

Experience, Knowledge and Commitment **Valuing Older Workers**

MAY 2021 REPORT



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This project was conducted in accordance with AS: ISO20252:2012 guidelines, to which Newgate Research is accredited.



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Message from COTA NSW and Challenger



Meagan Lawson
COTA NSW CEO

Age discrimination is the great hidden diversity challenge in the Australian workplace. Unlike other diversity challenges, there is not as much recognition of age bias among employers and the community. If it is not addressed, the Australian economy won't achieve its full potential.

Like other industrialised nations, Australia's population is ageing. This is creating a range of issues for our economy and community, not least an increase in the demand for services at a time when the number of people of working age supporting the economy is falling.

One part of the solution is extending the working lives of people, if that is what they want. Australia's mature-aged workforce is skilled and able – and older people are healthier than at any other time in history.

The research found almost three quarters (74%) of employers recognise that it is important for the economy to have older people continue working.

However, older people report feeling discriminated against in recruitment processes, as well as on the job. They also believe there are fewer employment opportunities for people aged over 50 due to stigma and discrimination.

For individuals, workforce participation is linked to better health outcomes and other positive wellbeing indicators. Increasing workforce participation will also benefit workplaces and the broader economy. And importantly, it will contribute to improving financial security for a better retirement.

Challenger and COTA NSW have partnered to develop a workplace program that supports mature-age workers in employment and encourages employers to create working environments in which older workers can thrive.

Older workers should be valued for the expertise, skills and experience they bring to a workplace. We hope this report, and the program we are developing, will be a step towards promoting longevity in the workplace so people of all ages can work for as long as they wish.



Richard Howes
Challenger Managing
Director and CEO

Purpose and methodology

This research was commissioned to understand current practices, experiences and barriers, and the types of support and intervention that will best meet the needs of employees and employers across a range of businesses. This research was undertaken in NSW but may be rolled out to other states and territories in the future.

The methodology comprised three phases:

- A quantitative survey with a representative sample of mature-age workers (50+), younger workers (18-49) as a point of comparison, and employers.
- Two online discussion forums lasting three days, one with mature-age workforces and one with employers.
- Co-creation workshops to bring together mature-age workers, jobseekers, and employers to better understand each other and develop solutions that work for all parties.

The research took place across 2020, before and during the COVID-19 pandemic. This provided a unique opportunity to understand the impact the virus and the accompanying changes to working life have had on the mature-age workforce, and whether stereotypes and barriers have been challenged or reinforced.



Key findings

Older workers report being discriminated against in the workforce and say they don't receive the same opportunities provided to other workers. They are more likely to be made redundant and stigma remains around their competency with technology and openness to change. Older women, working part-time or on a casual basis, are most likely to report having experienced discrimination. Older workers are skilled and able and employers are missing out on the benefits, which come from the experience, commitment and knowledge they bring to the workforce.

Why older workers matter



By 2030, there will be **6 million Australians over 65**. In NSW, that will be more than **1.8 million** people, almost double the number in 2011!

Ratio of workers to non-workers:

1976	7 : 1
2016	4 : 1
2056	2 : 1

In the workplace

33% of older workers report experiencing age discrimination

Of those who say they have experienced age discrimination, **66%** of older workers took no action

Only **10%** of older workers who had experienced ageism made a formal complaint or spoke to HR

Only **4%** of employers are aware of age-related discrimination happening in their organisation

When confronted with an age-discrimination issue against an older person in the workplace, **56%** of employers did nothing

Half of employers in the survey thought they were already doing enough to support older workers but only a minority had any support measures

49% of employers provide no assistance or programs specifically for older workers

43% of employers have an age discrimination policy

Hiring

27% of older workers report ageism in hiring practices

47% of older workers report being told they were too experienced

None of the employers surveyed thought they were currently performing poorly with regards to the treatment of older employees or job applicants - despite what older workers report

74% of employers recognise it is important for the economy to have older people continue working

Retirement

23% of businesses report offering phased retirement

69% of older workers intend to use phased retirement where it is offered by employers

¹Source: NSW Intergenerational Report (https://www.treasury.nsw.gov.au/sites/default/files/2017-01/Budget_Paper_5_-_Intergenerational_Report_2016_-_full_report.pdf)

Key takeaways from the research



1.

Discrimination against the mature-age workforce, and the struggles older workers face is not top-of-mind for employers. But once the existence, scale and impact of the issue is drawn to their attention, the majority of employers are very open to doing more to address it.

2.

Businesses will need support to understand how they are currently performing, and the specific steps they can take to improve. Most are unaware of current resources available, and there is an opportunity for a program to fill the gap by being easy-to-use, scalable, and hands-on as needed.

3.

Mature-age workers feel that if change could be effected it could make a significant difference to them both emotionally and financially. But they are pessimistic that anything can or will be done without financial incentives for employers.

4.

Like other cohorts in the community, not all mature-age workers are the same. While overarching conclusions and recommendations have been drawn within this report, any program will need to acknowledge and bear in mind the diversity of this workforce.

