

Ageing Workforce: Business Survey Results

16 May 2018

Highlights

- There are differences in opinion as to who is an 'older worker'. However, the most popular response was 60+ years (31.2%) Differences are evident between sectors with 44.4% of respondents from **Administrative and support services** and only 7.1% of respondents from **Arts and recreation services** describing a person between 50 and 54 years old as an 'older worker'.
- The majority of businesses pay a 3% KiwiSaver contribution on top of their employees' salary and only 9.6% include it as part of a 'total remuneration' approach. About a quarter of respondents pay a 3% KiwiSaver contribution for employees aged over 65.
- Over 80 percent of respondents do not have any specific strategies or policies relating to older workers (aged 50+). Most respondents (76%) do not carry out any active retirement planning activities with employees. This represents no change (less than 1%) compared to the 2016 survey.
- The percentage of respondents who have specific policies or strategies relating to older workers (aged 50+) differs by industry. In **Financial and insurance services** 27.8 percent respondents have such policies compared to only 2.9 percent of respondents from the **Construction** sector.
- 32.8 percent of respondents are concerned about the impact of ageing workforce on their business. Such concern was reported especially by companies in **Agriculture, forestry and fishing** (48.7%) and **Administrative and support services** (44.4%). Respondents from **Arts and recreation services** reported the least concern (14.3%).
- Most respondents agree that there is a shortage of highly experienced workers in their industry. The percentage of respondents reporting such shortage is highest in **Agriculture, forestry and fishing** (79.5%), **Accommodation and food services** (76.2%) and **Construction** (73.5%).
- Most respondents have a positive attitude towards older workers and agree that older workers are no more or less resistant to change than other groups of workers, are not more likely to have higher absenteeism or sick leave and that business should take extra steps to attract and retain older workers.
- Despite these positive attitudes towards older workers, over 65% of respondents agreed or partly agreed that older workers can face barriers to being hired in their industries because of age. This opinion was most prevalent among respondents from **Information, media and telecommunications** (80.0%), **Agriculture, forestry and fishing** (74.4%) and **Construction** (73.5%) sectors.

Background: older workers in the New Zealand labour market

In 1986, the rate of employment among those aged 55-64 was only 49.0 percent. In 2014, 76.2 percent of this age group was in employment.¹ In 2017, 82.4 percent of those aged 55-59 were in employment (for those aged 60-64, the employment rate was 73.5 percent), compared to the average of 67.4 percent for all ages.² The employment rate falls sharply for the group aged 65 and over (24.4 percent), but the very low unemployment rate in this age group (1.1 percent) suggests voluntary retirement. The unemployment rate for people aged 55-59 and 60-64 is 2.1 percent and 3.1 percent, respectively, less than the national average of 4.6 percent.³

