

Ageing Workforce in Crown Research Institutes Supplementary Survey Report 2014

Prepared for the New Zealand Human Rights Commission
in partnership with

The Office for Senior Citizens & OCG Consulting



Table of contents	Page
Introduction	3
Methodology	3
Defining an 'Older Worker'	4
Older Workers and Retirement	5
What Older Workers Seek in a Role	10
Representation of Older Workers	13
How Older Workers Impact an Organisation	14
Do Employers Foresee an Aging Workforce Crisis?	18
Hiring Older Workers	20
Attracting an Older Workforce	22
Age Discrimination	28
References	33
Appendix	34

Introduction

The impetus of this supplementary report was to provide the views and behaviours towards an aging workforce by employers and employees from Crown Research Institutes (CRIs).

This report is to be read in conjunction with the Ageing Workforce in the New Zealand Crown Entity Sector prepared for the New Zealand Human Rights Commission.

Methodology

The New Zealand Human Rights Commission in partnership with The Office for Senior Citizens and OCG Consulting engaged Lonergan Research to conduct an online survey amongst employers and employees of the Crown Entity sector workforce, including both older and younger workers.

Respondents for this report were sourced from the Crown Research Institutes.

A total of 56 eligible employers completed the survey.

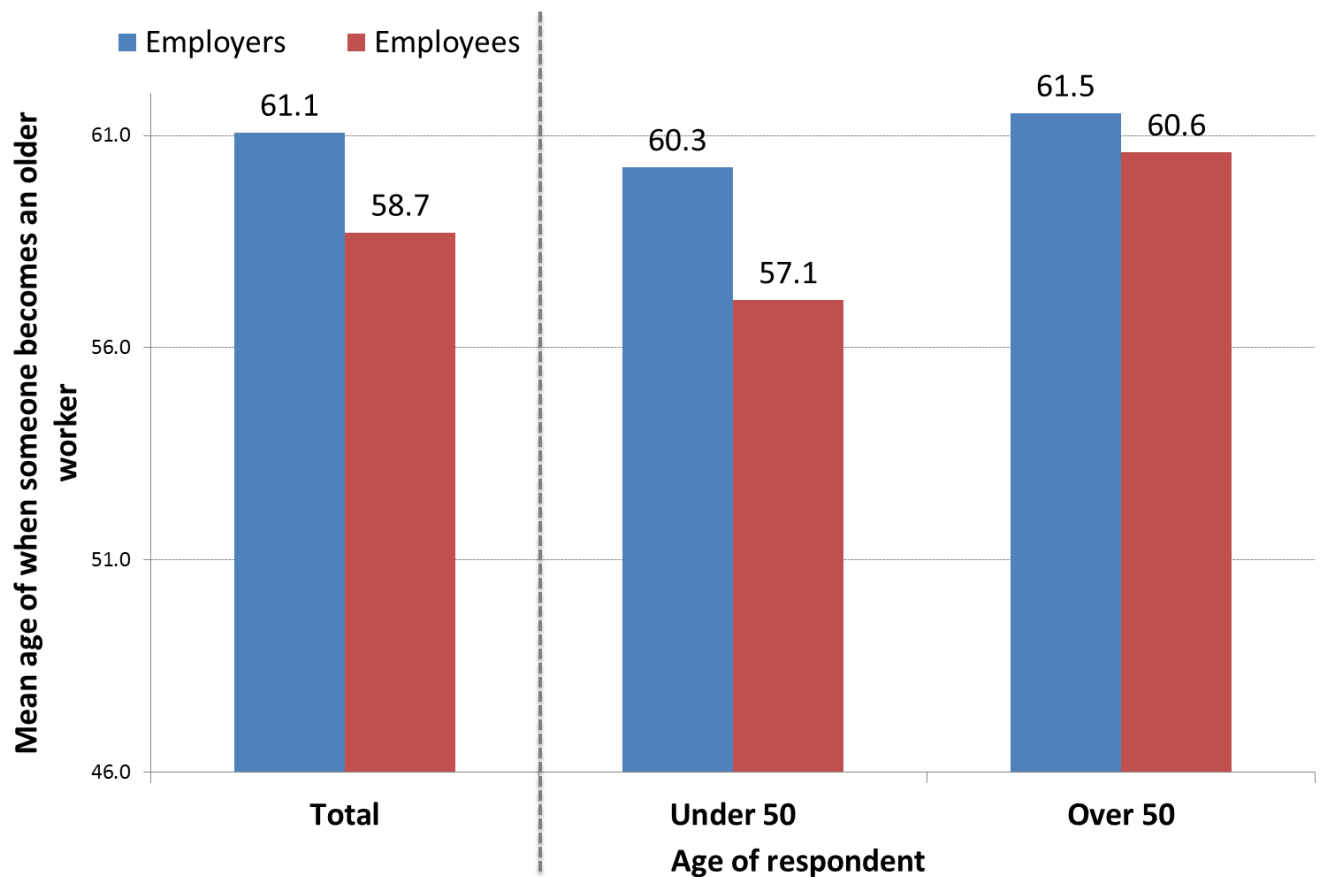
A total of 486 eligible respondents completed the employee's survey from the various CRI entities representing those who are currently in the workforce.

Fieldwork commenced on Monday, 29 September and was completed on Monday, 27 October 2014.

Defining an 'Older Worker'

Employers and employees within the CRIs are aligned on when they think you can consider someone as an older worker. Generally, it is perceived to be around the age of 59 to 61 years of age.

As people get older, their perception of when someone is older increases.

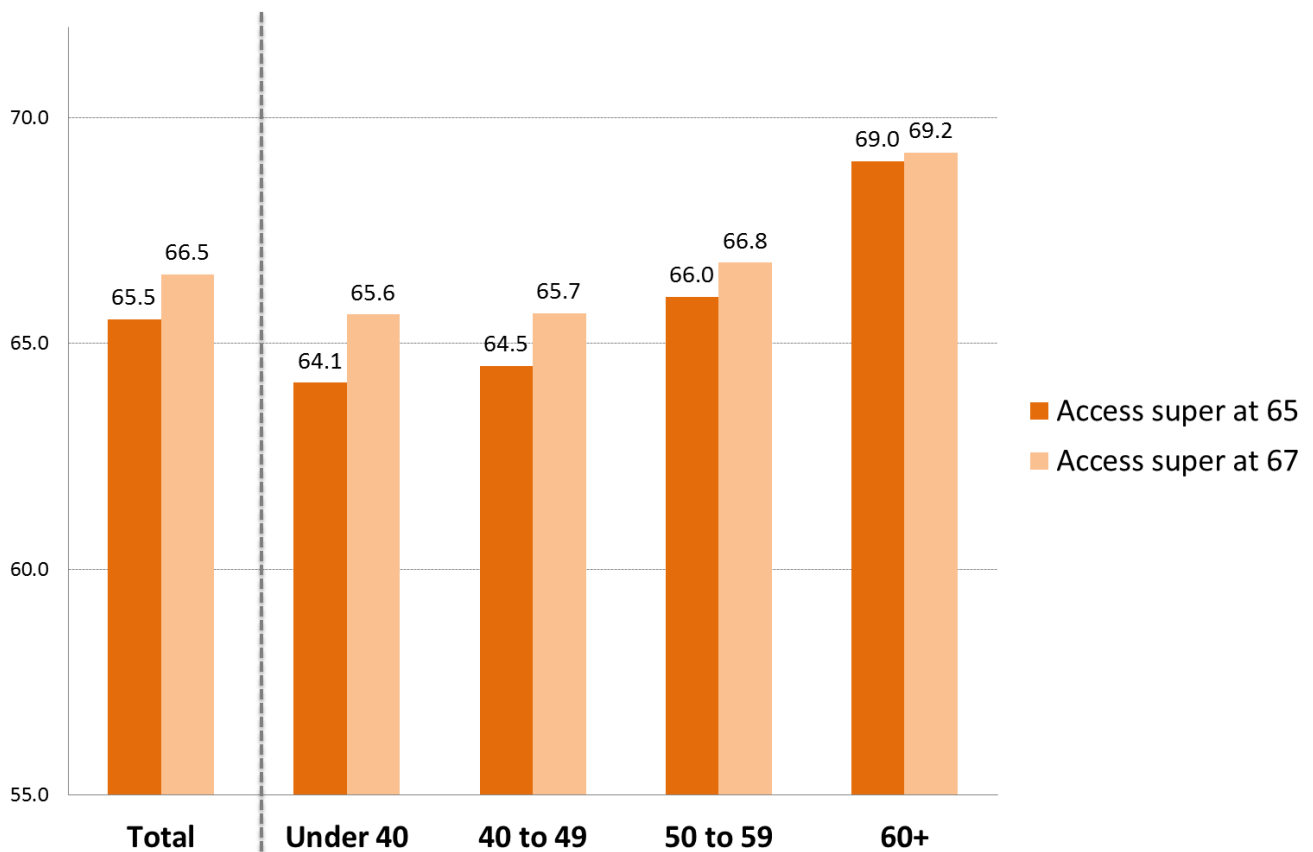


At what age do you consider someone becomes an older worker? Employer Survey: CRIs Employers n = 56, Employee Survey: CRIs Employees n = 486

Older Workers and Retirement

Older workers in the CRIs are more likely to perceive an older age for their retirement.

Delaying access to superannuation funds from 65 to 67 has little or no impact on when people expect to retire.

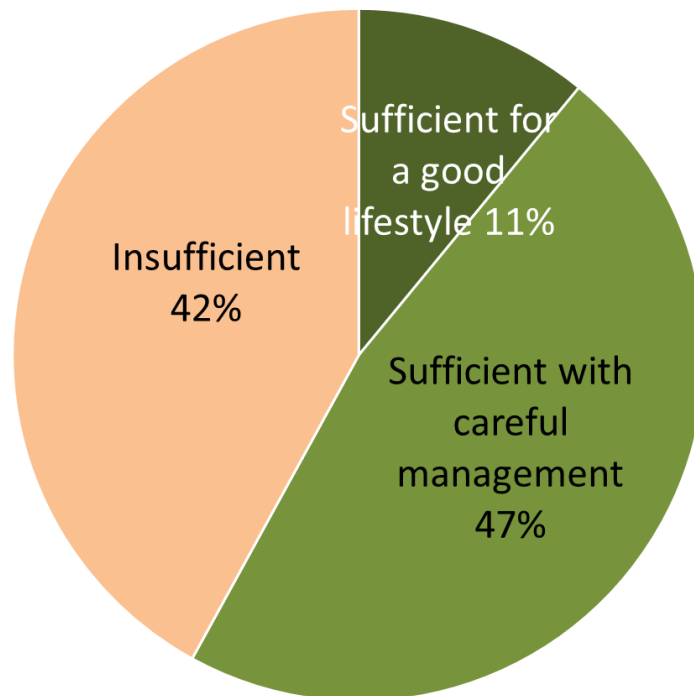


Assuming there are jobs available, at what age are you likely to retire? Employee Survey: CRIs Employees n= 486

Currently the age at which you can access New Zealand Superannuation is 65. If this was to increase to 67 years, still assuming there are jobs available, at what age are you likely to retire? Employee Survey: CRI Employees n = 486