Experiences of older and younger workers

The survey data shows older workers are very satisfied overall with their jobs but feel they are **not receiving the advancements and opportunities younger workers do**. They were less likely to be in managerial roles, and more likely to feel excluded from social aspects of work, as well as from training and career advancement opportunities.

Older workers surveyed were also more likely to have been laid off from their last job: a significantly higher proportion of older workers left their previous job due to a redundancy, and they were less likely than younger workers to have left to pursue other opportunities or interests.

Older workers' positive traits are widely recognised; however, some stigma exists around their competency with technology and openness to change, especially among younger workers.


It's important to note that **age discrimination is an issue regardless of age**. It plays out differently for workers regardless of age category, and one-in-three workers have experienced it. It manifests differently for each group, with older workers told they are over-qualified and younger workers told they are too young. Importantly, age-based discrimination for older workers seems more likely to go unchecked: only three in ten older workers took action in response to ageism, compared to six in ten younger workers. Over half (56%) of older workers' employers did nothing in response compared to just 39% of younger workers' employers.



Kate was working as a contractor in the public sector. The contract of three months was extended to 15 months while a restructure took place. Once the restructure finished, there were twelve positions advertised in the new structure. Both Kate and another older worker she had been contracting with applied for the roles they had been performing for the last 15 months while on contract, but were told by the manager they wouldn't be interviewed for the roles.

“When I asked why, he said we didn't have the experience for the role. How was that possible? We'd been doing the job for 15 months!”

“I would have loved to have kept working – I really enjoyed the job. But now I'm so despondent, my confidence level is rock bottom. I really can't afford to retire. I'm living fortnight to fortnight. I can't go out. This is not how I wanted to be.”



After an extensive career in the not-for-profit sector at the CEO level, Joan had never had a problem finding a job until 2014 when she decided to relocate from Canberra to Sydney. At 61, she wanted to continue working and started applying for jobs, including CEO and General Manager roles in the not-for-profit sector. She applied for 20 jobs over a period of six months, getting through to the interview and second interview stage.

“ At the beginning I thought everything was on track. And then you start to get the rejections, and you wonder how long you can do this? ”

One interview after another, same sort of feedback: “you’re very experienced... some of your skills match... but not this time.” After six months, she just stopped looking and went back to direct care work – the process of looking was just too demoralising.

Current practices and openness to change

Half of employers in the survey thought they were already doing enough to support older workers, but only a minority had appropriate support measures in place.

In the qualitative discussions, **none thought they were currently performing poorly with regards to their treatment of older employees or job applicants, but on consideration most acknowledge their business could be doing more.**

While most employers have workplace bullying, discrimination, and equal opportunity policies in place, **fewer than half have policies that specifically cover age-related discrimination.** The focus appears to be predominately on race and gender.

Furthermore, **fewer than one-third enforce policies through formal training;** a greater number enforce them only through verbal communication or inclusion in employee contracts.

Building awareness of the issue of age discrimination in the workforce – with employers and with employees of all ages – is a key opportunity.

Barriers to doing more

Employers seem unaware of the scale of age discrimination unless presented with the perceived evidence. Only 4% of employers are aware of age-related discrimination happening in their organisation, but a third of workers report experiencing it.

Furthermore, although employers say that hiring is typically based on the candidate's experience – and feel they have processes in place to prevent discrimination – older workers are underrepresented in larger businesses surveyed.

Job-seeking was the principle area of frustration and grief in the qualitative research and should be a strong priority to address in any future program. The themes identified included:

- **“Over-qualification”** – employers not understanding that sometimes older workers want to slow down a bit and take on a less demanding job as they move closer to retirement.
- Younger **managers feeling threatened** by hiring mature-age workers whose experience might reflect poorly on the manager themselves.
- Hiring managers **not feeling that older workers will be a good cultural fit** in a predominately young team (especially if they themselves are younger).
- **Corporate image** meaning older workers are shut out of certain roles.
- The **consistent lack of response to or feedback on job applications** – which is very disheartening.

Many employers seemed unaware these issues might exist, and/or felt they had processes in place to address them.

Within the workplace, those employees who felt they experience unfair treatment mentioned:

- **Lack of access to training** (e.g. younger employees being offered a course which older employees were not).
- **Inconsistencies regarding flexible work** for caring responsibilities between those who are parents of small children versus those caring for elderly parents.
- **Feeling left out** by younger employees.

To address these issues, employers first need to better understand that they exist, and the impact they might have. For example, some employers felt that older workers were less interested in training.

Participants were particularly interested in more opportunities for flexible work to assist them in managing health, caring and work-life balance priorities. Encouragingly, forced working from home during the pandemic appeared to have strengthened employers' trust in this practice, and their openness to more flexible working in the future.

They were also particularly keen on greater recognition of their skills, greater access to training, and retirement planning.

There also appears to be an awareness gap amongst employees. Employers report having policies and initiatives in place but older workers don't know about them.



Larry worked in IT services and he noticed over a period of time that he was consistently the oldest person in the application pool. Not only that, the interviewers were much younger too. Despite decades of experience working in technical roles, and ongoing training to ensure his skills remained current, Larry has found finding roles increasingly difficult.