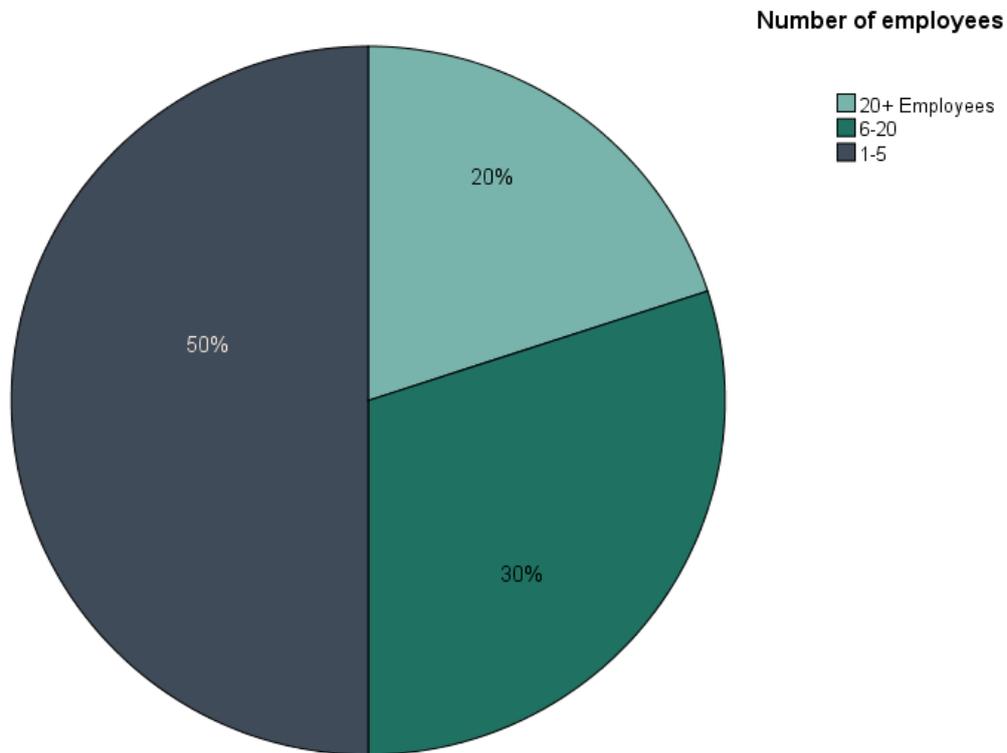
The Ageing Workforce Survey looks at how businesses adjust to the ageing workforce. The survey, conducted in May 2018, is based on responses from 500 companies from Consumer Link's business panel which represents a broad cross-section of New Zealand's predominantly SME business sector. Panel set up and management processes meet or exceed all ESOMAR 'Best Practice Online Panel Guidelines for Market Research'. The survey was conducted online and participation in the survey was incentivised using the Fly Buys loyalty programme.

¹ Ministry of Social Development, The Social Report 2016 – Te pūrongo oranga tangata.

² Statistics New Zealand, Labour market statistics September 2017 quarter.

³ Ibid.

Respondent profiles



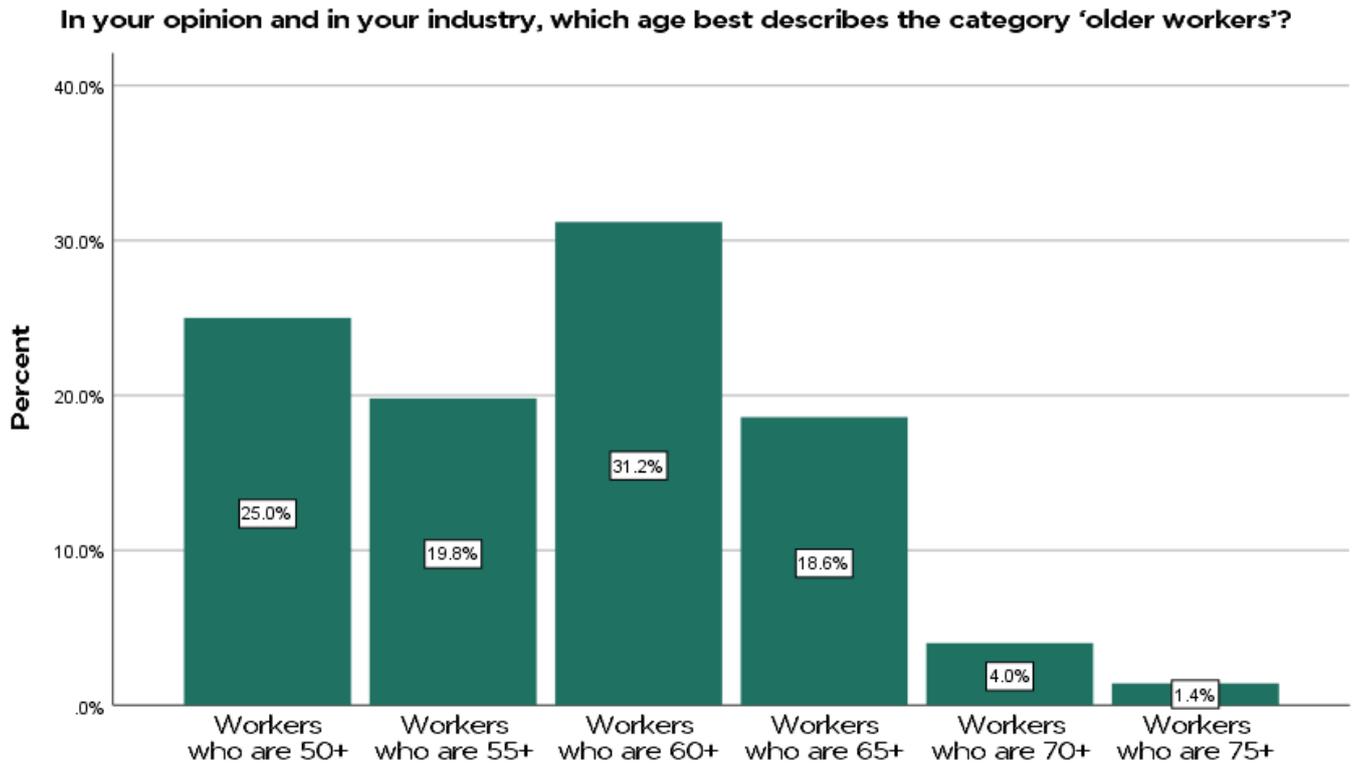
The high proportion of small companies among respondents reflects the business demography in New Zealand: 98% of all New Zealand enterprises have no more than 19 employees. Less than 1 percent have 100 or more employees (Statistics New Zealand February 2017 data).⁴