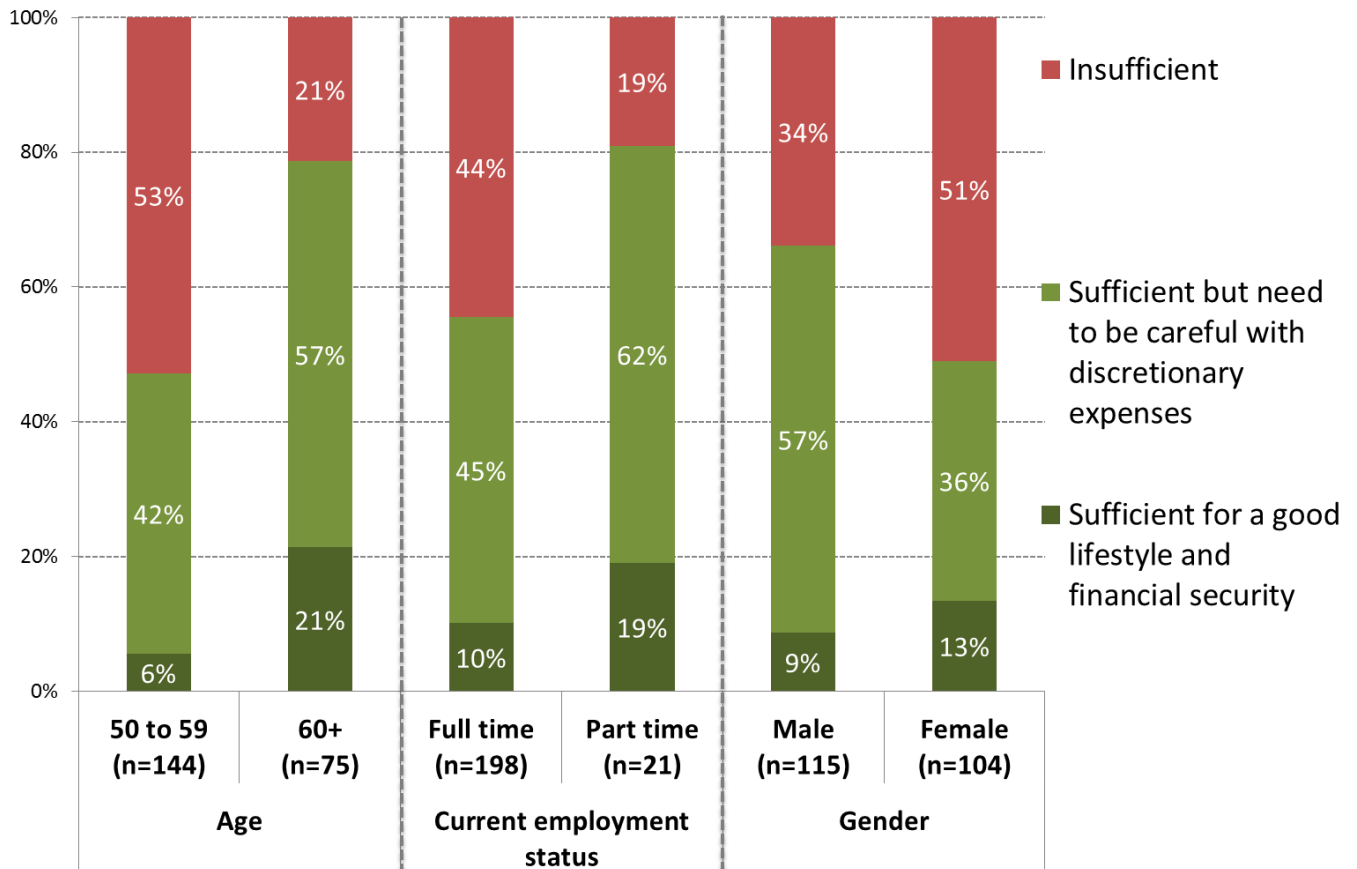
Amongst the older workers who remain in the workforce, financial necessity is a primary driver. Two in three (66%) disagree with the statement "I don't need the money I choose to work for other reasons" (22% agree, 12% neutral).

Two in five (42%) of the CRI workers aged 50+ do not feel confident they have enough savings to carry them through retirement.



If you were forced to retire tomorrow, including superannuation, accessing New Zealand Superannuation and KiwiSaver balances and any other assets you have accumulated, how sufficient are your retirement savings?
Employee Survey: Older CRI workers n = 219

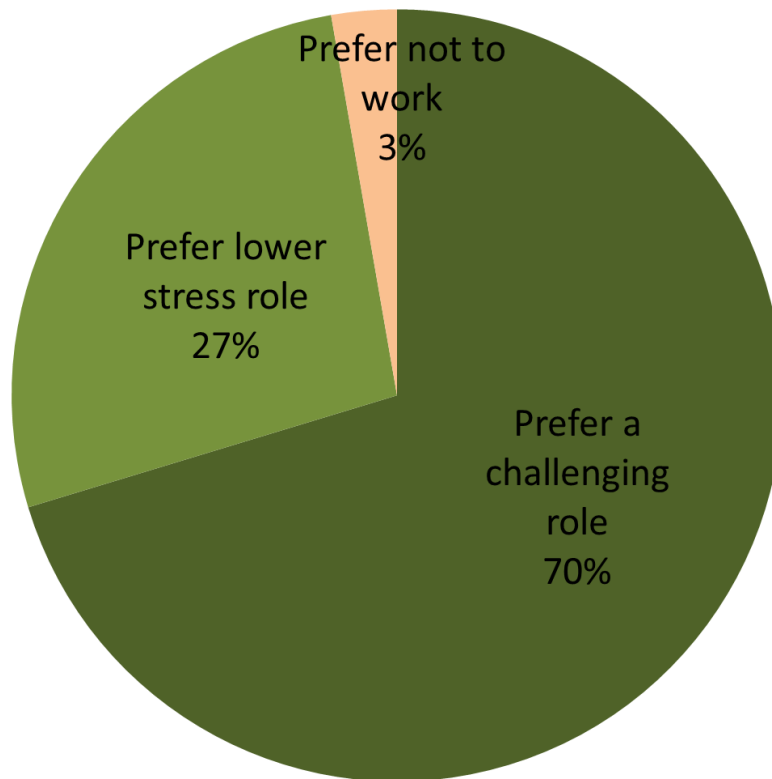
More than half (53%) CRI workers aged 50-59 feel that, if forced to retire tomorrow, they would have insufficient funds. This situation improves for the over 60s but one in five (21%) believe that they will have insufficient funds to retire. Only 6% of 50-59 year olds and 21% of those over 60 think that they could comfortably retire at the present moment.



If you were forced to retire tomorrow, including superannuation, accessing New Zealand Superannuation and KiwiSaver balances and any other assets you have accumulated, how sufficient are your retirement savings?
Employee Survey: CRIs older workers n = 219

A large majority (64%) of employees within CRIs who are over 50 disagree that they are losing interest in their careers and this is consistent even for employees over 60 year olds (60%).

Older workers from CRIs are not seeking an easy transition into retirement, with 70% preferring a challenging and rewarding role, in which they are prepared to work hard.



How would you describe your current attitude towards working? Employee Survey: Older CRIs workers n = 219

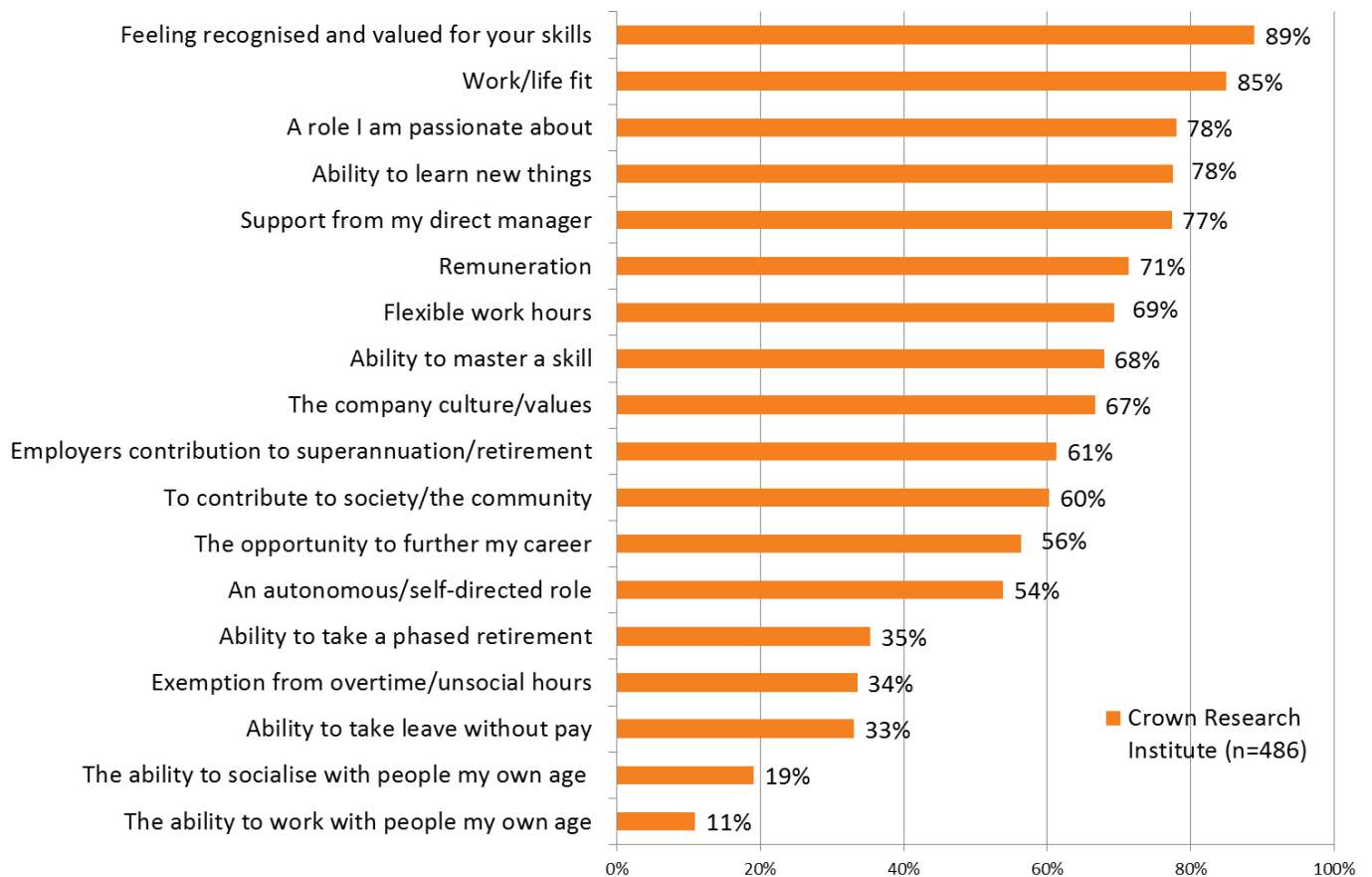
When older CRI workers are segmented according to the financial need to and desire to work, one in three (34%) have both a financial need to work and prefer a more challenging role. One in five (22%) have no financial need for work, and prefer a less challenging role.

Financial need to work			
Career orientation		No need	Have need
	Prefer challenging role	36%	34%
	Prefer less challenging role	22%	8%*

*Caution: Low sample size with this segment (n=17)

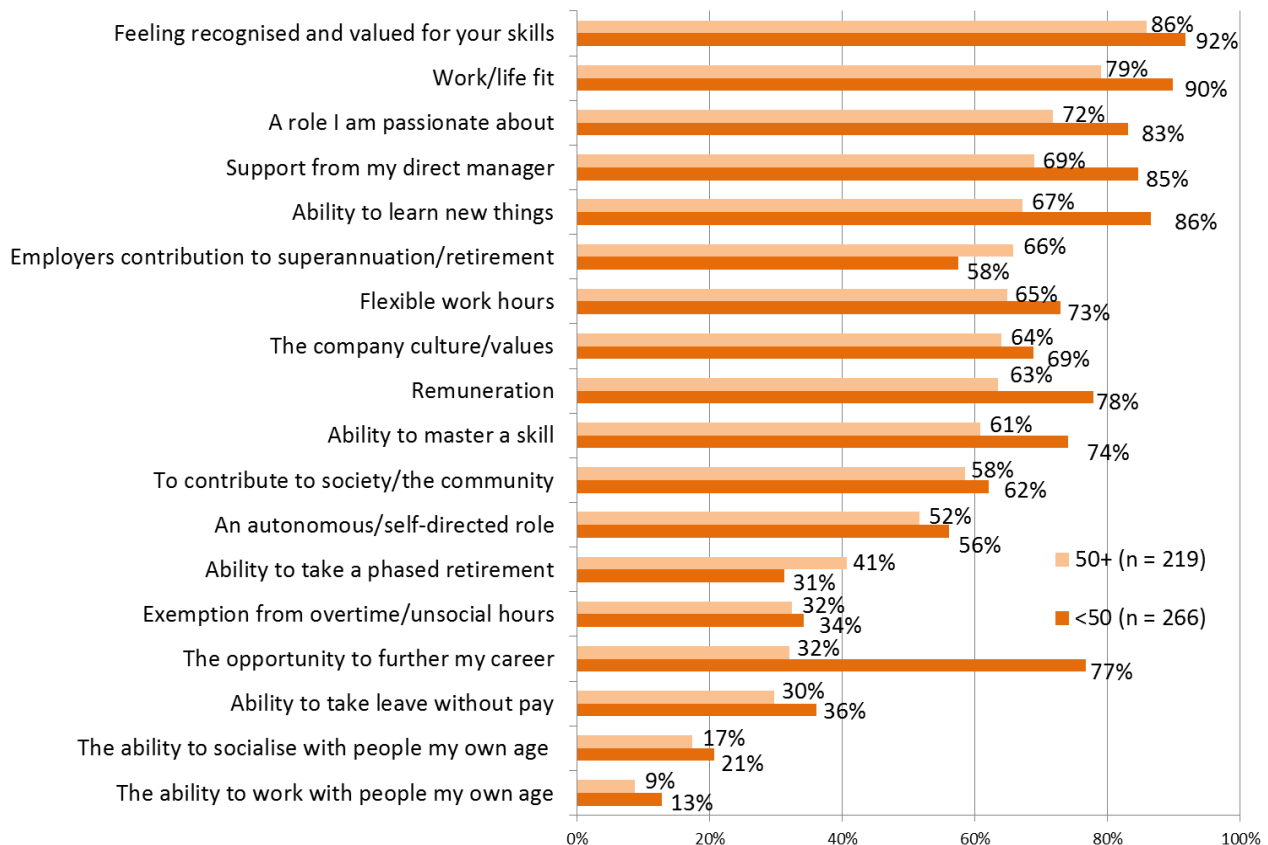
What Older Workers Seek in a Role

For the employers of CRIs, key elements workers are seeking in a role include feeling recognised and valued for their skills, to have a good work life fit and being passionate about the role.