“ I know I have the experience to do the roles, I tick the right boxes on paper, but I’m not getting interviews or the job... you have to wonder what the problem is. ”

Larry wants to be working, and knows he doesn't have enough money to retire yet. "My super won't last long... looking at what's there, and how long it might need to last, the maths just does not add up."

Survey participant feedback

"Take experience into consideration and actually have interviews with people over 50 to really see what they can bring to the business."

Older job-seeker

"Give us a try. I have worked at many jobs and have a lot of experience. We just need a chance to prove ourselves."

Older job-seeker

"Give them a chance. It's unfair how they don't even get a look into the workplace."

Younger worker

"Consider skills and personal qualities gained from life experience."

Older worker

"Be open to employing older staff looking for work. They often have extensive experience that could be valuable for the company."

Older worker

"Have reduced or flexible hours for those about to retire but (who) still want to be involved working in some way."

Older worker

Key variations by employer type

Age-related discrimination is a low saliency issue among employers but has implications for a specific older cohort. Among mature-age workers it is females, those in non-managerial roles and those working on a part-time or casual basis who are significantly more likely to report experiencing age-based discrimination. Prevalence is slightly higher among those working across a range of industries, including retail, transport/warehousing, manufacturing, utilities, technical services, education and training and information and telecommunications industries.

Mid-sized businesses, those in regional areas and those in tertiary (services and logistics) sectors require the most support to implement mature-age worker initiatives. The survey findings indicate that these businesses are less likely to have initiatives in place to support mature-aged workers. They are also slightly less likely than other business types to say they are very confident in their ability to implement initiatives to support older workers.

Among mature-age employees, it is more likely to be females, those in non-managerial roles and those within retail, accommodation and food services businesses who say they don't have support initiatives available to them.

The most scope to address issues and implement initiatives appears to lie within larger businesses (200+ employees), particularly those in Sydney. These businesses are more likely to say they could do more, and to say they see the value that a mature-age workforce brings to the business. They are also less likely to say they are doing enough currently to support mature-age workers and are slightly more likely to say they need support to implement a number of the mature-age worker initiatives, such as flexible working, phased retirement support and retirement planning.

What the program will offer

Following this research, a program and toolkit of interventions is being designed to support workplaces to implement age-friendly practices. The research at all stages consistently identified four areas to be addressed:

1. HR and hiring advice

Education and training for hiring managers, including Human Resources departments, in conducting fair hiring practices and eliminating unconscious bias. This includes:

- the development of job advertisements
- clear instructions to recruitment agencies that businesses are open to older workers
- innovative recruitment and interviewing techniques to achieve best-practice equal opportunity for all applicants
- developing organisational understanding of older workers.



2. Support with internal policies and structure

An audit of workplace policies and structure to help implement or promote:

- flexible working arrangements, including part-time work, job share arrangements and work-from-home arrangements
- training managers to understand the importance of these arrangements for all workers, including older workers
- anti-age discrimination policies and age-discrimination awareness training
- conscious design of job tasks and roles to suit mature-age workers.



3. Opportunity to forge connections



Internal initiatives which highlight the value of mature-age employees (and younger employees) and foster stronger cross-generational bonds such as:

- buddy or mentorship programs or groups in which each age group can impart their skills or support other staff
- internal clubs and activities suitable across age groups
- team building exercises.

4. Training for older workers and jobseekers



Ensuring that mature-age workers are not left behind in terms of training and have equal access to training and development opportunities:

- ensuring equal access to training programs across age groups
- providing access to training courses to build technical skills.

Older workers are a critical and valuable part of the workforce and our economy and will become more so as the general population ages. However, age bias remains a consistent theme in Australian workplaces.

Many businesses are not even aware that age bias exists. Fortunately, most are prepared to take action once it's pointed out. An improvement in conditions for older working Australians would help them both financially and emotionally.

While not all older workers are the same, some uniform initial steps should be taken to address the issue of age bias. This includes the need for better education and training for hiring managers, more rigorous internal policies and structures around aged workers, greater cross pollination between older and younger workers, and the development of better training and access to job opportunities for older workers.

Partners



COTA NSW wants a society where older people lead rich lives with choices, are safe, engaged and have influence.

To help achieve this, COTA NSW provides programs and resources to directly support older people, whilst also serving as an advocate to government and other key decision makers. Our evidence-based activities, programs and resources directly support older people to access accurate information, personalised legal advice and fitness programs to empower them to live rich, full and safe lives.


Our services include:

- **Legal Pathways** – a program assisting older people obtain low cost legal assistance.
- **Community Speakers** – a group of trained speakers who help older people make informed decisions by providing clear information on aged care, energy costs, and end-of-life issues.
- **Living Longer, Living Stronger**- an individualised progressive strength training program for older people designed to help older people maintain and improve their physical strength and fitness while creating social connections.
- **Aged Care Navigator** – a service providing older people with accurate information and assistance to navigate the aged care system, as well as support in finding local services.

As the peak body for older people in NSW, we are the authoritative advocate for the rights and needs of older people. Drawing on our extensive community consultation, we work with politicians, policy makers, allied organisations, service providers and the media to ensure that the interests and concerns of people over 50 in NSW are heard and prioritised.

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