



Productive Ageing
PASSION GROWTH EXPERIENCE

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Participating Productively: The Experience of Mature Age Workers in Australia

Summary of The Process of Participation and Phased Retirement: Evidence From Mature-Aged Workers in Australia by Jacqueline Drew PhD & Michael Drew PhD prepared for the National Seniors Productive Ageing Centre.

Background

Mature age workers have been identified by the Australian government as a group that face particular challenges in maintaining labour force attachment in their 50s and beyond. The 2005 Federal budget outlined a range of initiatives to support mature age job seekers including additional assistance to undertake tailored training programs as well as employment preparation programs.

Despite increasing interest in the needs of mature workers and the longer term implications of early withdrawal from the workforce in light of the overall ageing of the population, a number of key questions remain unanswered.

The National Seniors Productive Ageing Centre, in conjunction with the Queensland University of Technology, has recently completed research into the contemporary experience of mature age workers in Australia with the aim of identifying what influences an individual's decision to withdraw from the workforce, and what barriers exist which contribute to a reduction in ongoing labour force participation.

The Issues

The research commissioned by the National Seniors Productive Ageing Centre focussed on three key aims:

1. To identify how to increase the participation of mature workers in the labour market;
2. To identify barriers to participation; and
3. To identify the costs and benefits, price and non-price, of engaging mature workers.

The Survey

Analysis of government data is invaluable in highlighting broad societal trends. However to fully appreciate the "whys" and "hows" of the mature age workers experience, as well as the "what"

and "how many" questions, a more personalised approach is required.

Members of National Seniors Australia were surveyed in depth to assist this process of understanding the experiences and attitudes of contemporary mature age employees. A representative sample of members from across the country in the 50 to 65 year age group was invited to participate.

The survey covered a wide range of issues. In addition to descriptive demographic, financial and workplace dimensions, the survey also addressed a range of personal attitudes which impact on the employment intentions of mature workers including:

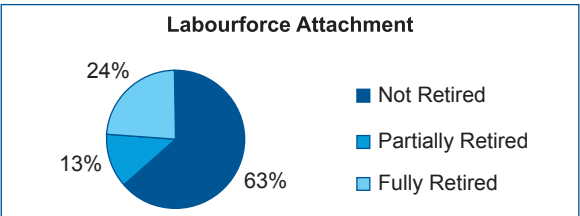
- Job satisfaction;
- Organisational commitment;
- Planning for retirement; and
- Attitudes towards retirement.

Who the Respondents Are

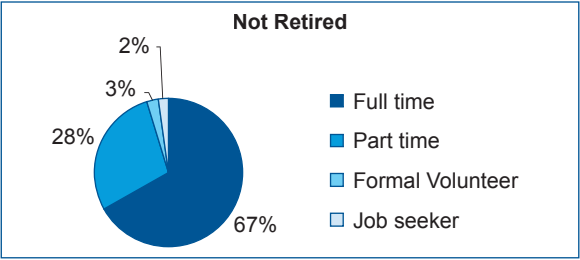
The total number of members returning useable responses to the survey was 918. The breakdown of the respondents is as follows.

Overall the average age of respondents was 58.82 years with a broad age range from 49 to 89 years. Slightly more women (54%) than men (46%) responded to the survey. A large majority of respondents were either married or living with their partner (70.2%) and living in a metropolitan location (54.4%).

When considered in terms of labourforce attachment, the average age of the not retired group in this survey at 58.78 for males and 56.73 for females was lower than that of the retired group with an average age of 62.05 for males and 59.76 for females.



The extent to which respondents remain actively involved with the labourforce varied. A majority of respondents to this survey were still actively involved with the labour force with only a quarter considered fully retired. The following graph gives an overview of the extent of labourforce attachment however a clearer picture emerges when these figures are broken down into types of work undertaken.



Those classified as not retired can be employed in full time or part time work. Alternatively they may be job seekers or volunteer workers. Similarly those who are classified as partially retired may engage in some limited employment, formal voluntary work or informal voluntary work. The following figures give a clearer breakdown of the current labourforce attachment of respondents.

For those who were partially retired 32% remained in part time employment working a weekly average of 13.37 hours. Volunteering is increasingly recognized as an important element of productive ageing. Those in the retired group who engaged in formal volunteer work (42%) engaged in an average of 8.35 hours while those engaged in informal volunteer work (26%) spent slightly more time at 9.71 hours.

When discussing the over 50s however it is important to note that amongst the retired population approximately half (55%) were happy with their retirement and expressed no desire to maintain any labourforce attachment.