⁴ Statistics New Zealand, New Zealand business demography statistics: At February 2017, <https://www.stats.govt.nz/information-releases/new-zealand-business-demography-statistics-at-february-2017>

Survey results

Definition of older workers

At what age does a worker become “old” – when they are 50, 55, 60 or 65 years old? Respondents had different opinions:

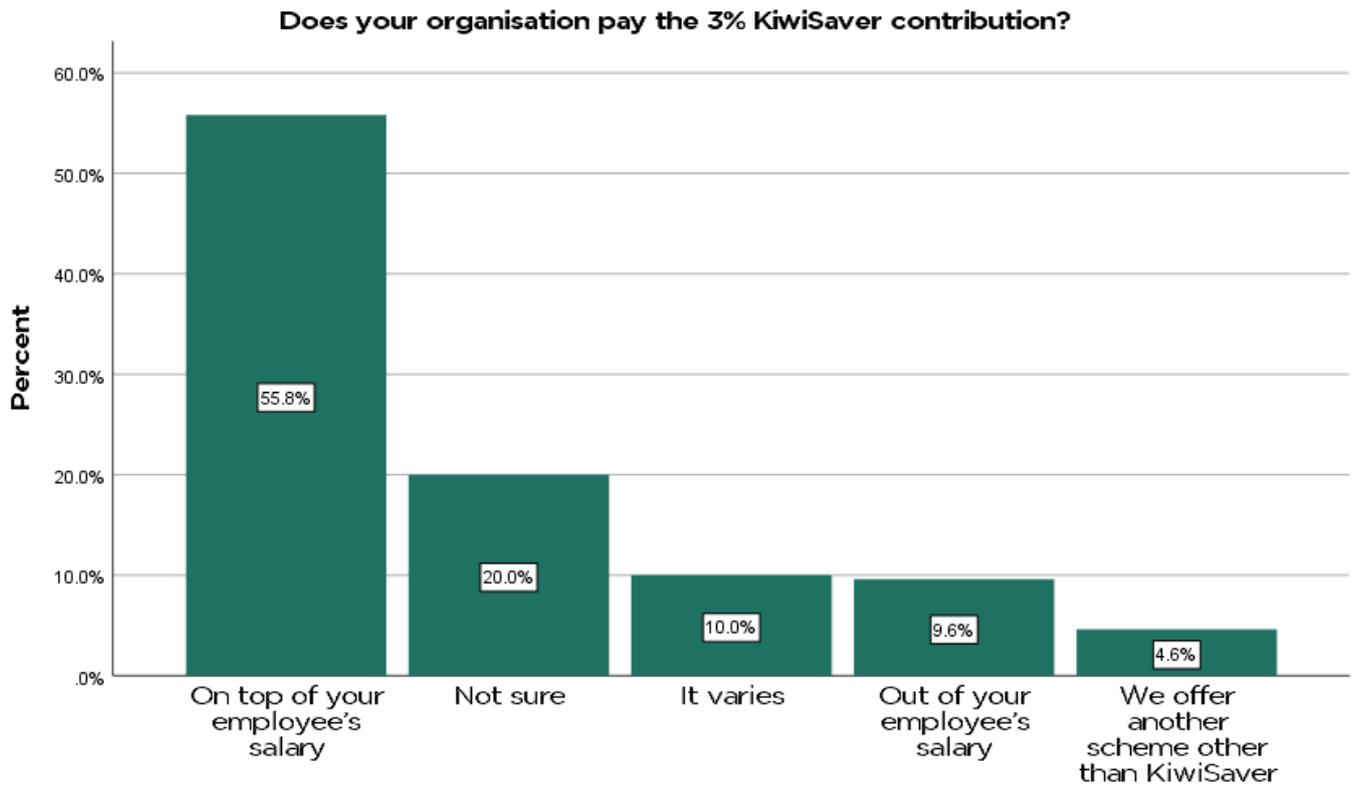


Is someone over 50 years old (but younger than 55 years) an “older worker”? Perceptions varied across industries:

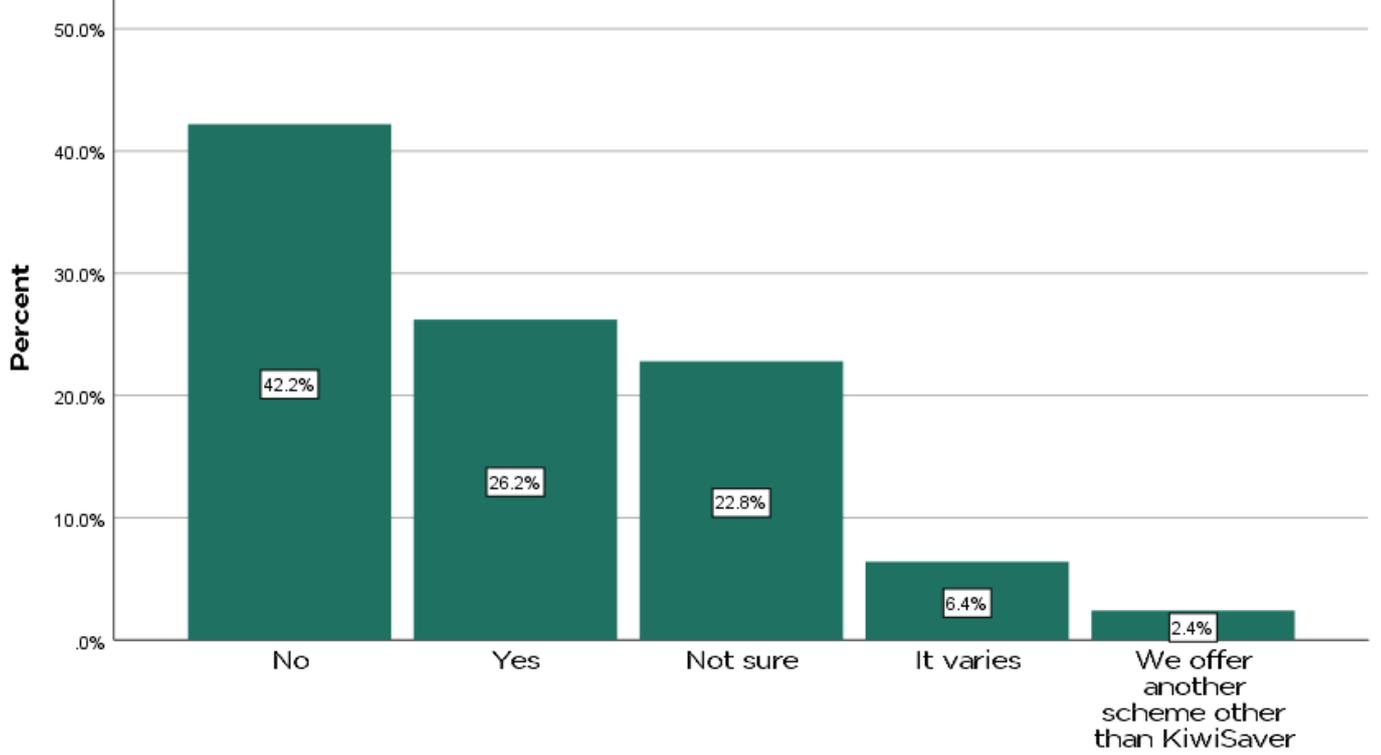
Percentage of respondents who described older workers as ‘over 50 years old’ by industry	
Administrative and support services	44.4%
Accommodation and food services	42.9%
Information, media and telecommunications	35.0%
Financial and insurance services	33.3%
Construction	32.4%
Retail trade	32.2%
Transport, postal and warehousing	28.6%
Health care and social assistance	27.6%
Agriculture, forestry and fishing	25.6%
Education and training	23.7%
Other services	22.2%
Manufacturing	21.4%
Professional, scientific and technical services	17.2%
Rental, hiring and real estate services	16.0%
Arts and recreation services	7.1%
Wholesale trade	0.0%

