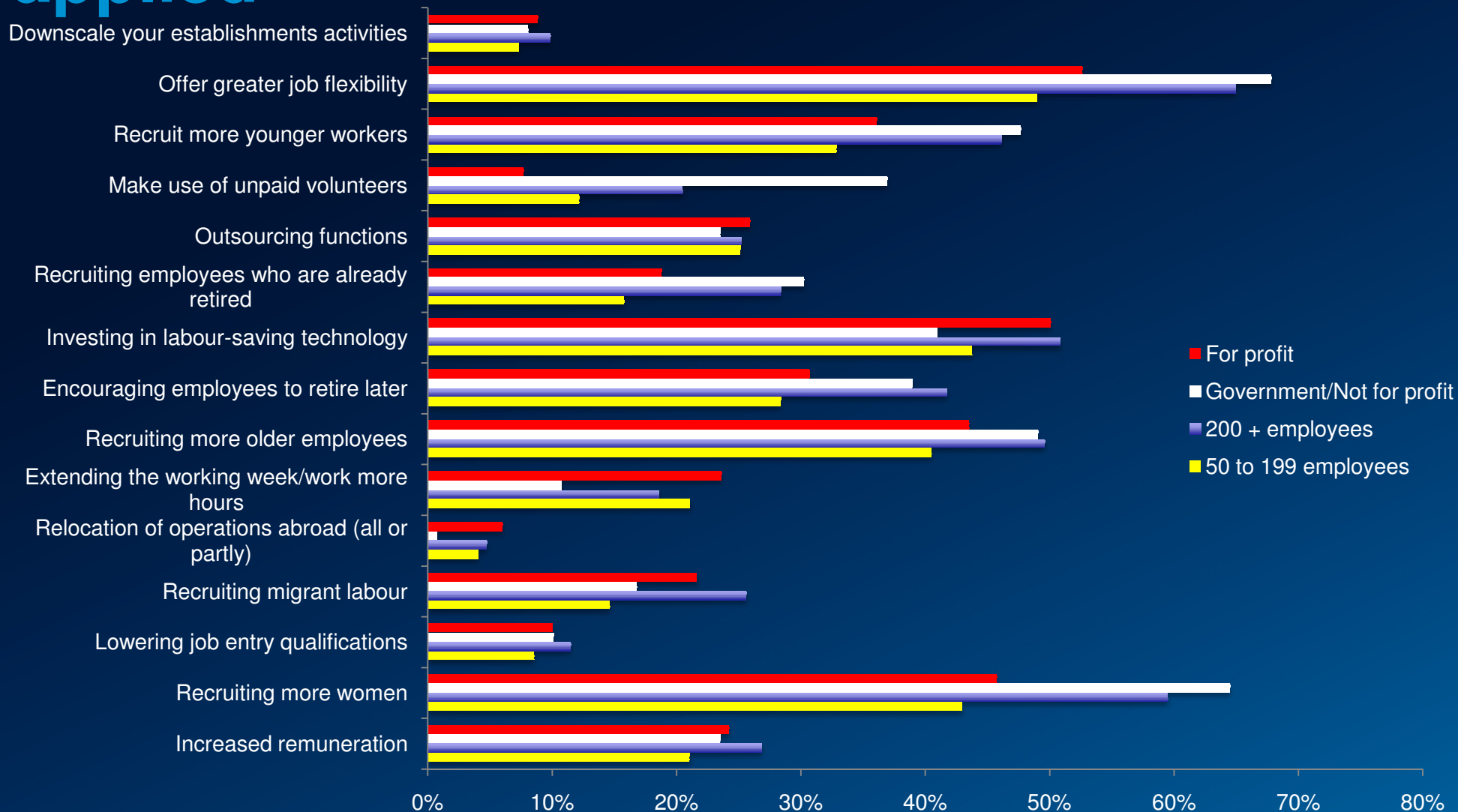
## Proportion of organisations with more than 50% of employees over 40 years



- There is a greater proportion of government/not for profit establishments that have more than 50% of employees over 40 years than for profit establishments (chi-square = 50.25,  $p < .001$ ).
- There is a greater proportion of large establishments that have more than 50% of employees over 40 years than medium establishments (chi-square = 5.96,  $p < .05$ ).