How important are each of the following to you in a job role? Employee Survey CRIs n=486 (5 point scale, top 2 box (extremely – very important) shown)

When comparing older and younger workers in the CRIs, generally speaking, older workers are seeking the same elements in a role as younger workers. The only stark difference is that older workers are far less likely to feel a need to further their career. Even 'age relevant' options (such as the ability to take a phased retirement) are of limited value to most older workers.

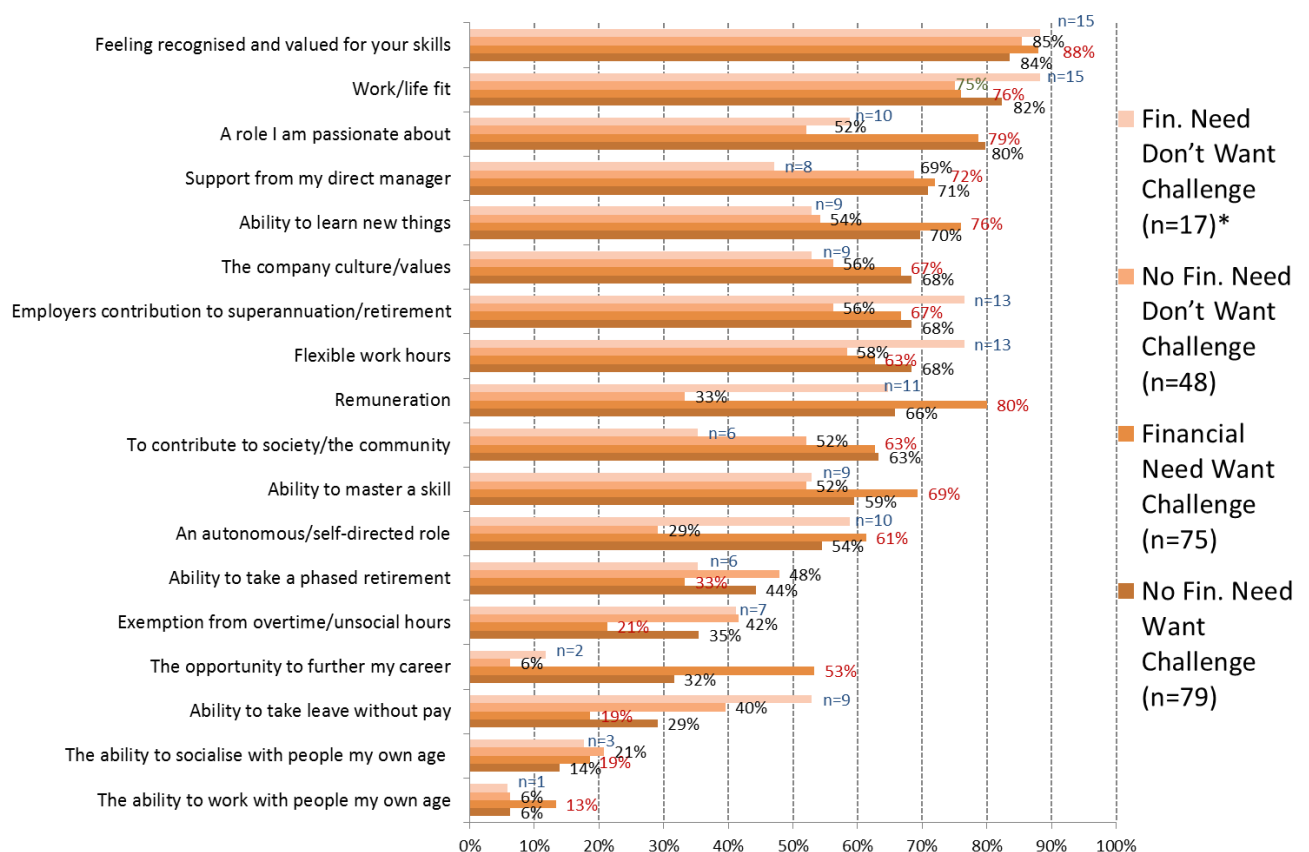


How important are each of the following to you in a job role? Employee Survey CRIs 50+ n=219, Employee Survey CRIs <50 n=266 (5 point scale, top 2 box (extremely – very important) shown)

Looking at the different segments of employees within the CRIs, there are some different drivers emerging:

- Those seeking a challenge (regardless of their financial needs) are more likely than other segments to be driven by being able to learn new things, work in a role which they are passionate about and master new skills.
- Those with financial needs (regardless of whether or not they are seeking a challenge), are more likely than other segments to be driven by remuneration, employer contribution to superannuation/retirement and an autonomous/self-directed role.
- Those with no financial need not seeking a challenge are more likely than other segments to be driven by the ability to take phased retirement and take leave without pay.

The top drivers in selecting an appropriate job role are shown below.

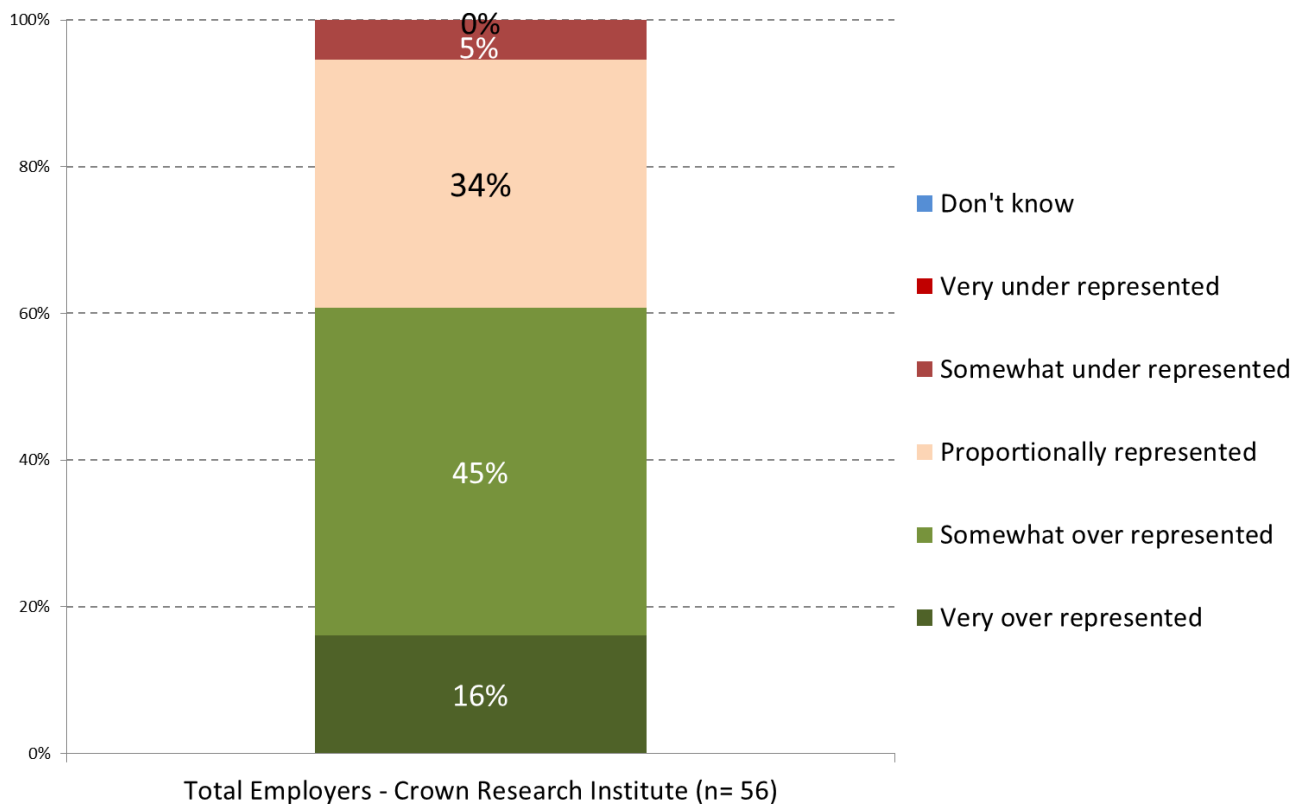


How important are each of the following to you in a job role? Employee Survey CRIs n=17, 48, 75, 79 (5 point scale, top 2 box (extremely – very important) shown)

*Caution: Low sample size with this segment (n=17)

Representation of older workers

Almost all employers within CRIs have an intergenerational workforce (98%). Six out of ten (61%) employers indicated that they have an overrepresentation of older workers within their organisation. While, one in three (34%) have a proportionally representation of older workers.



Thinking about your organisation. Would you say that older workers (aged 50+) are? Employer Survey CRIs n=56

How Older Workers Impact an Organisation

When employers in the CRIs are asked to comment (unprompted) on the key issues related to hiring older workers, a quarter (27%) of responses included some benefits older workers provide to their organisation. Whereas, 71% included negative issues older workers bring to their organisation.

CRI employers perceive older workers as more experienced and more reliable, yet more resistant to change and more prone to health issues.

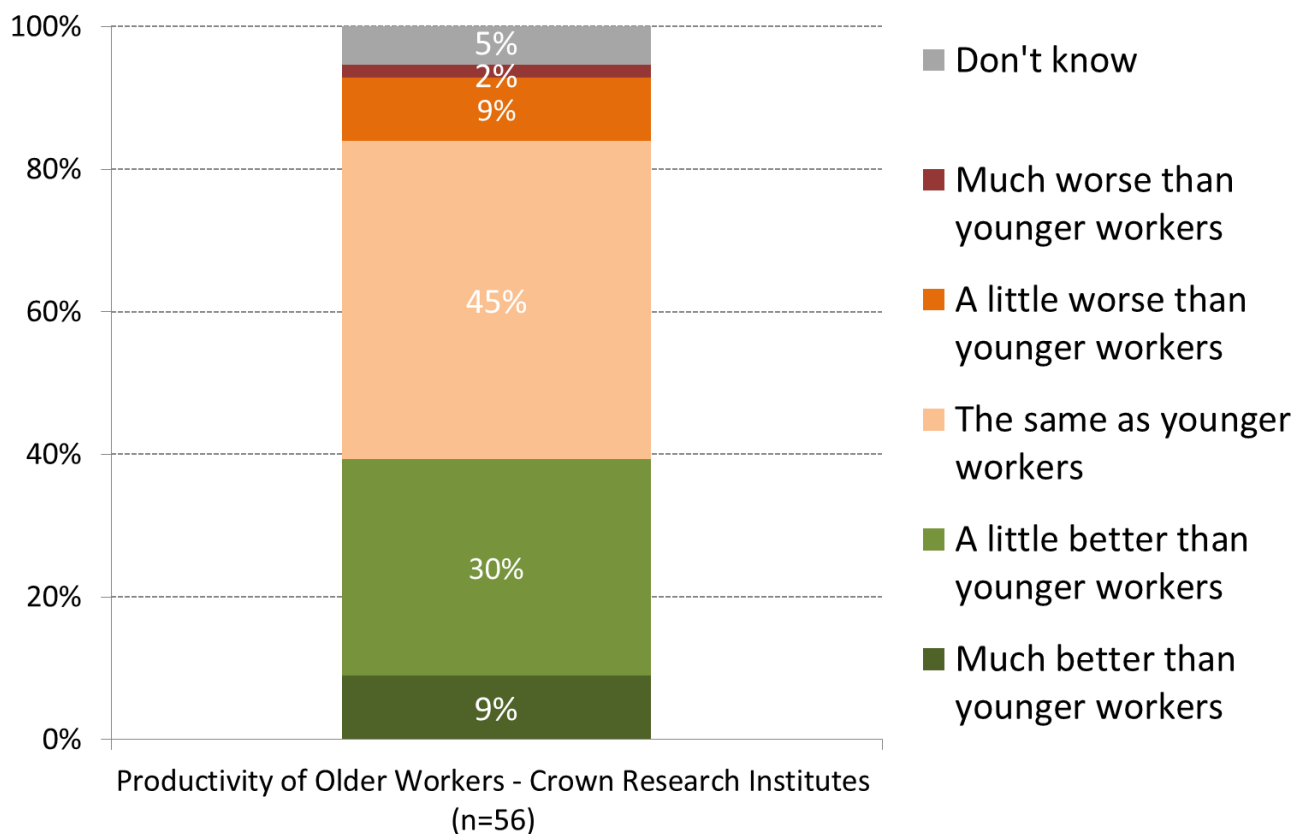
Positive responses	%	Negative responses	%
Better / more experience / knowledge	20%	Less adaptable/resistant to change/less flexible	23%
Net: more reliable / productive	11%	Potential loss of knowledge	20%
(More reliable/productive)	(7%)	Net: Have more health issues / injuries	18%
(More stable/loyal)	(2%)	Restricting promotion of younger staff	11%
(better work ethics/hard working)	(2%)	Less vibrant/creative	5%
Able to train others/mentor	5%	Less computer literate/tech savvy	5%
Integrate well/easy to manage	4%	Less motivated/ambitious	5%
More drive/energy	4%	Less productive	5%
Contribute a lot	2%	Net: Need special treatment / OH&S / less hours	5%
		Physical decline	5%
Other positive	2%	Less energy/fatigue/slower	4%
		Higher salaries	4%
		Don't integrate well with younger workers	2%
		Other (negative)	4%