KiwiSaver contributions

55.8 percent of respondents pay the 3% KiwiSaver contribution on top of employee's salary. Surprisingly, one fifth of respondents answered that they are "Not sure".

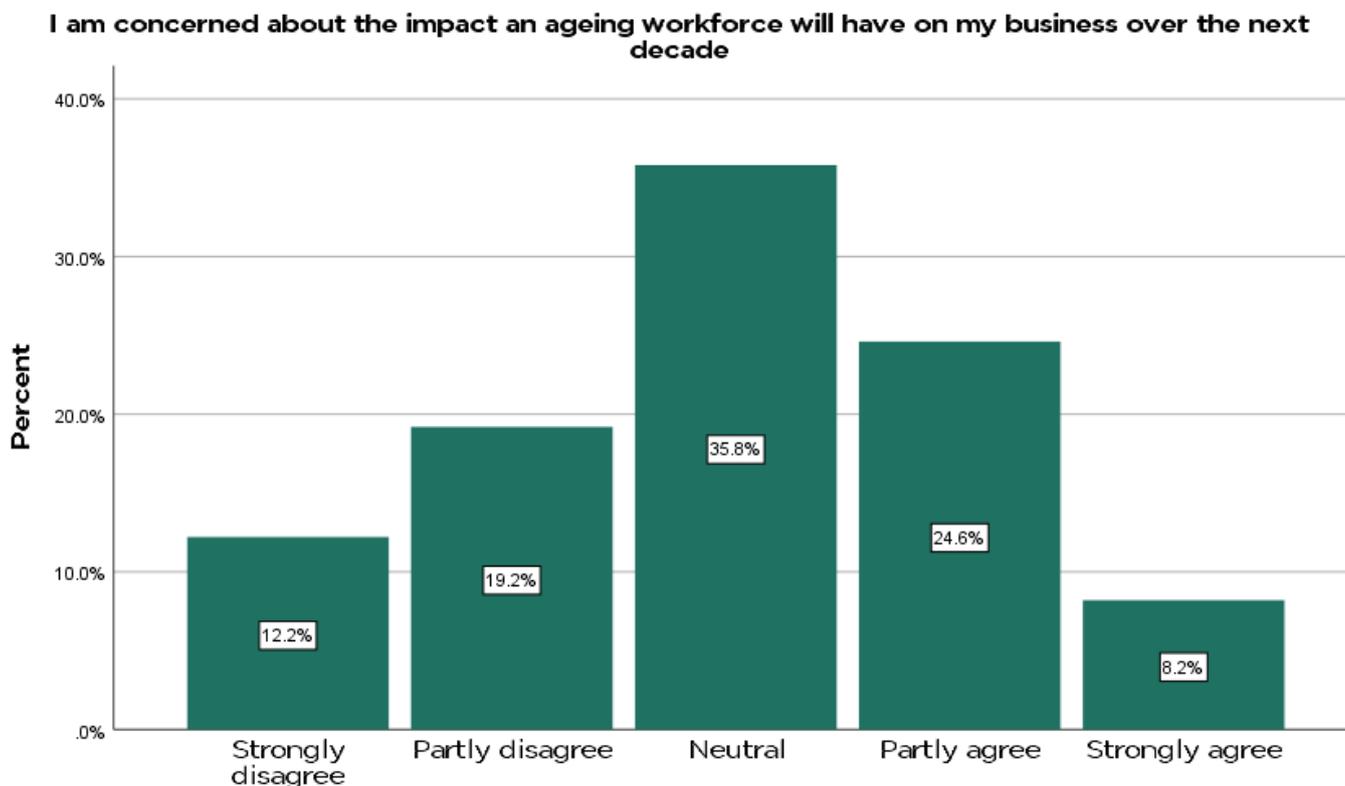


