



NEWSLETTER

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RETAINING OLDER WORKERS AND DELAYING RETIREMENT

In 2000, workers aged 35 to 54 represented about half of the Canadian workforce, compared to just over one-third of the workforce 25 years ago.¹ In 2006, an estimated 2.1 million individuals aged 55 to 64 were either employed or looking for work, more than double the total in 1976.² Older workers represented 12 percent of the total labour force in 2006, compared with 10 percent three decades earlier. Statistics Canada estimates that the population aged 50 to 64 years will increase by 27 percent between 2006 and 2021. The character of Canada's workforce is significantly changing, with consequences, including skill shortages already evident in several sectors and regions of the country.

The above noted Statistics Canada study also suggested that the labour force participation among these older workers would continue to rise because of three primary factors:

- a strong attachment to the labour market among baby boomers;
- rising levels of education, particularly among women; and
- an apparent desire among people over 55 to continue working, either from interest, financial concern, or other factors, such as the virtual elimination of mandatory retirement at age 65.

Established large and medium sized organizations tend to have a substantial number of older and experienced employees in their workforce. With significant numbers of boomers eligible to retire in the next five years, observers have been warning employers to begin planning for their replacements and introducing special measures to encourage their retention. However, recent surveys have shown that some organizations have been far too slow to respond to the challenges of a greying workforce.

For the most part, an older workforce can be a positive thing. According to the 2005-2006 MetLife "*Employee Benefits Trend Study*", older workers are generally found to be more satisfied with their jobs and more loyal to employers. 67 percent of pre-retirees (aged 61 to 69) reported high levels of *job* satisfaction compared with 44 percent of all employees. In addition, older workers have more experience and wisdom. They tend to arrive on time, have lower rates of absenteeism, have lower turnover rates, and are more health and safety conscious.

Interestingly, the current economic downturn may offer some organizations a brief reprieve in dealing with the loss of those experienced and expert employees nearing retirement. As a result of the existing economic uncertainty and market volatility, a recent Sociabank survey indicates that more than one-third of those aged 50 or over intend to push back their planned retirement age.³ A survey taken in December 2008 for Sun Life Financial indicated that nearly a majority of working Canadians are intending to work beyond the age of 65. The survey also indicated that many people are staying in the

¹ *Building Bridges Across Generations in the Workplace: A Response to Aging of the Workforce*: Sylvain Schetagne (Canadian Council on Social Development, 2001)

² *Participation of older workers*, by Statistics Canada in *Perspectives on Labour and Income* (August 2007 on-line edition, Vol. 8, no. 8)

³ *Economic concerns force Canadians to postpone retirement*, Eric Beauchesne, Canwest News Service Wednesday, January 07, 2009

"Healthier organizations mean more productive employees."

workforce for "positive reasons," such as enjoyment of their careers, staying mentally active and being able to interact with co-workers.⁴

However, many older workers, especially those with defined-benefit pension schemes, are still expected to take their retirement when they can do so without any penalties. This means that organizations are going to need to take certain measures to either retain experienced and skilled workers or to ensure a smooth transition within their workforce given the eventual loss of these workers. The key to retaining older workers, who are likely to be in demand as the population ages and the labour force shrinks, is for organizations to structure jobs more creatively.

What organizational attributes help to retain older workers?

The following are examples of several attributes that can help an organization in the retention of older workers, especially those considering earlier retirement:

- Availability of flexible working conditions, including more flexible or reduced hours and days of work;
- Provision of a voluntary transitional period prior to retirement, allowing time for mentoring replacement workers while continuing contributions or access to pension benefits;
- Provision of extended health care benefits;
- Availability of special assignments and reasonable scheduling of workload and deadlines;
- Ability of workers to exercise autonomy and find opportunities to learn;
- Option of job sharing, part-time work, or self-funded leaves; and
- Option of working from home.

The bottom line is that there is no rule or regulation that will be the panacea for companies trying to retain retirees, experts say. "Companies need to create a culture around these initiatives," said Donna Klein, president and CEO of Corporate Voices for Working Families, speaking at the WorldatWork conference. "For many companies, that's going to be a cultural shift."⁵

Are there added health and safety issues associated with an aging workforce?

Organizations must also adapt work environments and workplace practices to accommodate older workers' needs, and to help keep them safe and free from injury and illness. Today's older population, besides experiencing the normal personal and health issues that come with aging, face additional challenges, often including increased family responsibilities as they care for families, spouses and elderly parents.

When anyone, regardless of age, is pushed to work harder than they safely can, there is a risk for injury. Because older workers tend to have more severe injuries when they do happen, it's important to make adjustments to work stations or work patterns to make them as safe as possible. It's also important to make sure a person is suited for a particular task and is safely able to do it.⁶

⁴ *Many Canadians to work past 65: Survey*, Derek Abma, Canwest News Service, January 28, 2009

⁵ *Employers Take Action to Retain Retirees*, Jessica Marquez, *Workforce Management Online*, August 2007

⁶ *Older, Wiser, And Taking Over The Workforce*, The Health & Safety Report, Canadian Centre for Occupational Health and Safety, Volume 3, Issue 7- July 2005

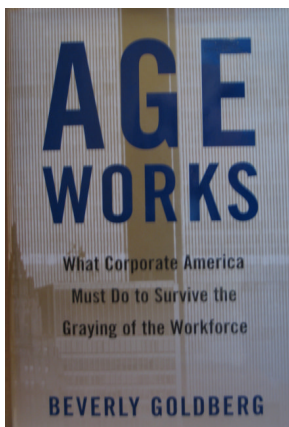
"Healthier organizations mean more productive employees."

A number of health and safety considerations have to be taken into account when adapting work to older workers, including:

- Ergonomic factors to take into account the normal lost of some range of motion and flexibility, and a greater likelihood of repetitive strain injuries (e.g. back, shoulder, hand and other soft-tissue injuries) occurring due to the worker's age and work history;
- Frequency of rest periods to allow older workers adequate recovery time in view of a reduction in muscle strength and a higher probability of re-occurring sleep deprivation;
- Levels of lighting and appropriate equipment to accommodate additional vision requirements;
- Conditions and equipment necessary to take into account hearing loss;
- Temperature and humidity controls to accommodate for greater sensitivity to heat and cold;
- To prevent undue physical strain and stress, appropriate equipment and work practices designed to match the speed of automated work to the worker; and
- Allowances in emergency response procedures (e.g. evacuation) and equipment (e.g. alarm signals) for disabilities or health issues.

Recommended Reading:

- *Will Employers Want Aging Boomers?*, Gordon B.T. Mermin, Richard W. Johnson, and Eric J. Toder, (The Urban Institute, Washington, D.C., Discussion Paper 08-04, July 2008)
<http://healthyorganizations.net/Documents/Will%20Employers%20Want%20Aging%20Boomers%20-%202007%2008%20Papar.pdf>
- *The Retirement Plans and Expectations of Older Workers*, Statistics Canada, Sept. 9, 2008
<http://healthyorganizations.net/Documents/Retirement%20plans%20and%20expectations%20of%200lder%20workers%20-%20StatsCan%2009%2008.pdf>



“Age Works”

(What Corporate America Must Do to Survive the Graying of the Workforce.)

by Beverly Goldberg

(The Free Press, New York, NY, 2000)

Recommended Web Sites:

- *Aging Workforce*: Human Resources and Skills Development Canada
http://www.hrsdc.gc.ca/eng/lp/spila/wlb/aw/01aging_workforce.shtml
- *Aging Workers*: Canadian Centre for Occupational Health and Safety
http://www.ccohs.ca/oshanswers/psychosocial/aging_workers.html

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