# Responses to labour shortages: Already applied



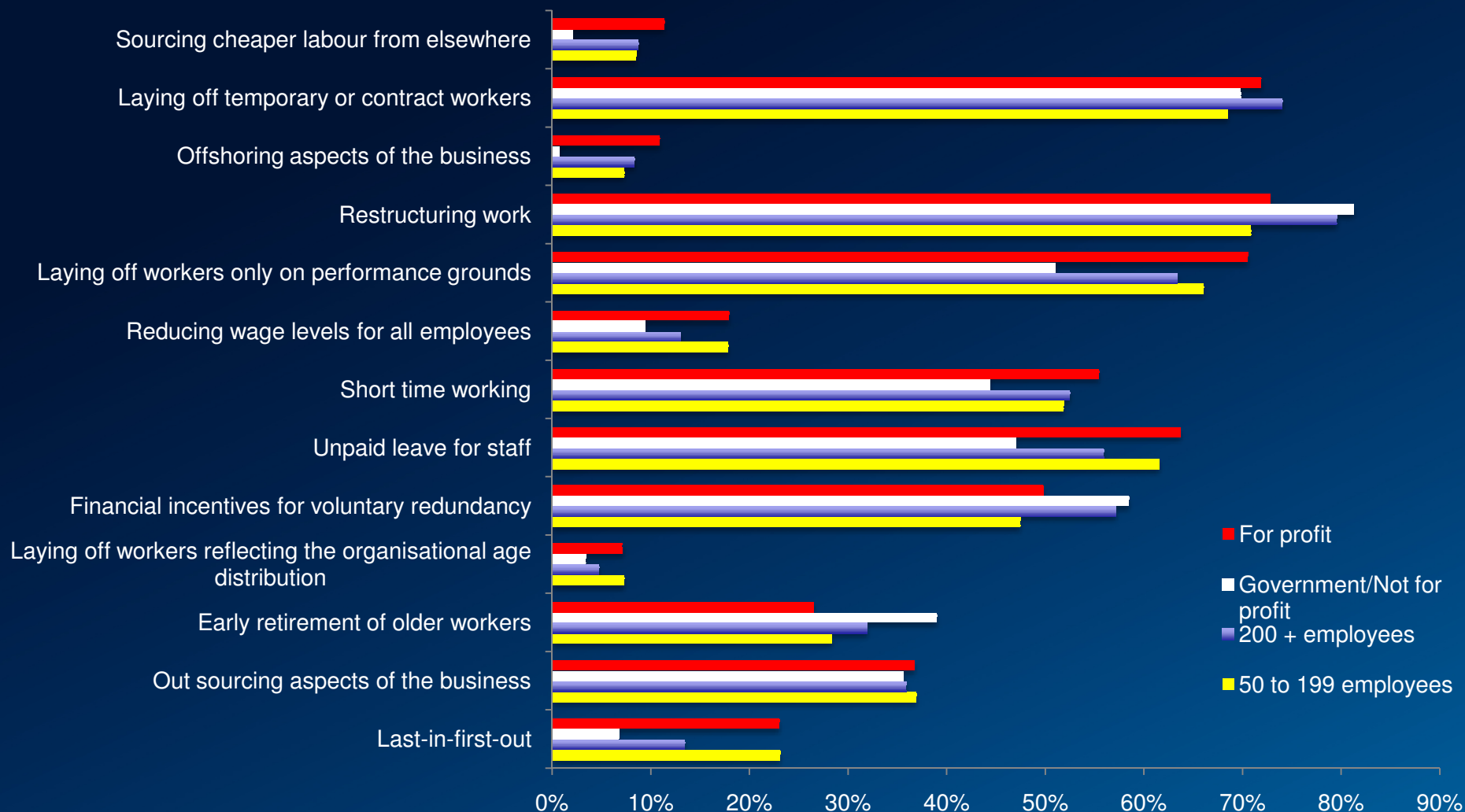




## **Factors associated with probability of an organisation having already recruited older workers**

- Organisations reporting personnel problems in regards to time to fill vacancies are more likely to have already applied the employment of older workers in response to labour shortages (Chi-square = 6.67,  $p < .05$ ).
- Organisations reporting recruitment or retention difficulties among machinery operators and drivers are more likely to have already applied employment of older workers in response to labour shortages (Chi-square = 5.69,  $p < .05$ ).