What do you think are the key issues from having older workers in your organisation? Employer Survey CRIs
n=56

Productivity

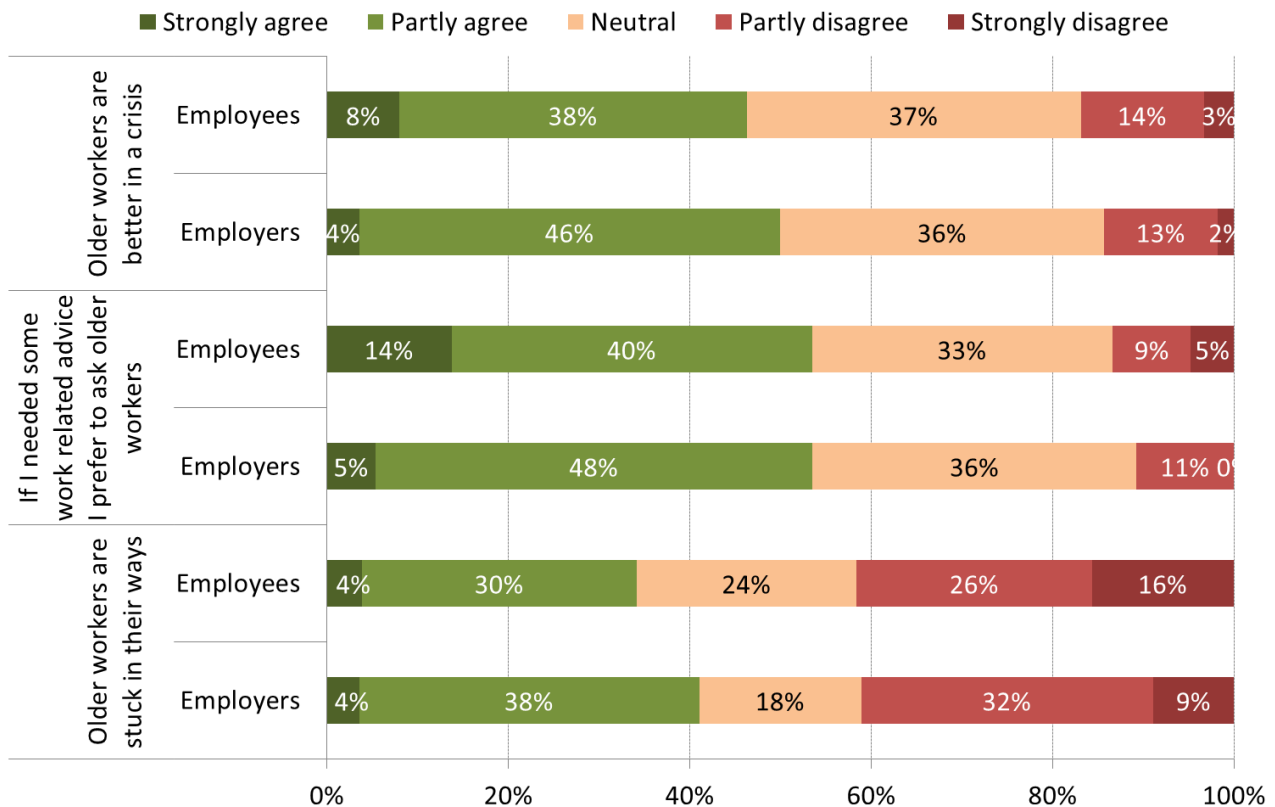
Four out of ten (39%) employers in CRIs view older workers as being more productive than their younger counterparts. This trend was the strongest amongst employers who are themselves older workers, with 47% of employers aged over 50 believing older workers are more productive (cf. 25% of employers aged 50 and under).

Furthermore 30% of employers think that older workers are less likely to make critical mistakes or stuff things up (cf. 30% disagree).



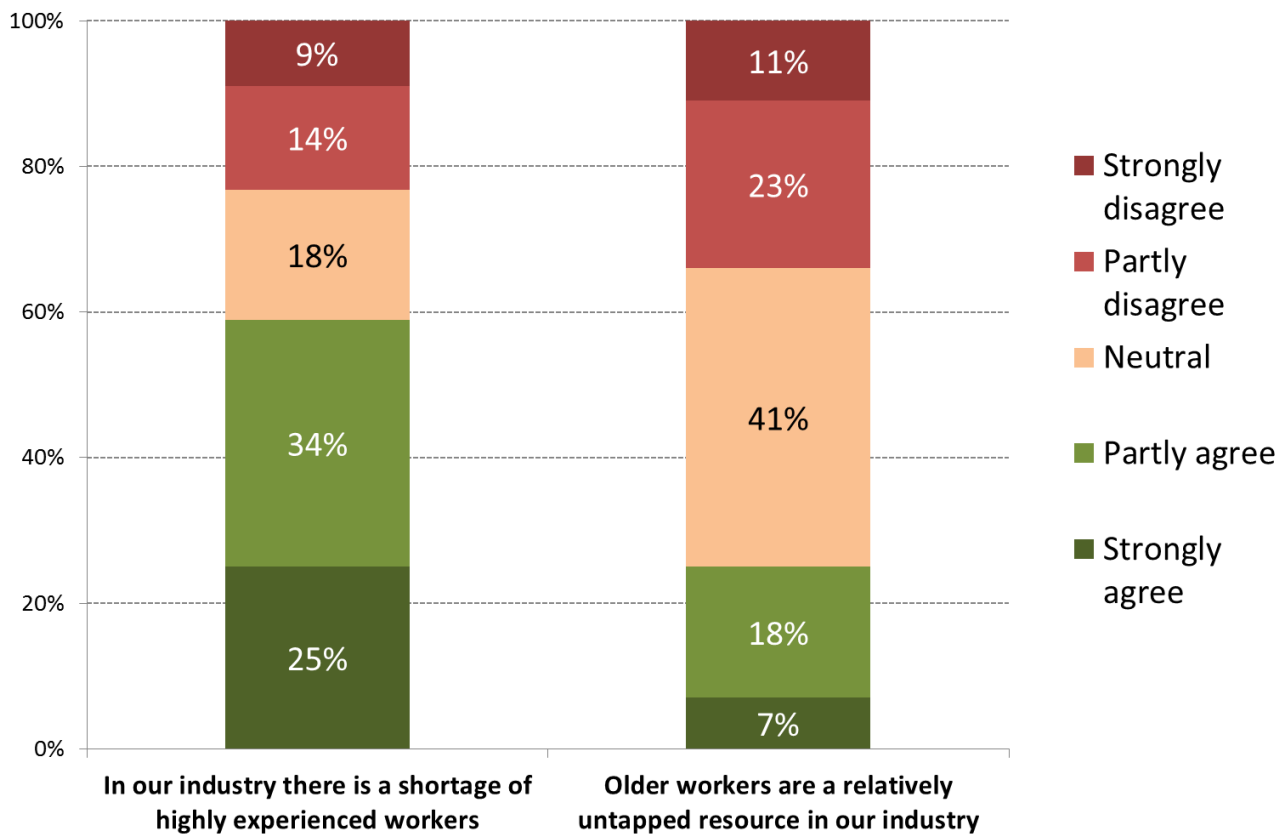
How do you rate the productivity of older workers aged 50+? Employer Survey CRIs n=56

Both employers and employees of CRIs believe that older workers are better in a crisis, provide better work related advice and are less willing to change their ways.



Thinking about older workers aged 50 and above. Do you agree or disagree with the following statements?
 CRIs Employee survey n=486, CRIs Employers survey n=56

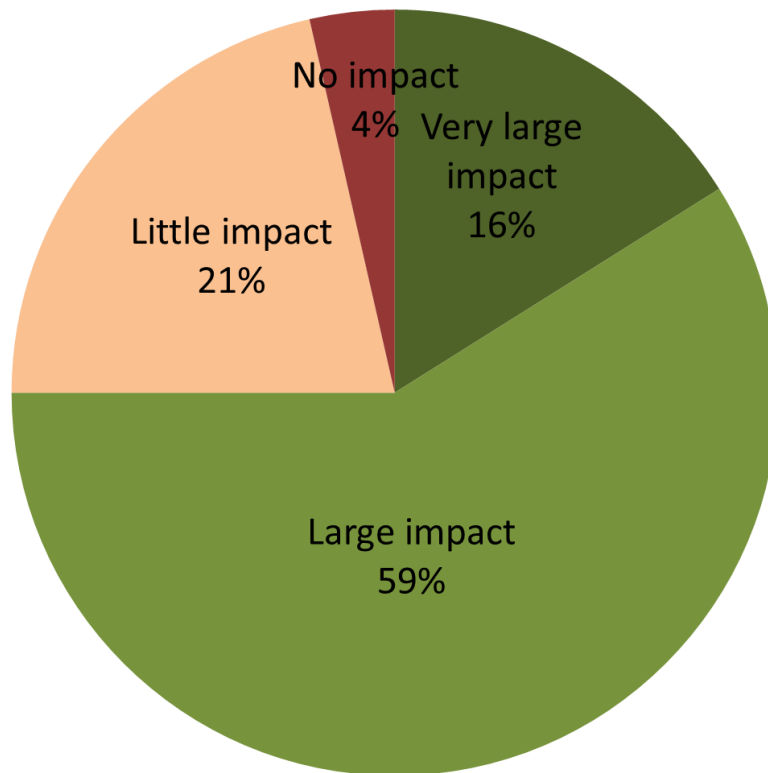
Almost three in five CRI employers (59%) note that there is a shortage of highly experienced workers in their industry. By the same token, one in four (25%) agree that older workers are a relatively untapped resource in their industry.



Thinking about older workers aged 50 and above. Do you agree or disagree with the following statements?
Employer Survey: CRIs Employers n=56

Do Employers Foresee an Aging Workforce crisis?

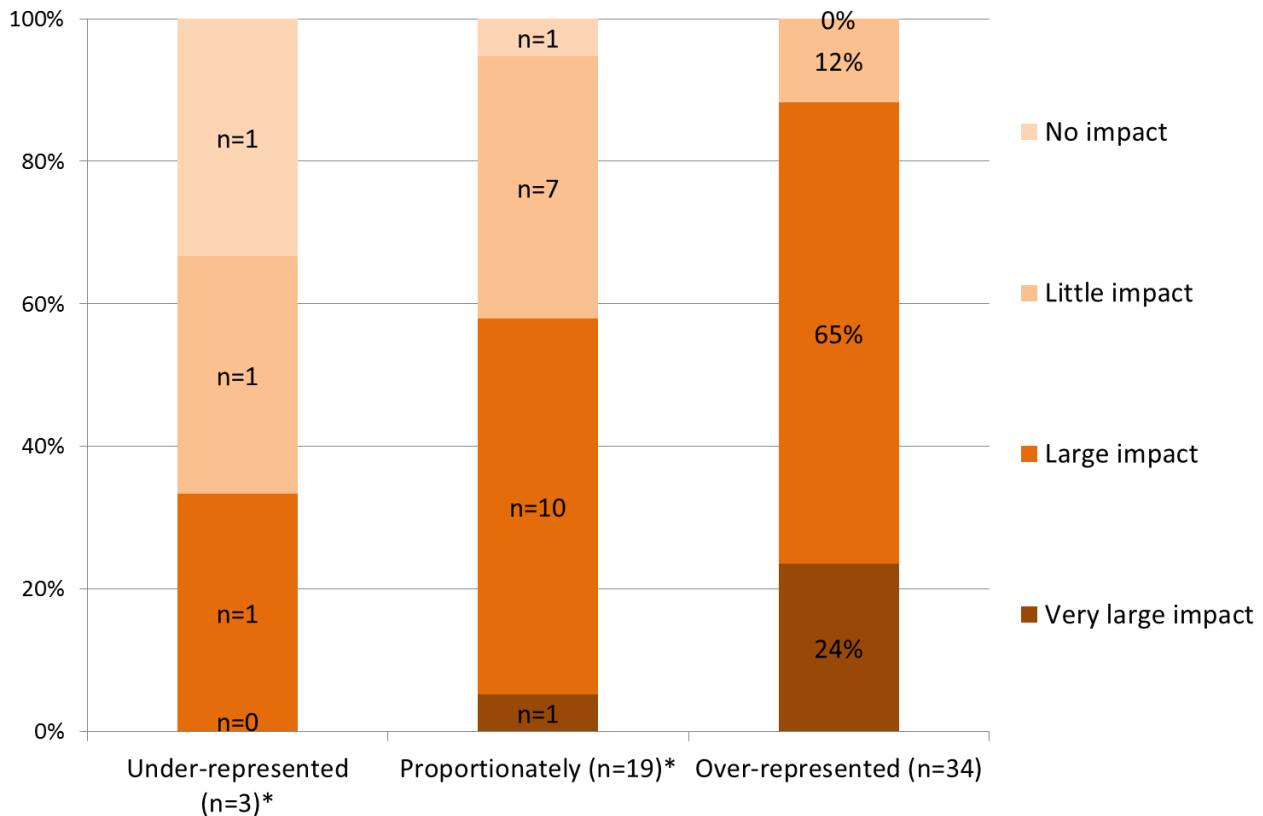
Amongst CRI employers, almost all (96%) consider that an aging workforce will have some impact on their organisation, however opinion is divided as to the size of this impact. Three in four (75%) believe an aging workforce will have a very large or large impact, with little or no impact for 25%.