What the Respondents Feel

Knowing what mature workers do is only one facet of engaging mature workers. Understanding how they feel about work and retirement is critical to developing relevant policies and frameworks to manage the ageing of the labourforce over the coming decades. To do this the survey included three personal attitude scales.

First respondents were questioned on their level of organizational commitment. Organizational commitment refers to the extent to which individuals have a strong belief in the values, goals and culture of their employer as well as the extent to which they are prepared to exert additional effort on behalf of the organization and

wish to continue to be a member of it.

Second respondents reported on their level of job satisfaction which simply refers to the overall extent to which they are satisfied and happy with their job.

Third respondents were asked a series of questions about how they felt about work and how important it or was to them as part of their lifestyle.

Both the retired and not retired groups responded to these questions with the obvious difference that those who were not retired rated their experience with their current employer while those who were retired applied the questions to the employer they worked for immediately prior to their retirement.

On average respondents scored highly on each of these aspects of work as outlined in the following table:

Scale	Score /7
Organisational Commitment	
• Not retired	5.40
• Retired	5.24
Job Satisfaction	
• Not retired	5.31
• Retired	5.26
Importance of Work	
• Not retired	4.91
• Retired	4.97

Based on these figures mature workers have a generally positive outlook with respect to work and the workplace. In terms of their tenure with the organization, respondents still in the workforce have been with their current employer an average of 16.8 years while those who are retired, left their last employer after an average of 21.7 years.

To ensure that positive feelings towards work are maintained, and to maximize ongoing labourforce participation amongst the over 50s, we need to understand what drives both these attitudes and the decision to withdraw from the labourforce (ie retire).

From the organization's point of view, two key influences were identified by this study as being important in keeping the over 50s in work: attitudes towards mature workers and the availability of organizational activities such as training programs designed to address the needs of mature workers.

While there was general agreement on what types of actions organizations should have available to mature workers, few of the individuals involved in the study reported that these were currently available to them.

The top 5 policies that respondents would like to see implemented in their workplace were:

- flexible working hours;
- mature workers as mentors;
- job sharing opportunities;
- training programs for mature workers; and
- ergonomic measures.

“...mature workers have a generally positive outlook with respect to work and the workplace.”



In terms how mature workers felt they were perceived most felt that they were seen in a positive light. Organizations reported that the top 5 benefits of employing mature workers are:

- experience;
- knowledge;
- ability to mentor younger staff;
- commitment, and;
- a stronger work ethic.

When all these factors are taken together, it was found that there is a strong and positive relationship between organizational and personal factors.

In other words, mature workers had a stronger commitment to the organization and experienced higher levels of job satisfaction when they worked in organizations which had a positive perception of the contribution of mature workers and implemented organizational activities aimed at improving the workplace experience.

The opposite is also true. Mature workers employed in organizations which do not provide relevant programs and which had a negative view of the ageing workforce experienced much lower levels of satisfaction and commitment.

Retaining the benefits typically associated with the skills of mature workers therefore is a reciprocal process.

Looking Towards Retirement

At some point however even those workers with a strong commitment to the labourforce will retire. Whether this occurs sooner or later is related to a range of factors both personal and economic.

Retirement marks the beginning of a new stage in the lifecycle of an individual. Given the inevitability of retirement from the full time work force it would be anticipated that individuals would undertake substantial pre-retirement planning. Based on this survey, however, it appears that the average worker engages in very little active retirement planning particularly with respect to lifestyle planning.

Of those planning activities identified, both the retired and non retired groups reporting the same pattern of use although the retired group reported a much higher level of engagement than those still in the work force.

The top 5 strategies used to prepare for retirement, as reported in the survey were:

- Financial planning
- Investment planning
- Planning for retirement benefits
- Preparation for after employment life and
- Adjustments to retirement planning.

The majority of these strategies focus on the economic consequences of retirement. More personal strategies such as managing stress, planning use of time and planning with family members to manage the adjustment from work to retirement were used less often. Given the

substantial change in lifestyle that disengagement from the full time work force entails, it would appear that currently there is a significant imbalance in the types of preparation that individuals are undertaking to meet the challenges of retirement.

Financial security emerged as a key to both ongoing labourforce participation and attitudes towards retirement. The more financially secure an individual felt and the satisfied with their pre-retirement income, the more positively they viewed retirement and the less likely they were to remain in work.

For those with ongoing financial concerns however retirement is viewed far less positively with the result that they will continue to work for longer.

Both retired and pre-retirement females showed a greater level of concern about ongoing economic well being than the men surveyed men. This is likely to be a function of the fact that the women in the survey tended to earn less than the men with the largest concentration of women in the survey (30.2%) earning between \$25,000 and \$40,000. In contrast, the men in the study were concentrated in the \$40,000 and above income groups with around 20% earning more than \$70,000 compared to only 5% of females.

Overall women tended to engage in the same retirement preparation strategies as men, however they did so at much lower levels. Despite the fact that women's pre retirement income tended to be significantly lower than their male counterparts, they appeared equally satisfied with their income.

What Respondents Want

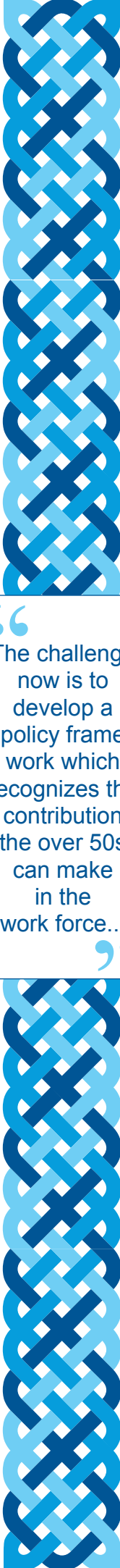
A significant proportion of those surveyed (42.76%) wished to retain some level of labourforce attachment.

On average the number of hours a week that respondents wished to engage in work was 15.93 hours per week or approximately 2 days. Currently those retired respondents who did undertake paid employment worked less than this with an average of 12.32 hours per week.

Despite differing financial needs, men and women were consistent in what motivated them to continue to work post retirement. The three key reasons were:

- I like to work
- I work for the social contact; and
- I work to pass on my knowledge to the next generation

Interestingly none of these reasons was money focused despite the earlier stated financial concerns. Women who worked post retirement however were more likely to work for financial reasons.



“ The challenge now is to develop a policy frame work which recognizes the contribution the over 50s can make in the work force... ”

Women in partial retirement also work slightly longer hours on average when compared with their male counterparts (13.13 compared with 12.32 hours) and gained a higher percentage of their income from paid work.

Moving Forward

The purpose of the research was to address three key areas of research.

The first aim was to identify how to increase the participation of mature workers in the labour market. Public policies offer different incentives to either withdraw from or stay in the workforce. From the evidence collected in this study the effect of these policies has been to encourage the retirement of those who are professionals, higher income earners and therefore financially secure. The consequence of this distortion is that larger numbers of highly qualified individuals are leaving the workforce in increasing numbers, leading to future potential skills shortages.

Reform of current policy frameworks to increase mature age participation could include taxation relief for working beyond pensionable age as well as a review of the dominant philosophy that older Australians are either employed or retired, but with little flexibility to fit into a lifestyle which falls somewhere in between. This positive approach is preferable to the alternative of coercive policies which remove or delay retirement benefits to reduce movement out of the labourforce.

Second the survey identified barriers to participation. First economic status served as a barrier with greater perceived benefits to withdraw than to remain in the labourforce for those who are financially secure.

Planning programs for retirement are almost exclusively focused on financial issues however there is a complementary need to provide more assistance in terms of psychological and lifestyle adjustment and investigate more flexible work options including phased retirement.

Psychological barriers to greater involvement include concerns that employers hold negative stereotypes about mature aged workers and the lack training and other programs available that are specifically designed to assist mature workers.

The third aim of the project was to identify to costs and benefits of engaging mature aged workers. Business expressed some concerns with respect to the higher financial costs associated with sick leave and annual leave however these costs were outweighed by the positive contribution made by mature workers.

Retaining mature aged workers in the labour force requires a complex combination of public policies and work place incentives.

Implications for Policy

The challenge now is to develop a policy framework which recognizes the contribution the over 50s can make in the work force and facilitates a flexible workplace environment so that these benefits can be realized. To do this requires a multi level approach.

The concerns raised in this study need to be addressed at the individual level of physical health and emotional well being, the organizational level to make the workplace environment more attractive to mature age employees and at a public policy level, to ensure that economic and social welfare policies facilitate longer term labour force attachment.

National Seniors Productive Ageing Centre

National Seniors Productive Ageing Centre (NSPAC) was established by National Seniors in 2002, in partnership with the Australian Government Department of Health and Ageing and the University of the Sunshine Coast.

The Centre's annual program consists of consumer research and policy forums, cross-sectoral research collaborations, development of productive ageing research products and innovative use of a range of media to disseminate research widely.

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National Seniors Productive Ageing Centre for consistency with the National Seniors membership base uses the term 'senior' to describe an individual aged 50 years and over.