# Methods to reduce staff levels: In favour





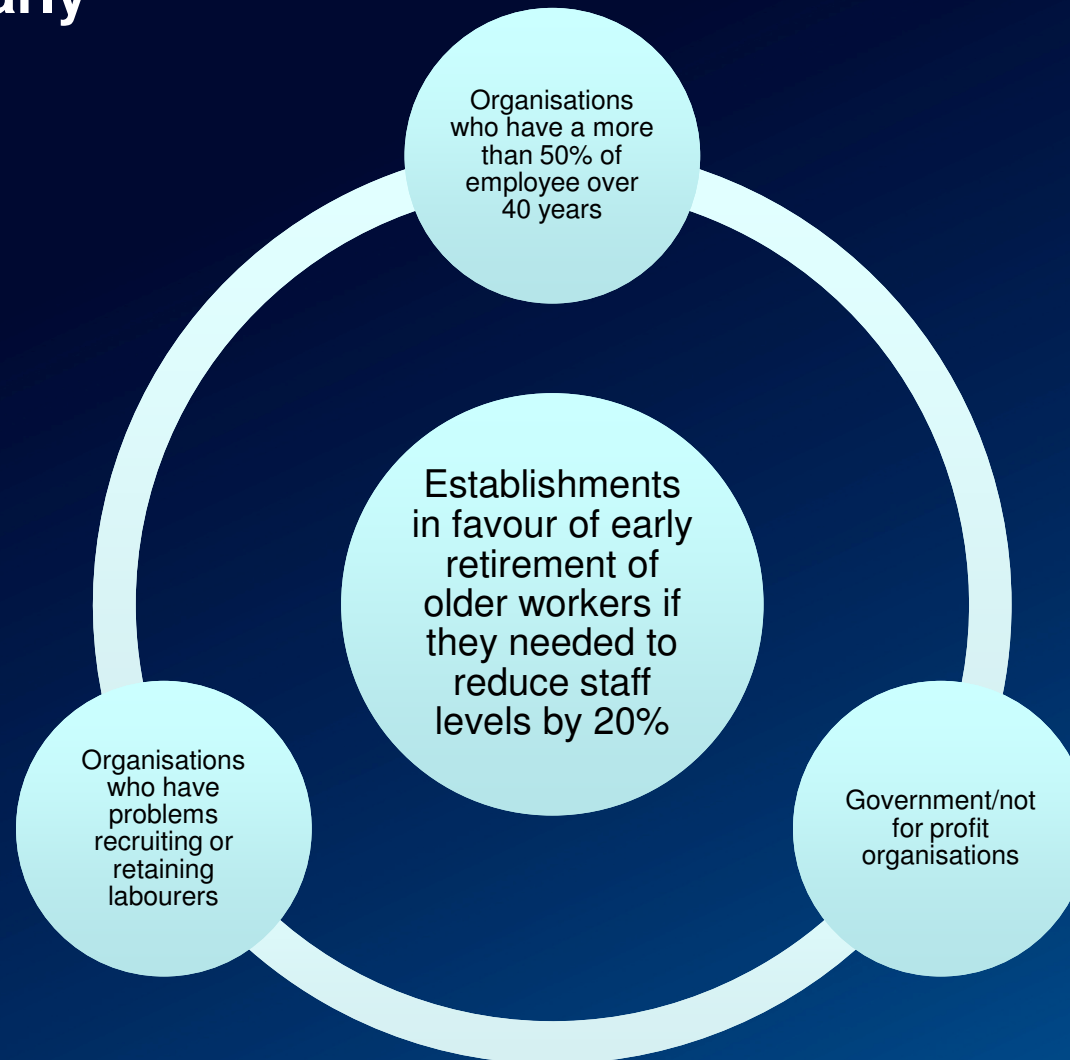
# Methods to reduce staff levels: Against