To what extent will an aging workforce impact your organisation over the next decade? Employer Survey CRIs n=56

There is a strong correlation between organisation size and the perceived impact of an aging workforce. Amongst CRI organisations with a workforce of less than 400 employees, 70% believe an aging workforce will have a very large or large impact (cf. 78% of larger CRIs organisations (400+ employees)).

The majority (88%) of CRI employers with an over-representation of older workers feel an aging workforce will have a large impact on their workforce.



To what extent will an aging workforce impact your organisation over the next decade? Employer Survey CRIs
n=56

*Low sample size (under-representation = 3, proportional representation = 19)

Hiring older workers

High salary expectations are a core reason for CRI employers not hiring more older workers. However, this view is not held universally by employers.

Only one in five (18%) employers agree that older workers have 'higher salary expectations, hiring them is not good value for our business.' Half (50%) of employers disagree with this sentiment.

However, this view seems to be shared by workers within CRIs who are actively looking for a new role, with three in five (60%) workers willing to accept a pay cut for the right role. This is irrespective of whether they are older or younger workers.

Furthermore, 53% of older workers would accept a more junior position (cf. 33% of workers under 50 years old).

The other key barrier for hiring older workers is that they don't apply for the roles available.

There are some employers (16%) who don't see any barriers to hiring older workers.



What are the barriers to your organisation hiring more older workers aged 50+? Employer survey CRIs n=56

CRI employers and employees disagree with the statement “When it comes to technology, older workers just don’t get it”. With only 16% of employers holding this stereotype, however, it is an issue likely to be impacting on older workers.

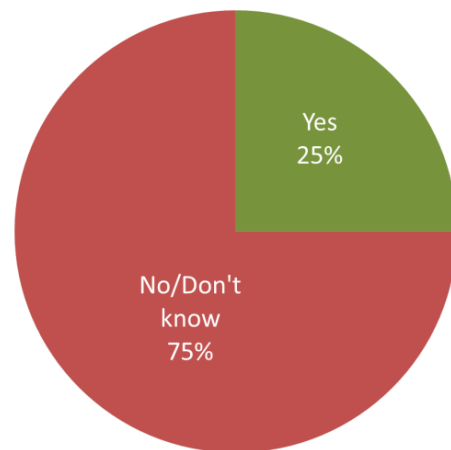
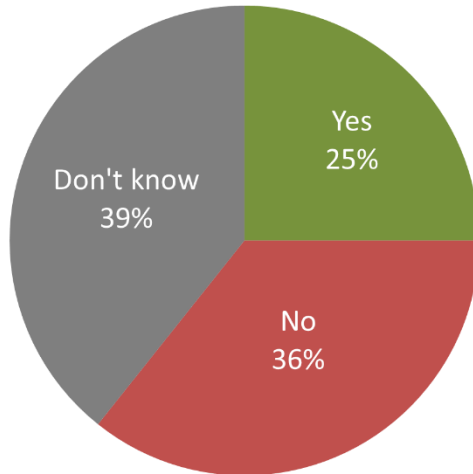


Do you agree or disagree with the following statements? When it comes to technology, older workers just don't get it. CRIs Employer survey n=56 and CRIs Employee survey n=486

Attracting an Older Workforce

In CRIs, one in four (25%) of employers have specific planning strategies around aging workforce participation. Similarly, one in four (25%) employers plan to implement or increase their workforce aging strategies over the next decade.

Specific planning strategies on ageing workforce (n=56) Plan to implement/increase workforce ageing strategies (n=56)

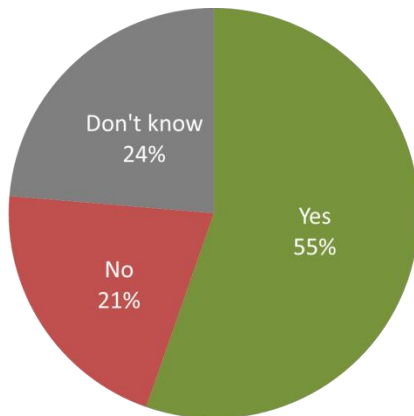


*Does your organisation have specific planning strategies around ageing workforce participation / utilisation?
Are you planning to implement / increase your focus on workforce ageing strategies over the next decade?*
Employer survey CRIs n=56

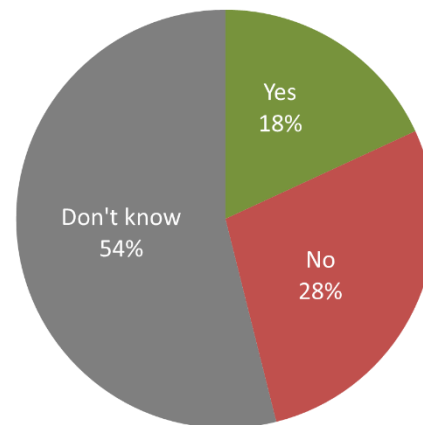
Most CRI employees (55%) think it should be mandatory to have specific aging workforce planning strategies in place.

However in the CRIs, there is a disconnect between the strategies being put in place by employers, and what is being noticed by employees. Despite 25% of employers claiming to have strategies in place, only 18% of employees are aware of any strategies their employer has implemented.

Should it be mandatory for organisations to have specific ageing workforce planning strategies? (n=486)



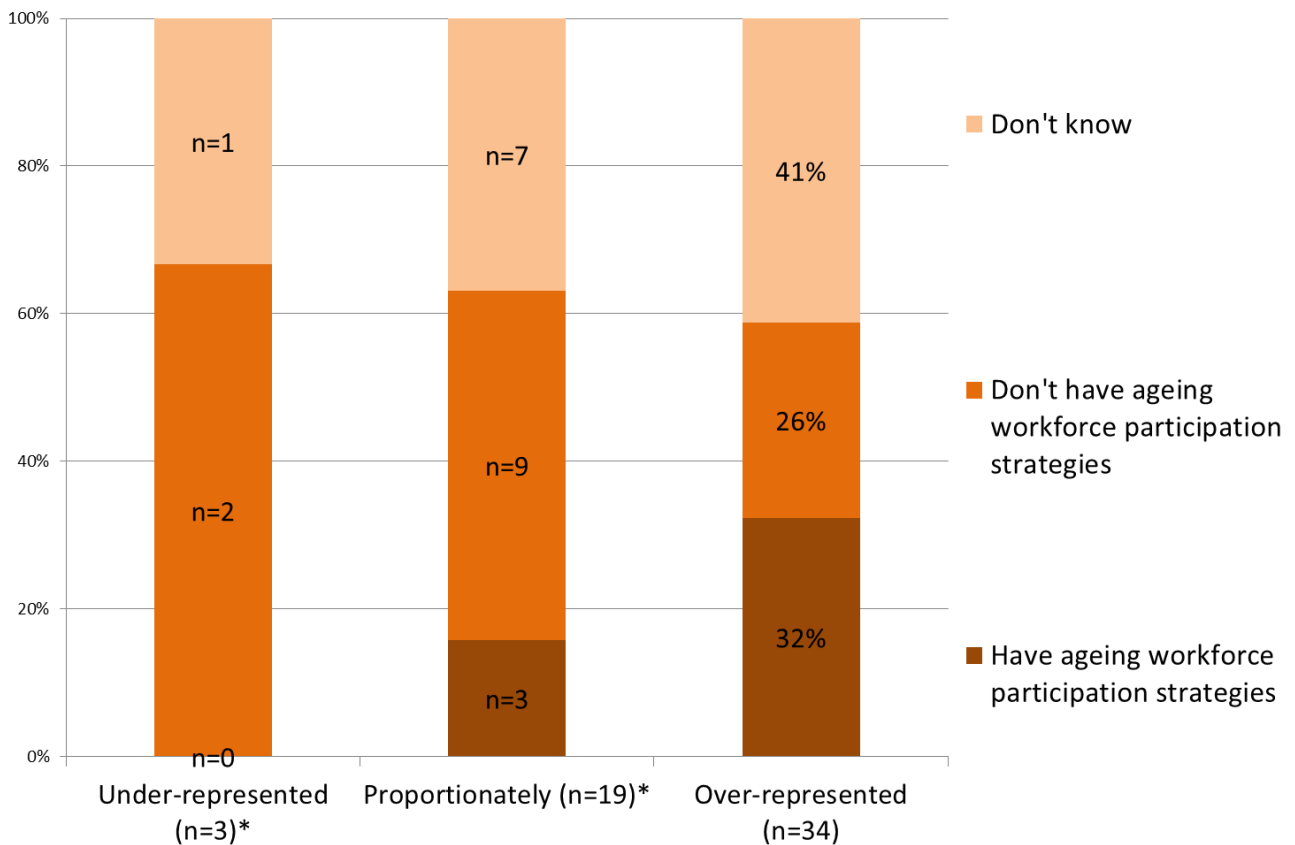
Current planning strategies around ageing workforce (n=486)



Do you think it should be mandatory for organisations to have specific planning strategies around ageing workforce participation / utilisation? Employee survey CRIs n=486

Does your organisation currently have any specific planning strategies around ageing workforce participation / utilisation? Employee survey CRIs n=486

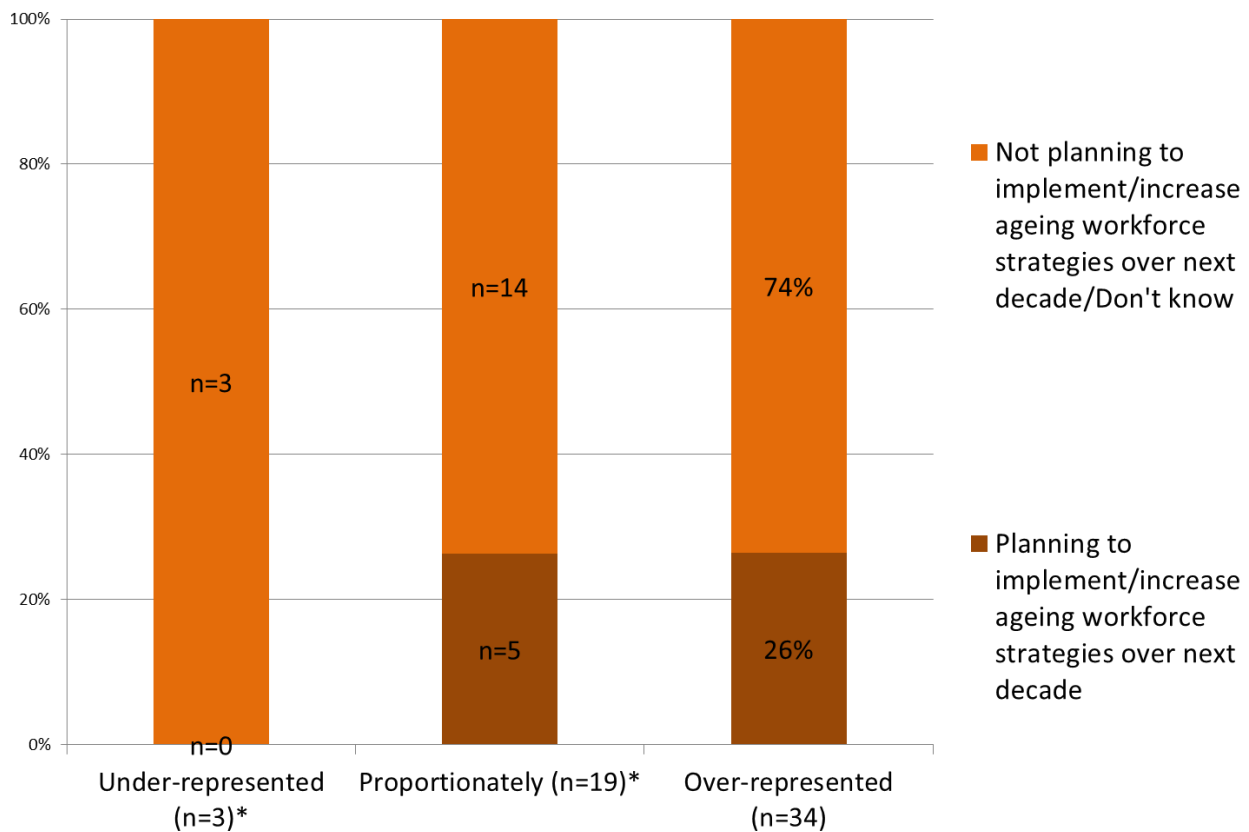
CRIs, with an over-representation of older workers, are more likely to have ageing workforce participation strategies (32% cf. n=0 under-represented, n=3 proportionally represented).