Does your organisation pay a 3% KiwiSaver contribution for employees aged over 65?



Impact of ageing workforce

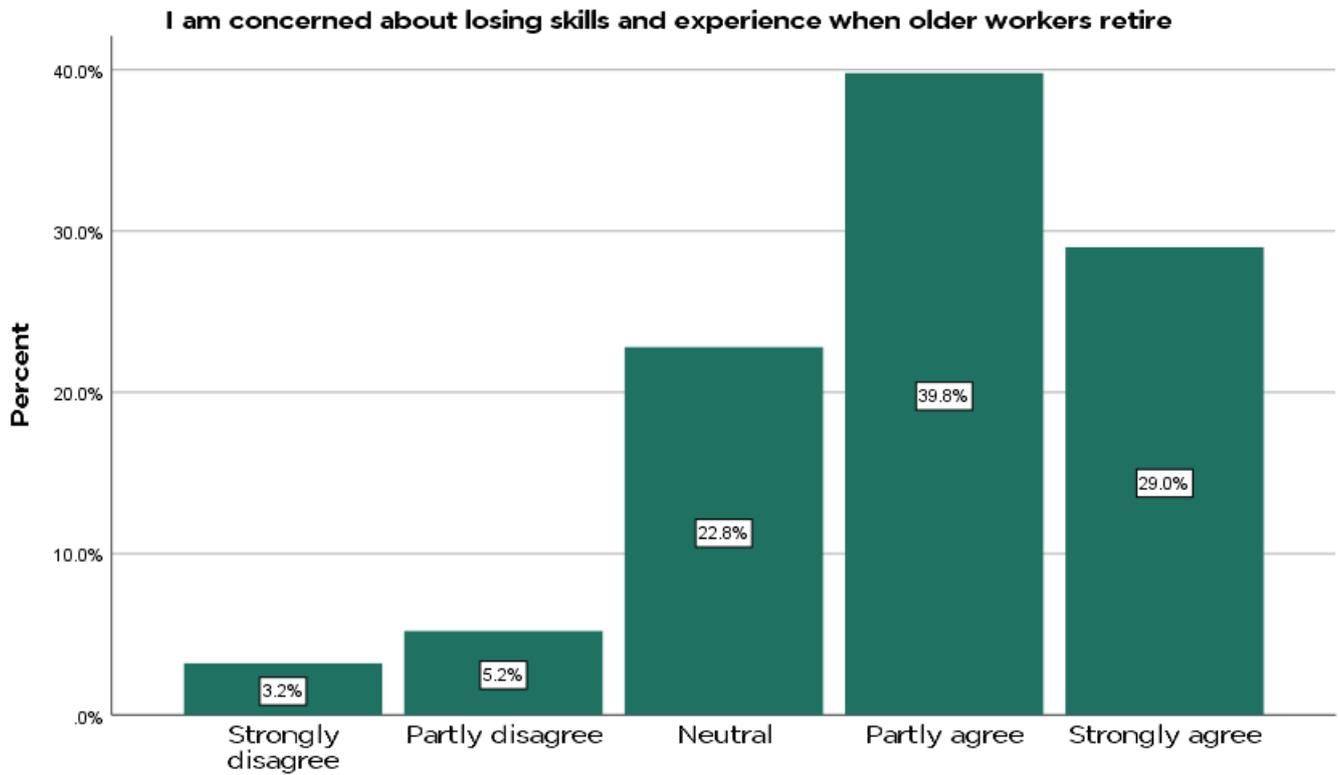
32.8 percent of respondents agreed or strongly agreed that they are concerned about the impact of an ageing workforce on their business (44% in 2016).