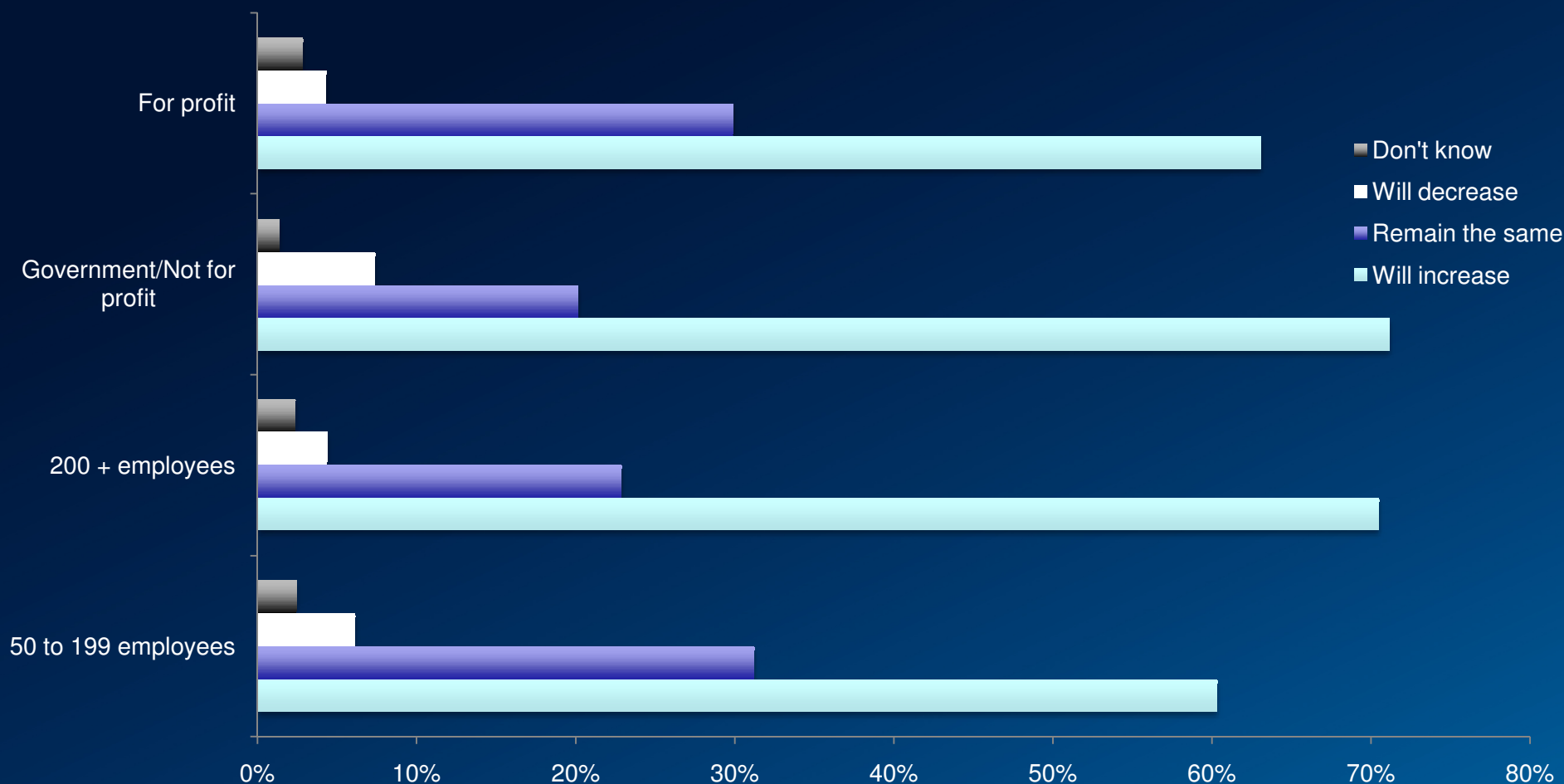


## Factors associated with favouring early retirement (chi-squares)



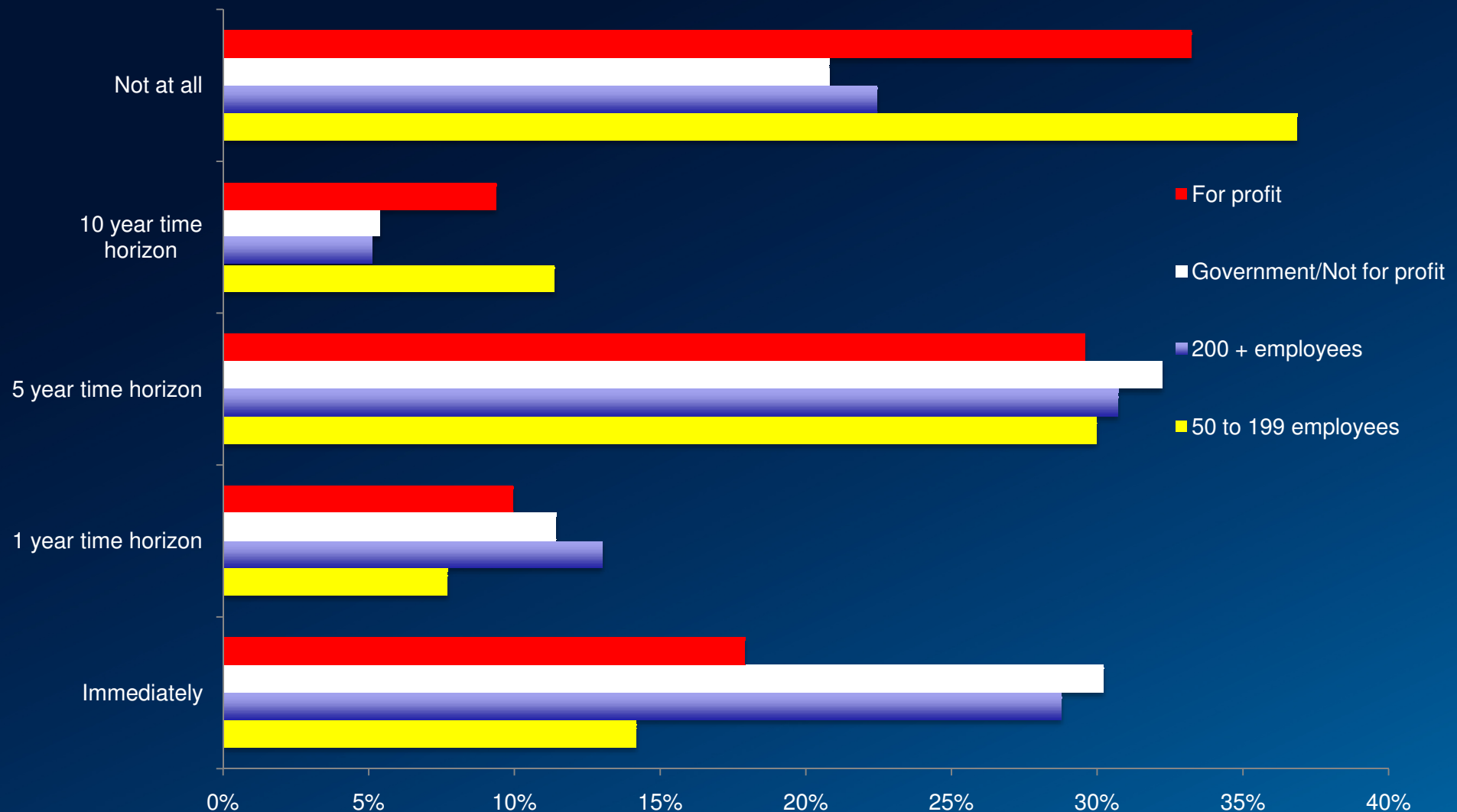


## Expected change in employees aged 50 and over in coming five years





# When response to ageing workforce is required





# Response to ageing workforce

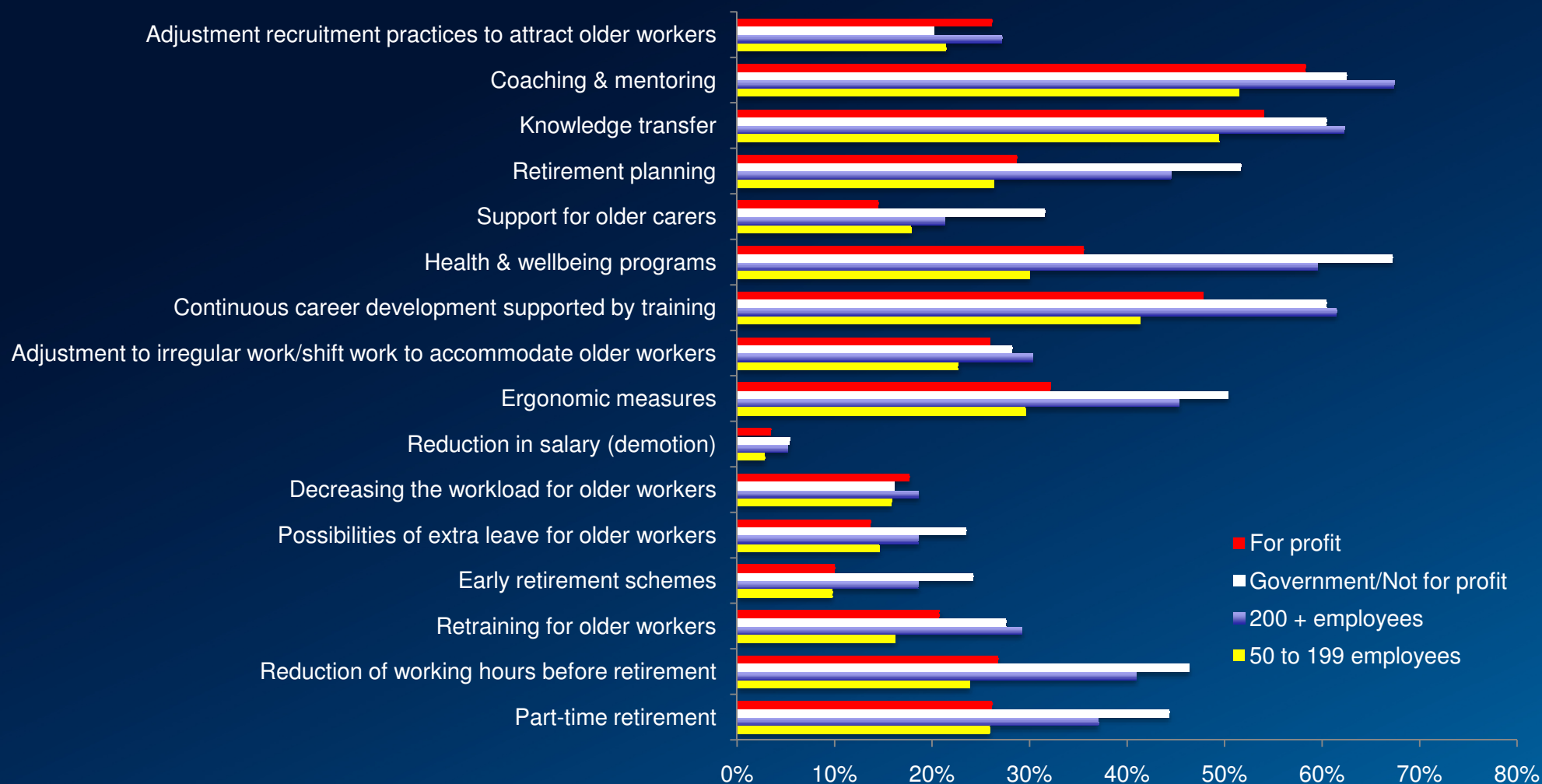
## Chi-square



## Odds Ratios

- Compared to large organisations, Medium organisations were almost twice as likely (OR=1.89,  $p=.003$ ) to indicate no need to respond to the ageing workforce over the next five years.
- Compared to government/not for profit organisations, for profit organisations were almost twice as likely (OR=1.97,  $p=.001$ ) to indicate no need to respond to the ageing workforce over the next five years.

# Response to ageing workforce: Already applied





## Number of already applied age friendly responses to workforce ageing



### Variables included

- Part-time retirement
- Decreasing the workload for older workers
- Adjustment to irregular work/shift work to accommodate older workers
- Continuous career development supported by training
- Retirement planning
- Knowledge transfer
- Coaching & mentoring
- Adjustment recruitment practices to attract older workers