Does your organisation have specific planning strategies around ageing workforce participation / utilisation?
Employer Survey CRIs n= 56

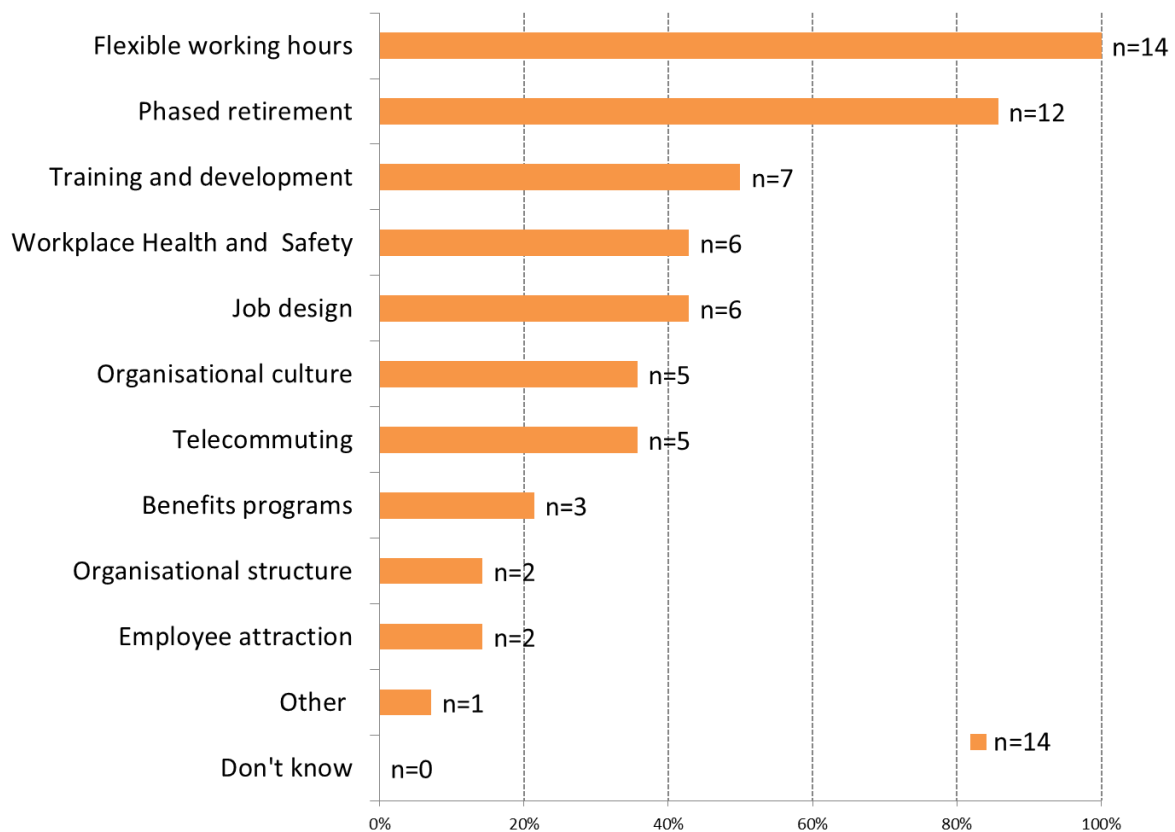
*Low sample size (under-representation = 3, proportional representation = 19)

CRI employers with an over-representation and proportional representation of older workers are more likely to be planning to implement or increase aging workforce participation strategies over the next decade.



Are you planning to implement / increase your focus on workforce ageing strategies over the next decade?
Employer survey CRIs n=56

CRI employers who already have strategies in place are more likely to use flexible working hours, phased retirement, training & development and workplace health and safety programs as strategies to manage an older workforce.



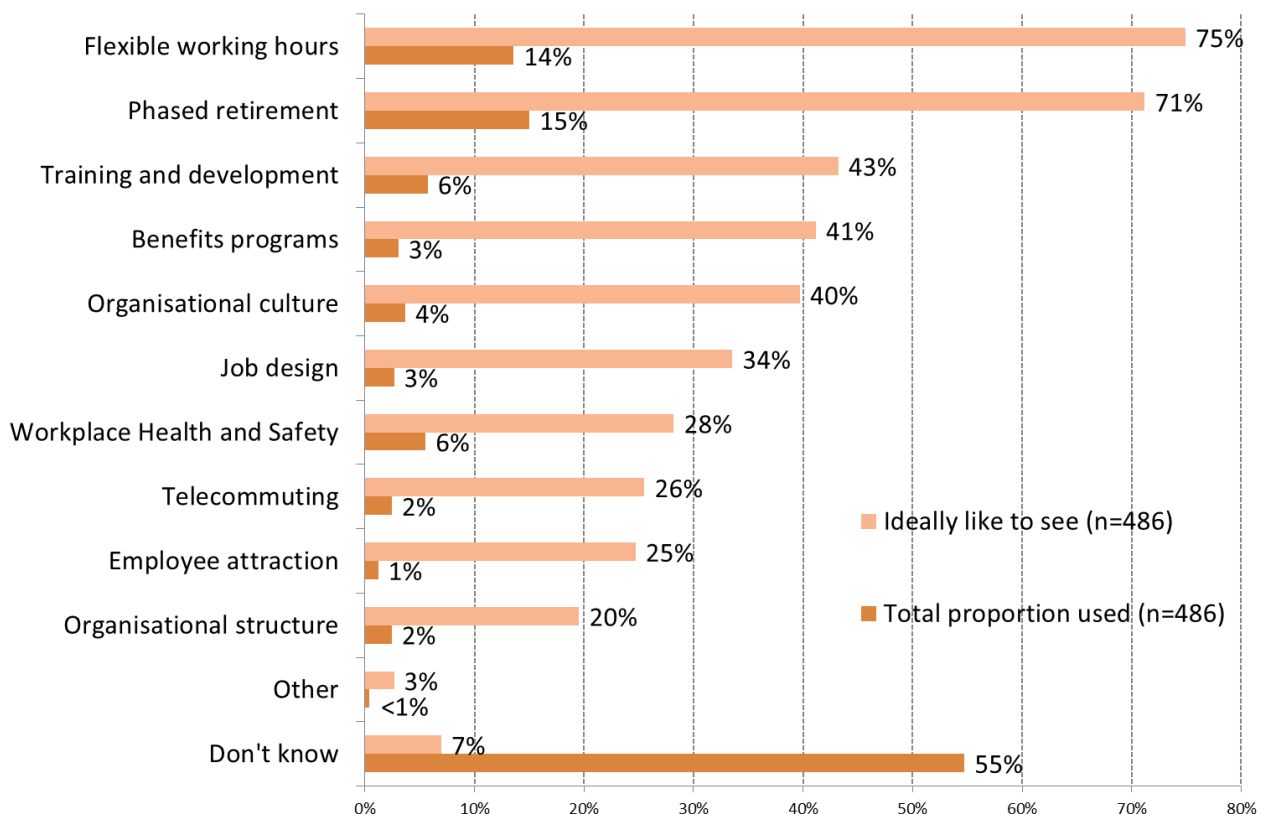
What ageing workforce planning strategies do you have? (Prompted): CRIs Employer Survey – Employers who currently have strategies n=14

There is a large disconnect between strategies employees would ideally like to see their employer implementing, and those they are currently aware of. The majority of employees are eager to have flexible working hours (75%) and phased retirement (71%) for older workers.

The majority (55%) of employees don't know whether their employer is implementing any specific strategies around ageing workforce participation and utilisation.

There is a mismatch between both strategies believed to be in place by employees and employers:

- Flexible working hours are believed to be in place by 14% of employees, compared to 25% of employers.
- Phased retirement programs are believed to be in place by 15% of employees, compared to 21% of employers.



Does your organisation currently have any specific planning strategies around ageing workforce participation / utilisation? Employee survey CRIs n=486

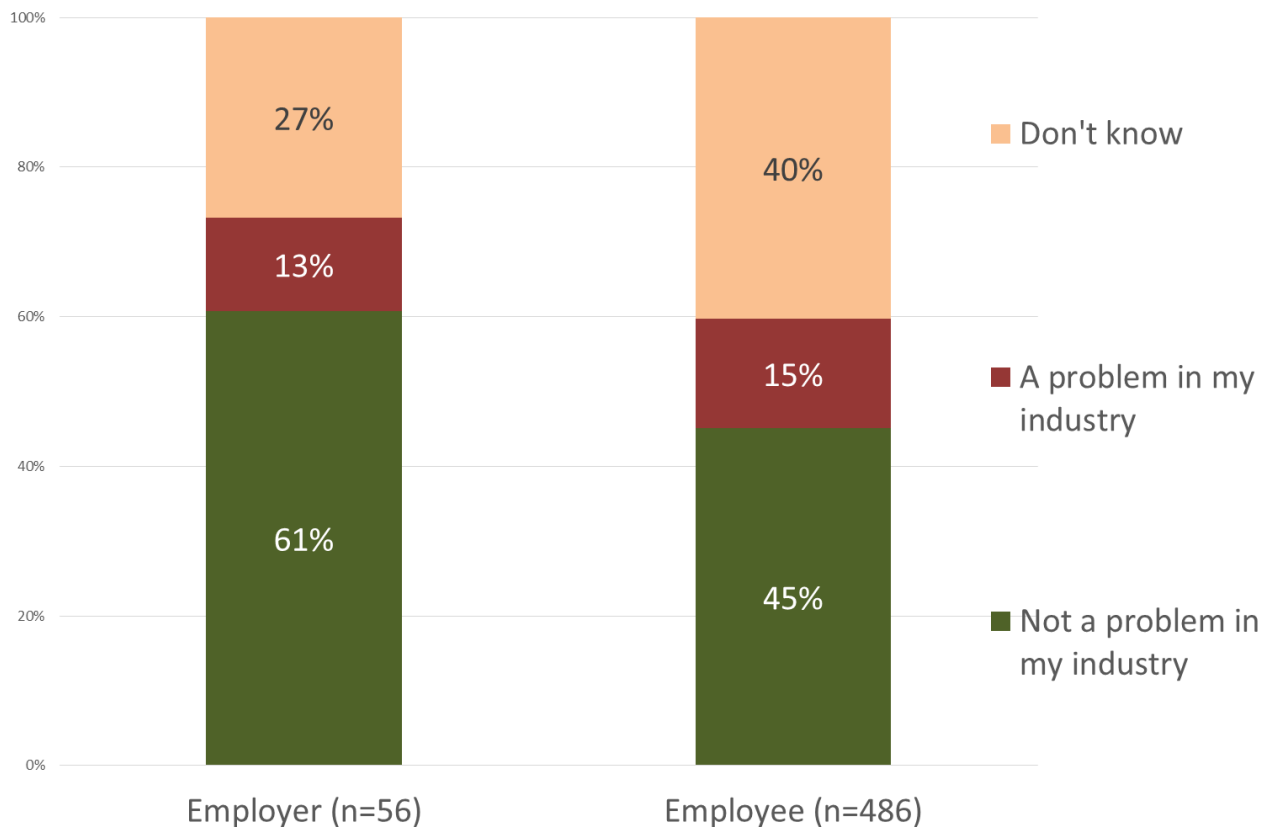
Regardless of what you currently have, what ageing workforce planning strategies would you ideally like to see in your organisation? (Prompted) Employee Survey CRIs n=486

What ageing workforce planning strategies does your organisation currently have? (Prompted) Employee Survey CRIs Aware of employer strategies n=88

Age Discrimination

Within the CRIs, there are some age related discrimination.