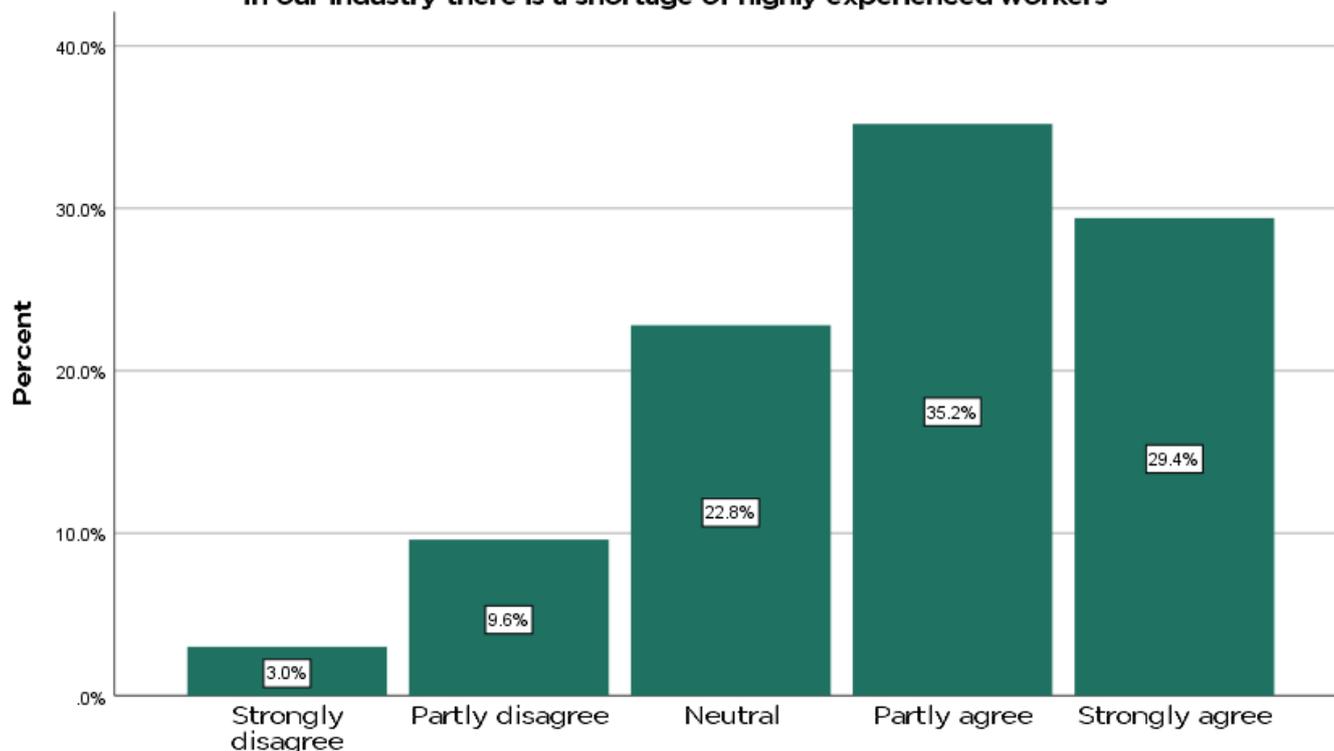
Industries in which the highest rate of respondents are concerned about the impact an ageing workforce will have on their business over the next decade:

Agriculture, forestry and fishing	48.7%
Administrative and support services	44.4%
Education and training	39.5%
Wholesale trade	38.9%
Rental, hiring and real estate services	36.0%

The majority of respondents (68.8%) partly or strongly agreed that they are concerned about skill loss as older workers retire, that their industry experiences a shortage of experienced workers (64.4%) and that older workers are an untapped resource (59.4%). There is little difference compared to the 2016 survey.