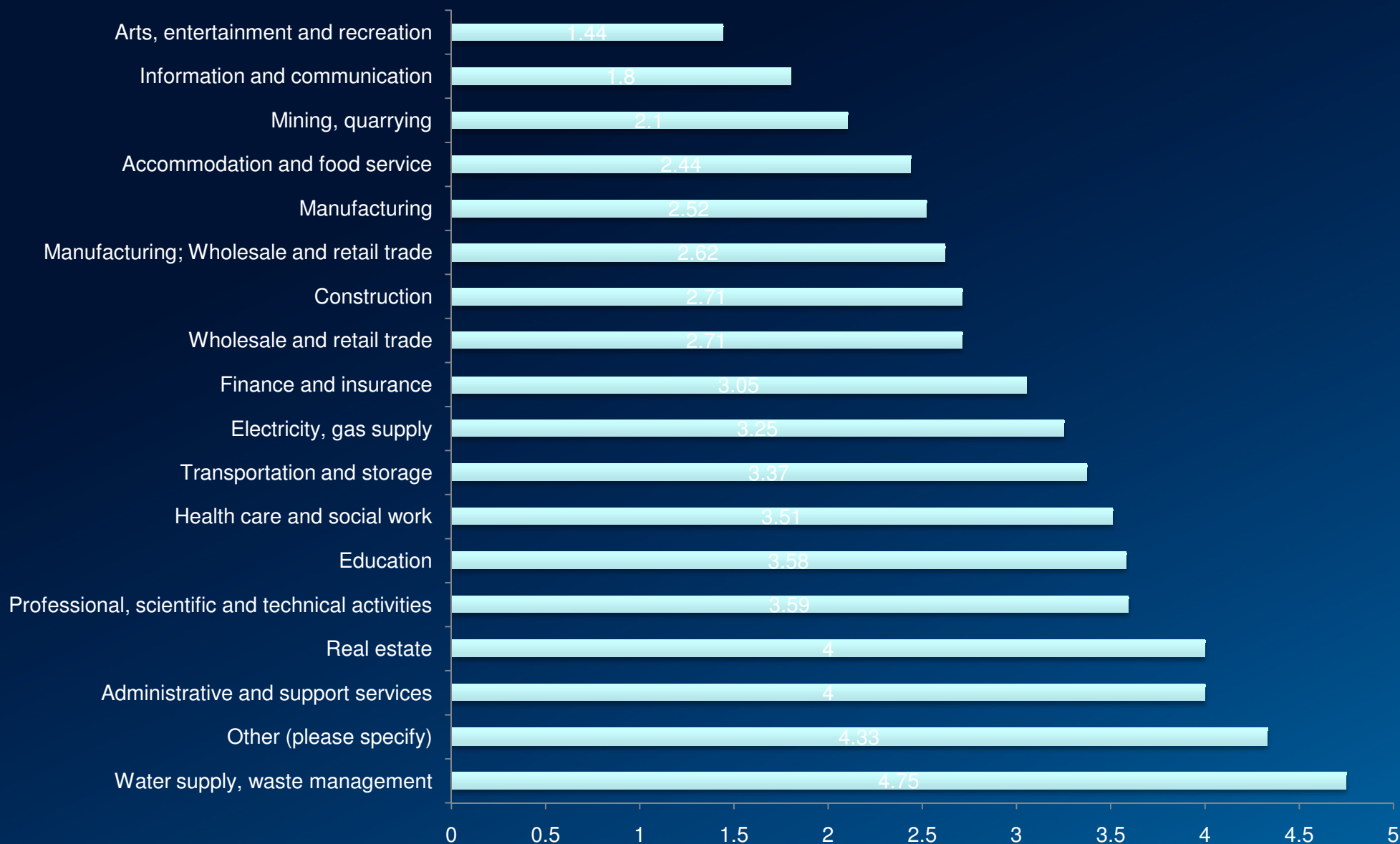
### Interpretations

- Over 50% of the organisations have already applied coaching & mentoring, knowledge transfer and continuous career development supported by training
- Around a third of organisations have already applied part-time retirement, adjustment to irregular shift work to accommodate older workers and retirement planning