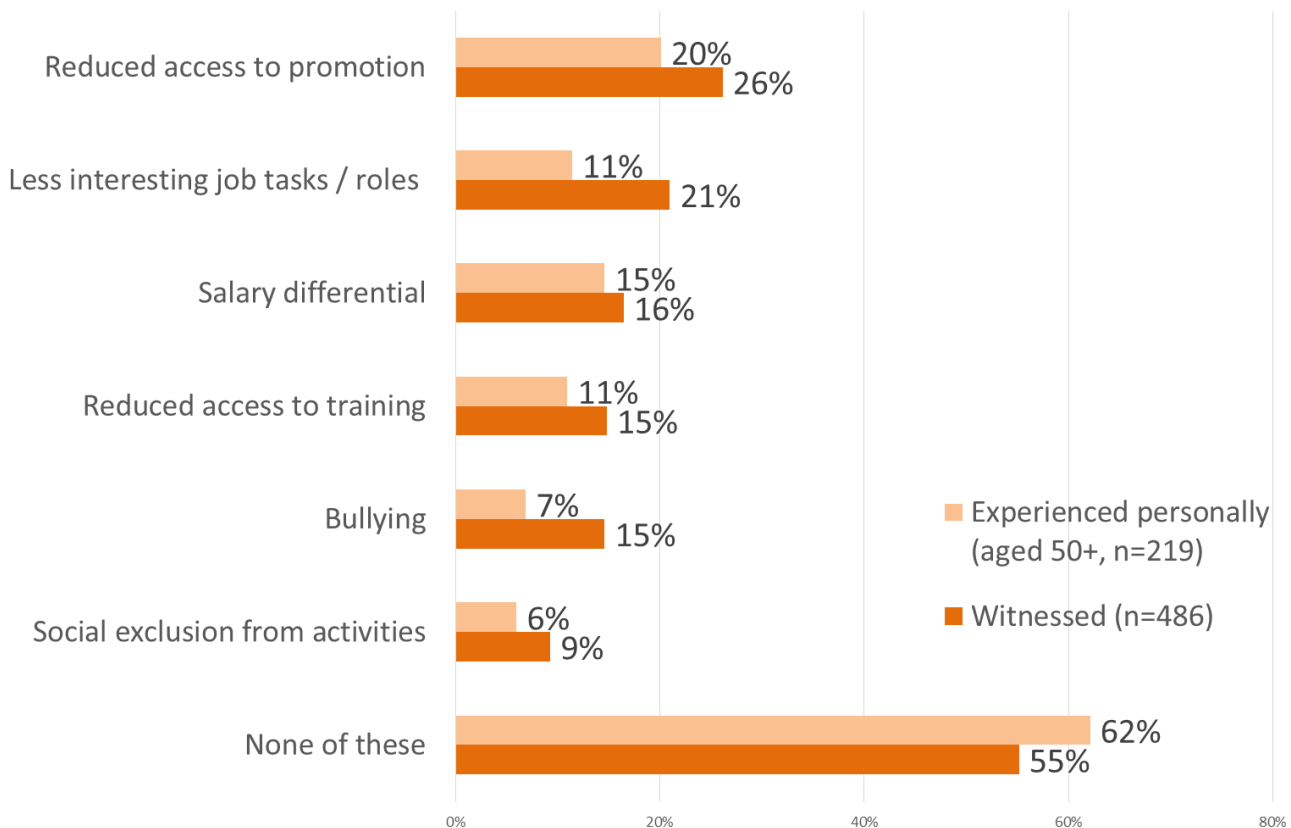
13% of employers and 15% of employees believe age discrimination is a problem in their industry.



Thinking about your industry generally, at what age does age related discrimination become apparent for older workers? (Specify age, or not a problem in my industry, or don't know) CRIs Employer survey n=56 and CRIs Employee survey n=486

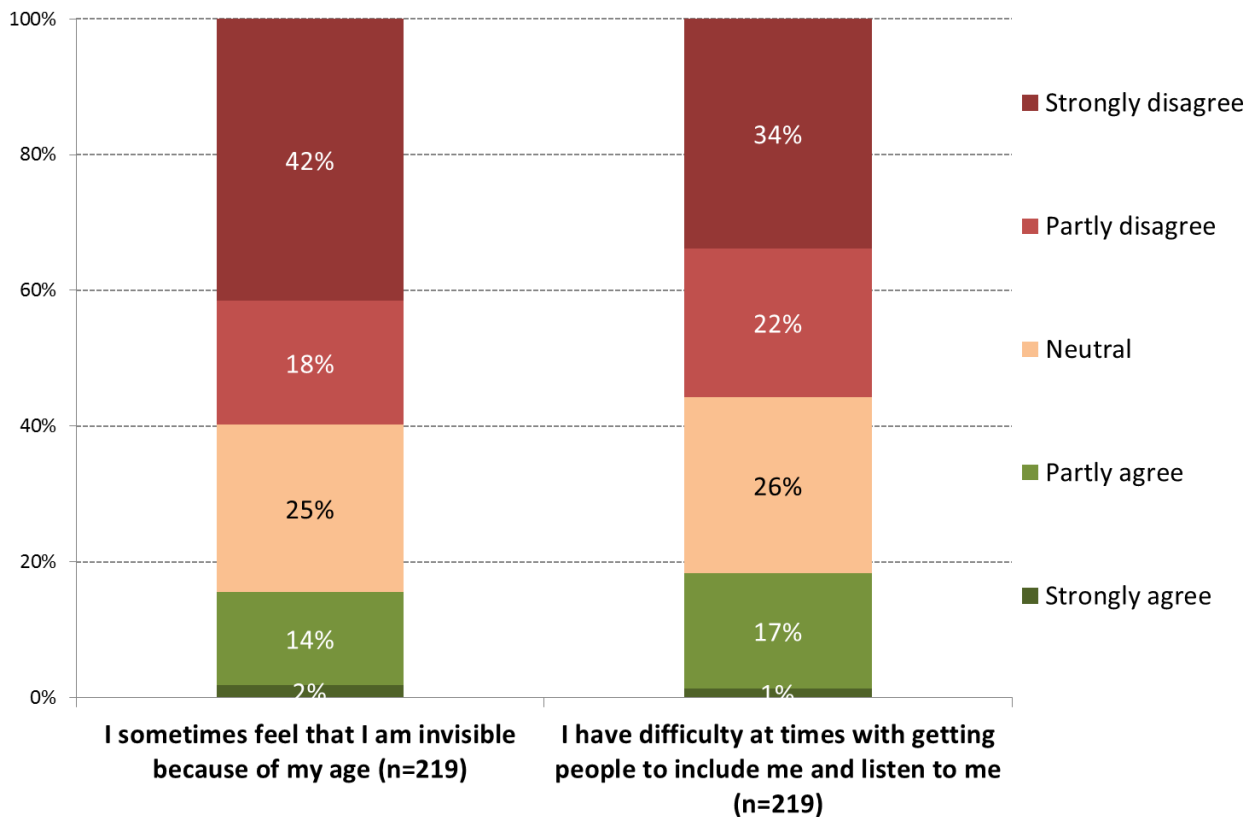
Amongst those within CRIs who do perceive age related discrimination to be a problem, the average employer believes this becomes a problem at 57 years of age. Whereas, the average worker perceives this to be a problem at 53 years of age.

Within CRIs, two in five (38%) older workers have experienced age related discrimination in the past 5 years. Almost half (45%) of workers (of any age) have witnessed it over this time period. This is most commonly manifested in the form of reduced access to promotion, withholding interesting tasks from older workers and salary differentials.



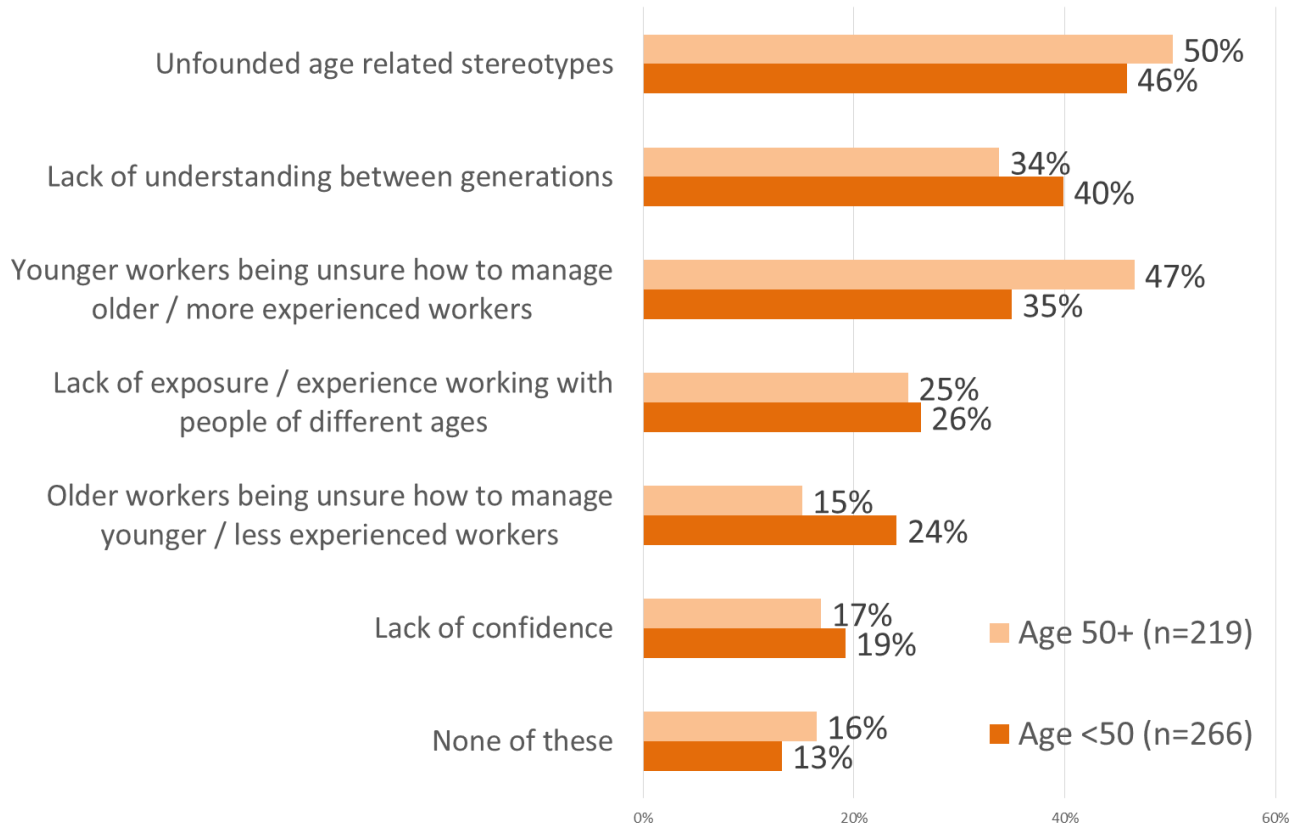
Thinking about age related discrimination. Which of the following types of age related discrimination have you, personally experienced over the last 5 years? Employee Survey, CRIs older workers n=219
And which of the following types of age related discrimination have you, personally witnessed which are directed at someone else over the last 5 years? Employee Survey, CRIs workers n=88

Although 16% of older workers within the CRIs agree, they sometimes feel invisible due to their age, and 18% have difficulty being included and heard, the proportion of older workers who disagree with these statements is far greater. This implies age related discrimination is widespread, but not rampant.



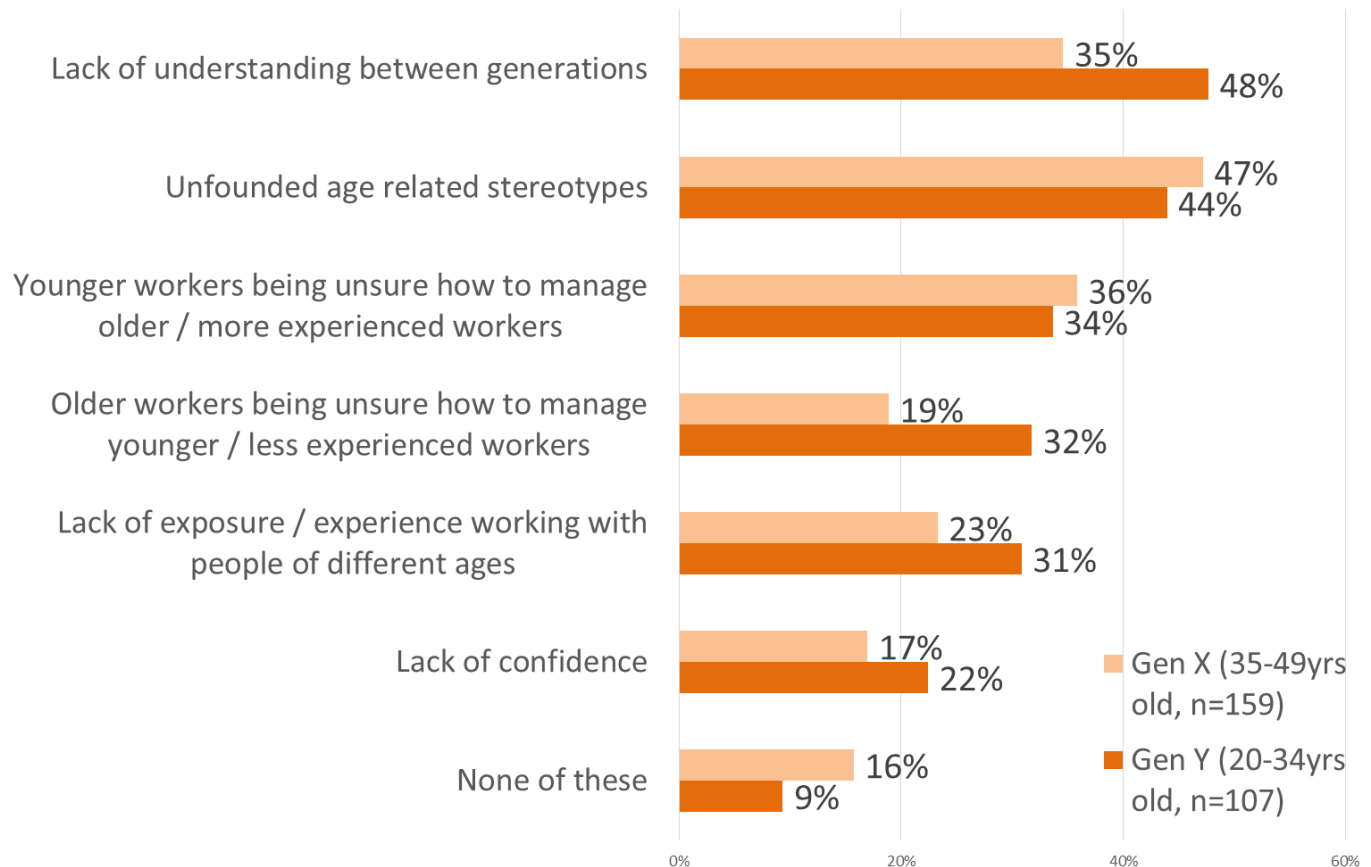
Do you agree or disagree with the following statements? CRIs Employee Survey - older workers n=219

Older workers within the CRIs believe the key causes of age related discrimination are unfounded age related stereotypes (50%; cf. Younger workers 46%) and younger workers being unsure how to manage their older peers (47%; cf. Younger workers 35%). Younger workers, however are more likely to believe age related discrimination is due to a lack of understanding between the generations (40%; cf. Older workers 34%) and older workers unsure how to manage younger workers (24%; cf. Older workers 15%).



