

HIRING AND RETAINING WORKERS 45 YEARS AND OLDER

LOYALTY AND LOWER TURNOVER

Workers 45 years and older provide greater stability to your workforce. This saves you money through lower turnover rates and lower recruitment costs. Two-thirds of all Victorian workers older than 45 years will still be with the same employer after five years.¹ A stable workforce makes planning easier and helps retain your business 'knowledge base'.

THE EXPERIENCE FACTOR

Experienced workers take less time to reach full productivity on the job, and use their initiative to solve problems. Workers 45 years and older usually understand teamwork and have the maturity and patience to relate well to customers and co-workers. Experienced workers require less direct supervision, can mentor new starters and lead work teams.

Workers 45 years and older usually have a range of skills learnt over time. Many are interested in taking on a variety of tasks or more responsibility. Use this worker flexibility in peak periods or in changing times to maintain competitiveness.

COST EFFECTIVE

Recruiting and retaining older workers is cost-effective. A cost-benefit analysis, conducted by the workforce consultancy group, Business, Work and Ageing in 2001, found a net benefit of \$1956 per annum in recruiting and training (or re-training) older workers. This exceeded any down-time costs associated with absenteeism and work-related injuries.² So while you may pay older workers higher salaries than younger people, there are savings to be made with less absenteeism and work injury costs.

REFLECTING CONSUMER MARKETS

Workers 45 years and older will increasingly reflect the growing consumer market of older people throughout the developed western world. If your products or services are designed for the general public, it makes good business sense to match older workers in face-to-face roles with your customers.

Experience at work

¹ Australian Bureau of Statistics, Duration of Current Job by Age – Victoria, Labour Mobility, ABS CAT 6209.0 (2002)

² Business Work & Ageing, Human Resource Management Handbook, (2002) p9

AGE DISCRIMINATION IN EMPLOYMENT

Under the *Equal Opportunity Act 1995* (Vic), it is against the law to discriminate against people in the workplace because of their age. This includes job applicants, employees and contract workers. The law covers recruitment, terms and conditions of employment, promotion and transfer opportunities, leave entitlements, redundancy, dismissal and exiting arrangements such as the provision of references. It is also against the law for employers to set a mandatory retirement age. Compulsory retirement was abolished in Victoria in January 1997.

Despite these laws, research shows that older workers are discriminated against in recruitment, training, promotion, redundancy or retirement.¹ Age discrimination forces people out of the workforce prematurely, and then prevents them from re-entering.

Negative stereotypes about ageing are behind many discriminatory practices in the workplace. Stereotypes about older workers include that they are forgetful, unproductive, accident prone and technologically inept. These stereotypes are inaccurate and unfair. It is in the interests of employers to challenge these untrue stereotypes in order to fulfill their legal responsibilities to be fair to all employees, regardless of their age.

RECRUITMENT

A survey of 500 Australian employers revealed that none would employ managers and executives older than 50 years of age.²

TRAINING

Older workers are 24% less likely to be offered training than employees 35 – 44 years old.³ This makes it more difficult for older workers to update their skills, and positions them as a future target for redundancy.

PROMOTION

Older workers are often overlooked for promotion in favour of younger workers. Older workers are viewed as being close to retirement and therefore a poor return on investment. But many older workers may not be preparing for retirement.

REDUNDANCY

Older workers are routinely targeted when companies are downsizing or restructuring. An Australian survey⁴ found that 65% of employers said workers older than 50 years would be the first to go in the event of retrenchments.

RETIREMENT

Older workers report feeling pressured by employers implying problems with their fitness or mental agility. Full-time work or retirement are viewed as the only options for older workers. Rarely are alternatives such as part-time work or phased retirement options offered to older workers.

Experience at work

¹ Equal Opportunity Commissions VIC, SA & WA & the Australian Employers Convention, *Age Limits: Age-related discrimination in employment affecting workers over 45* (2001)

² Drake Personnel Ltd (1999) 'Age Discrimination is Alive and Well' Submission to the House of Representatives Standing Committee on Employment, Education & Workplace Relations Inquiry into Issues Specific to Workers over 45 years.

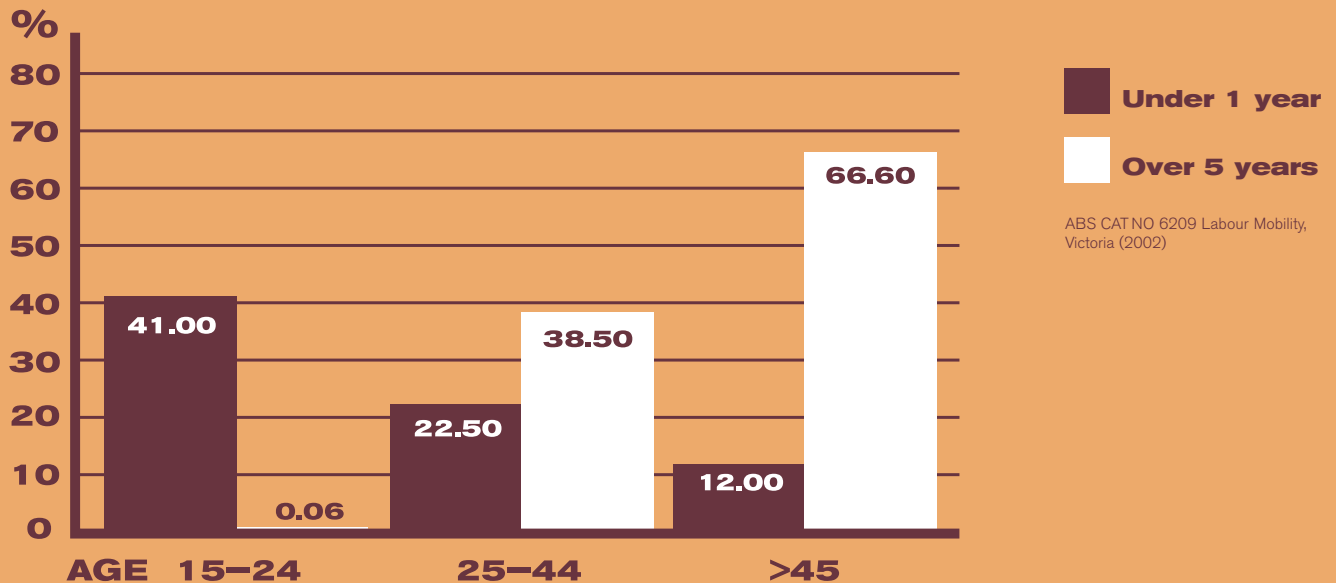
³ Australian Bureau of Statistics, *Education and Training Experience*, ABS CAT NO 6278.0 (1997)

⁴ Drake Personnel Ltd op cit

VICTORIAN WORKFORCE SNAPSHOT

DURATION OF CURRENT JOB BY AGE

Workers 45 years and older are more likely to stay in their current job for more than five years.



AGE COMPOSITION IN 2001

Workers 45 years and older are a significant and growing sector of the Victorian workforce.