- Under 20% of establishments have already applied decreasing the workload for older workers





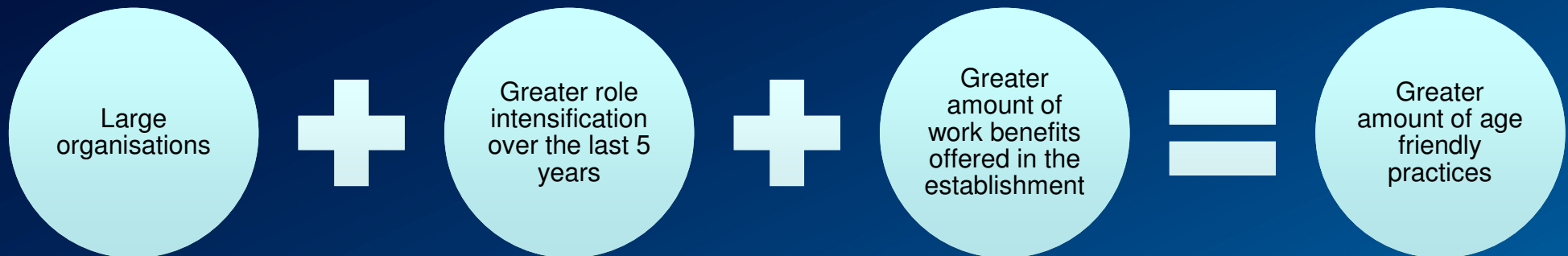
## Average number of age friendly practices by industry





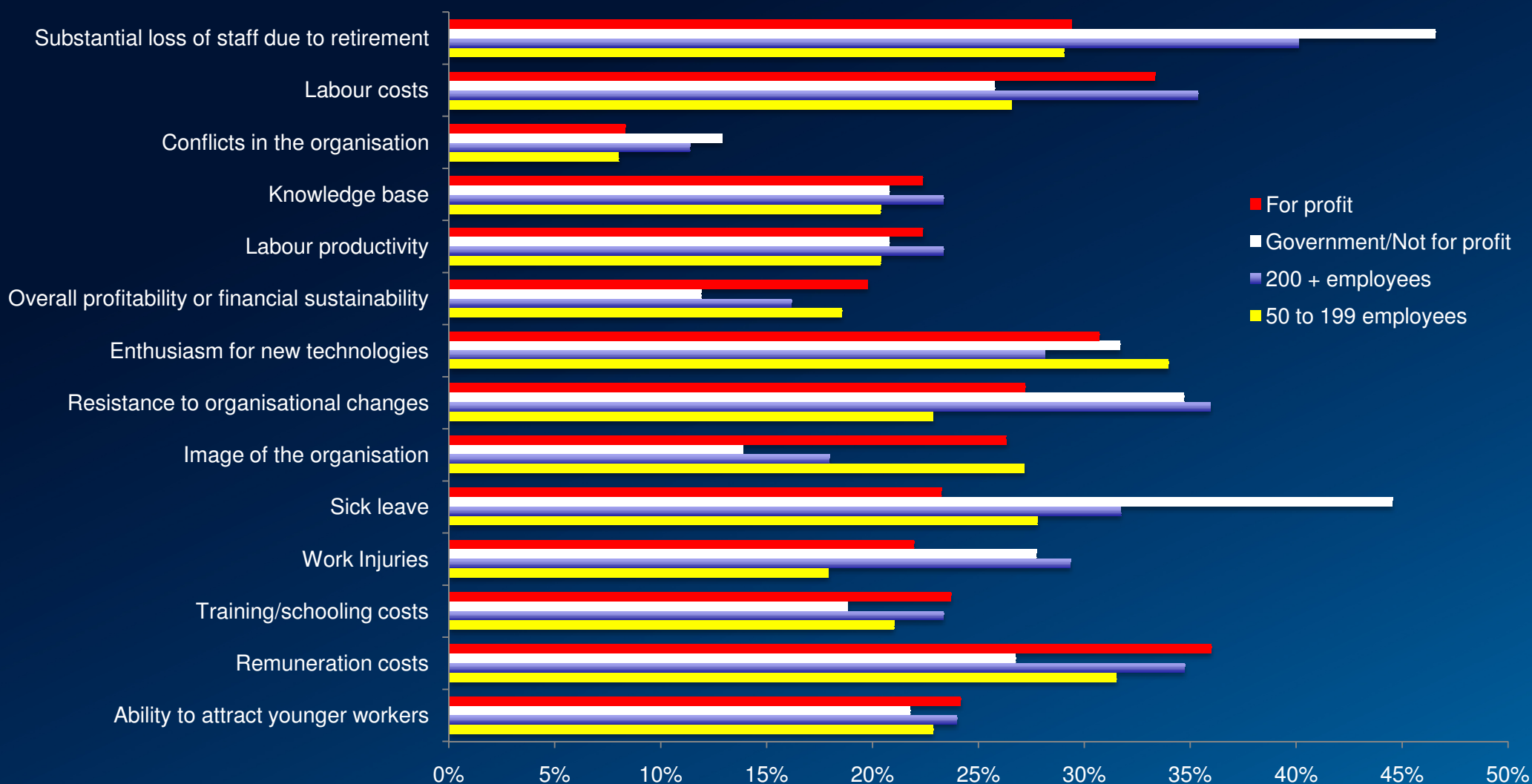
## Analysis of covariance for age friendly practices

- Role intensification over the last 5 years significantly predicts the number of age friendly practices within establishments ( $f(1, 567) = 3.895, p < .05$ ). In particular, as role intensification increased, so did the number of age friendly practices.
- Work benefits was a significant predictor of the number of age friendly practices in establishments ( $f(1, 567) = 46.626, p < .001$ ). Specifically, the more work benefits an establishment offers, the greater the number of age friendly practices.
- There was a significant difference in the average number of age friendly practices across organisational sizes ( $f(1, 567) = 10.085, p < .01$ ) with large organisations adopting more age friendly policies than medium size organisations.





# Expected influence of workforce ageing by five years: Increase



## *Conclusions*

- Despite demographic ageing, theory would predict that new economic configurations would leave older workers in an increasingly precarious labour market position.
- Evidence would suggest that on the contrary, older workers are identified as a critical source of labour supply going forward by Australian employers.
- However, there seems to be some current reluctance to invest in older workers' human capital and continued enthusiasm for early retirement as a management tool among some employers.
- A predictably stronger orientation from public sector employers.
- Fewer older worker supportive activities from private sector firms.



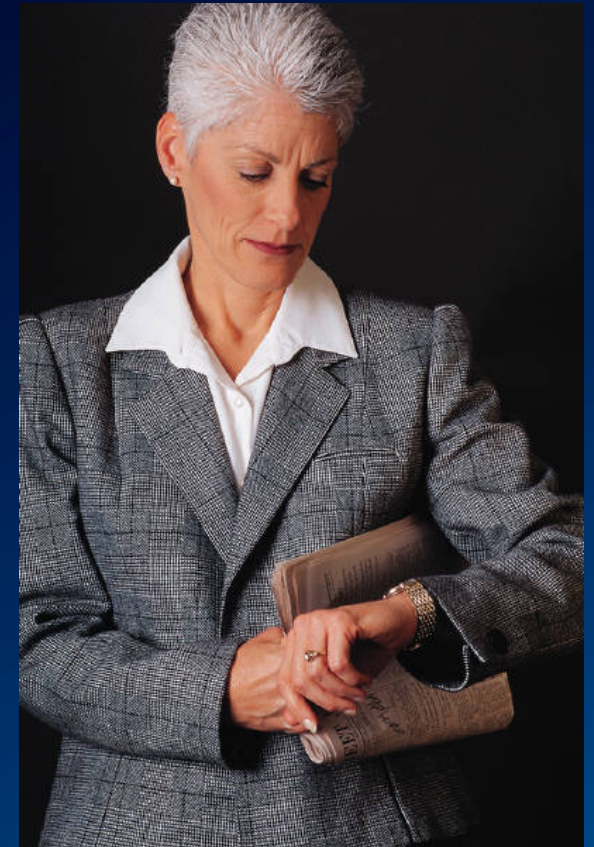


**MONASH** University  
Gippsland



*Thank you*

*[philip.taylor@monash.edu](mailto:philip.taylor@monash.edu)*



[www.monash.edu](http://www.monash.edu)