What do you think are the key causes of age related discrimination? Employee survey CRIs older workers n=219, Employee survey CRIs younger workers n=266

Generation Y are more likely than Generation X to attribute age related discrimination to lack of understanding between the generations and older workers being unsure to manage younger workers.



What do you think are the key causes of age related discrimination? Employee survey CRIs Gen X n=159 and Employee survey CRIs Gen Y n=107

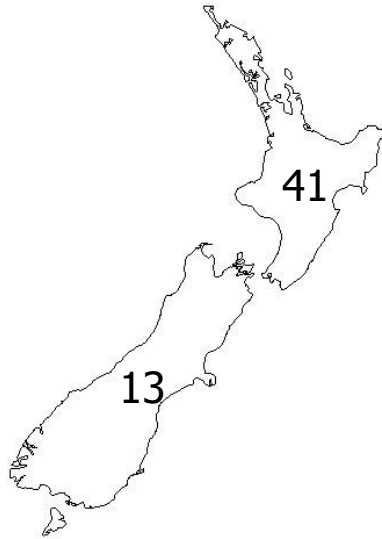
References:

OCG Consulting, 2013 'Coming of Age: The Impact of an Ageing Workforce on New Zealand Business' OCG Consulting Ltd, Auckland.

Appendix: Crown Research Institute's Respondent Profile

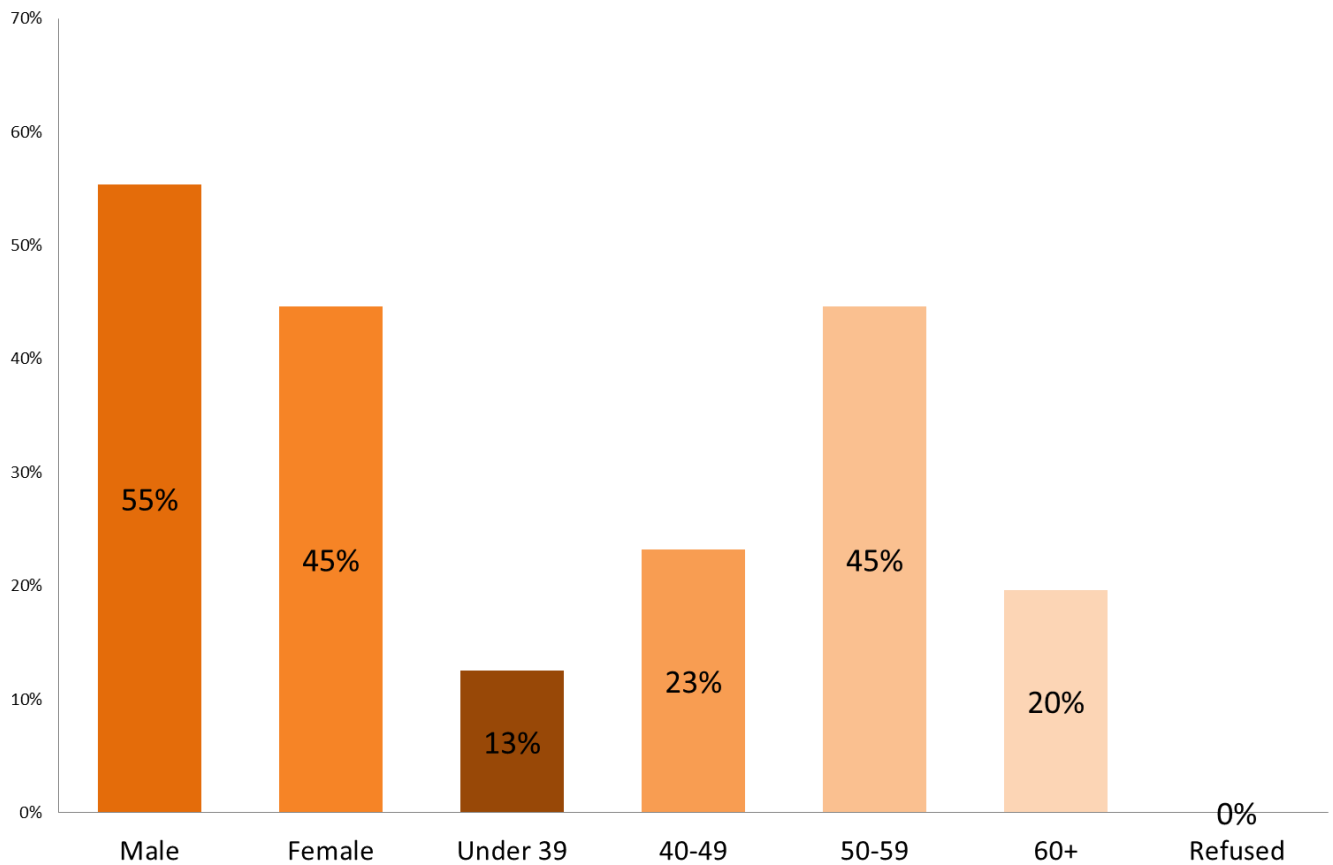
Employer survey

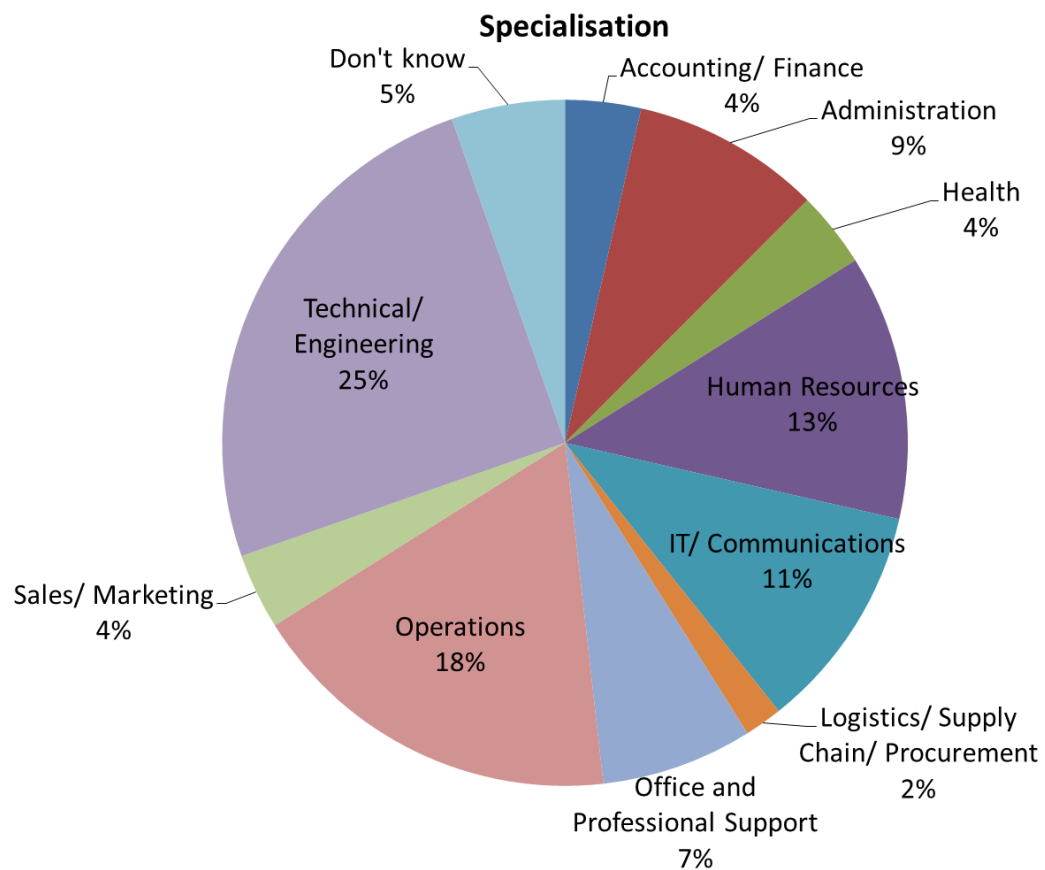
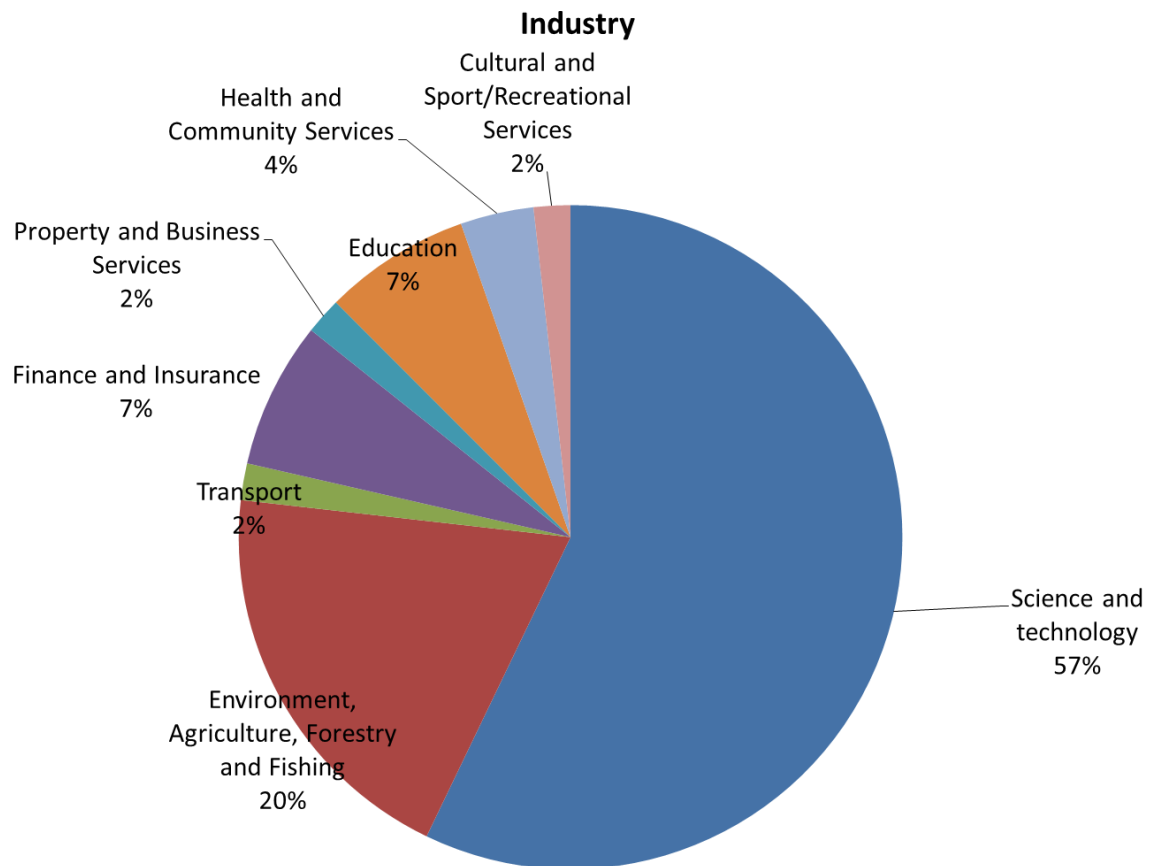
Location:



Note: 2 Respondents
outside of New Zealand

Age and gender:





Employee Survey

Location:



Note: 2 Respondents outside of New Zealand

Age and gender:

