

# Cutting through the rhetoric on older workers

Companies say they value experience, but in practice they often don't seem to, writes **Sam McKeith**.

Firms are employing strategies to keep mature staff members on the payroll as the labour market tightens and companies come to terms with the nation's ageing population.

Recruiters say flexible work hours, mentoring programs and more temporary positions are enticing older people to work later into life, but warn that these workers continue to be first on the chopping block in corporate restructures.

Randstad chief operating officer Steve Shepherd says older workers are "on the radar again" in company HR departments as unemployment fell.

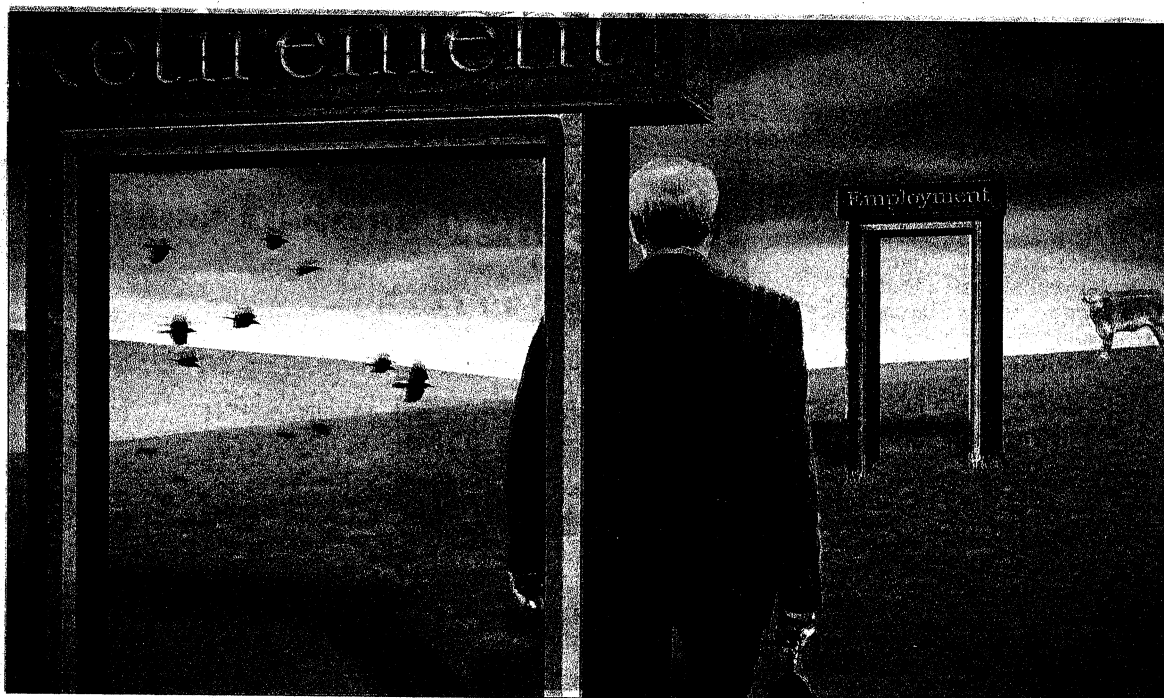
Some 53,000 jobs were created in January, which helped push the unemployment rate down to 5.3 per cent. This followed the creation of 32,000 jobs in December.

Shepherd says some employers are establishing mentoring programs in which mature-aged workers pass on skills to "up and comers".

"From a skilled trade perspective, you're seeing older workers training up apprentices and new tradespeople," he says.

He says firms are also using contracts to lure retired business executives away from the golf course, albeit temporarily.

"Temp work allows [them] to do, say, four weeks' full time, or just come in from time to time. Where years ago, temp contracts were seen to be just for secretaries and receptionists, now it's just another business tool," he says.



**Flexible work arrangements are crucial to retaining older staff members.**

Photo-illustration: KARL HILZINGER

At St George Bank, where a third of the workforce is older than 45, human resources managing director Ross Miller says flexible work arrangements are crucial to retaining older staff members.

By 2050, more than 8 million Australians will be aged 65 and over, up from 3 million now, according to the federal government's latest intergenerational report.

Miller says "leave purchase" — where staff can trade up to 13 weeks pay for the equivalent in time off — is especially popular.

"I have someone in my recruitment team who took advantage of [leave purchase] to work around the needs of their

family. It actually allowed her daughter to return to work earlier and took financial pressure off their family," he says.

The Rudd government launched

## **A tighter labour market can increase pressure on mature-age talent.**

Ampersand's Hayley James

the \$43.3 million Productive Ageing Package earlier this month to provide vital training and support for older Australians who want to stay in the workforce.

The government wants older

people to remain in the workforce to boost the projected labour force participation rate for 50- to 69-year-olds from 62 to 67 per cent by 2050, which it claims would lift real gross domestic product per person by 2.4 per cent.

Treasury secretary Ken Henry has also made the case for substantial income tax reforms and adjustments on superannuation tax, to encourage the most productive workers to stay in the workforce.

Last year the government announced it would begin increasing the pension age from 65 in 2017 to 67 by 2023, to combat massive increases in pension payments.

Trevor Roberts Associates advises firms to negotiate one-on-one with employees they want to work past the age of 65.

Principal Edwin Trevor Roberts says many employees are happy to keep working but are jaded from being stuck in one role for many years.

"I worked with one lady who was a great operator but she was bored. So we downsized the hours and increased the focus on projects in some areas she really wanted to work in and she got a new lease on life," he says.

Australia's mature-aged participation rate of 58.9 per cent in 2008 is the 13th highest in the Organisation for Economic Co-operation and Development — lower than the United States, the UK, New Zealand and Canada.

But Macfarlan Lane director Ellen Richards says rhetoric from firms about valuing mature-aged workers often does not match reality.

"If firms are going to consider downsizing the organisation they commonly exit the mature age long-standing employee and then either outsource the position or put on younger counterparts," she says.

A tighter labour market can also increase pressure on older workers, says Ampersand chief executive Hayley James.

She says firms are committed to developing young talent, which means it is usually very competitive for mature-aged talent to secure key appointments.

"A mature-aged employee who may be re-engaging with the workforce . . . can sometimes find it difficult to secure a place," she says.