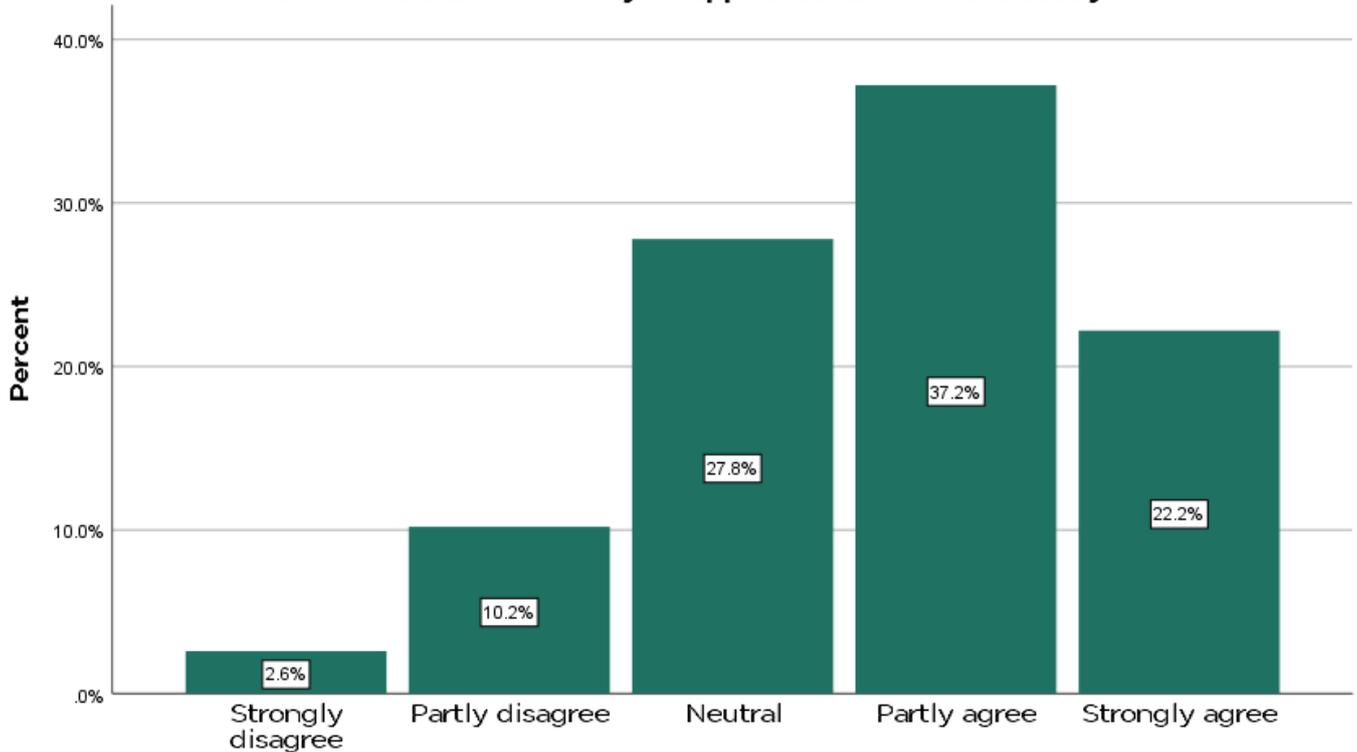
In our industry there is a shortage of highly experienced workers



Percentage of organisations who ‘strongly agree’ or ‘partly agree’ that in their industry there is a shortage of highly experienced workers, by industry

Agriculture, forestry and fishing	79.5%
Accommodation and food services	76.2%
Construction	73.5%
Professional, scientific and technical services	70.3%
Administrative and support services	66.7%
Other services	66.7%
Transport, postal and warehousing	66.7%
Wholesale trade	66.7%
Information, media and telecommunications	65.0%
Manufacturing	60.7%
Education and training	60.5%
Retail trade	57.6%
Financial and insurance services	55.6%
Health care and social assistance	51.7%
Arts and recreation services	50.0%
Rental, hiring and real estate services	48.0%

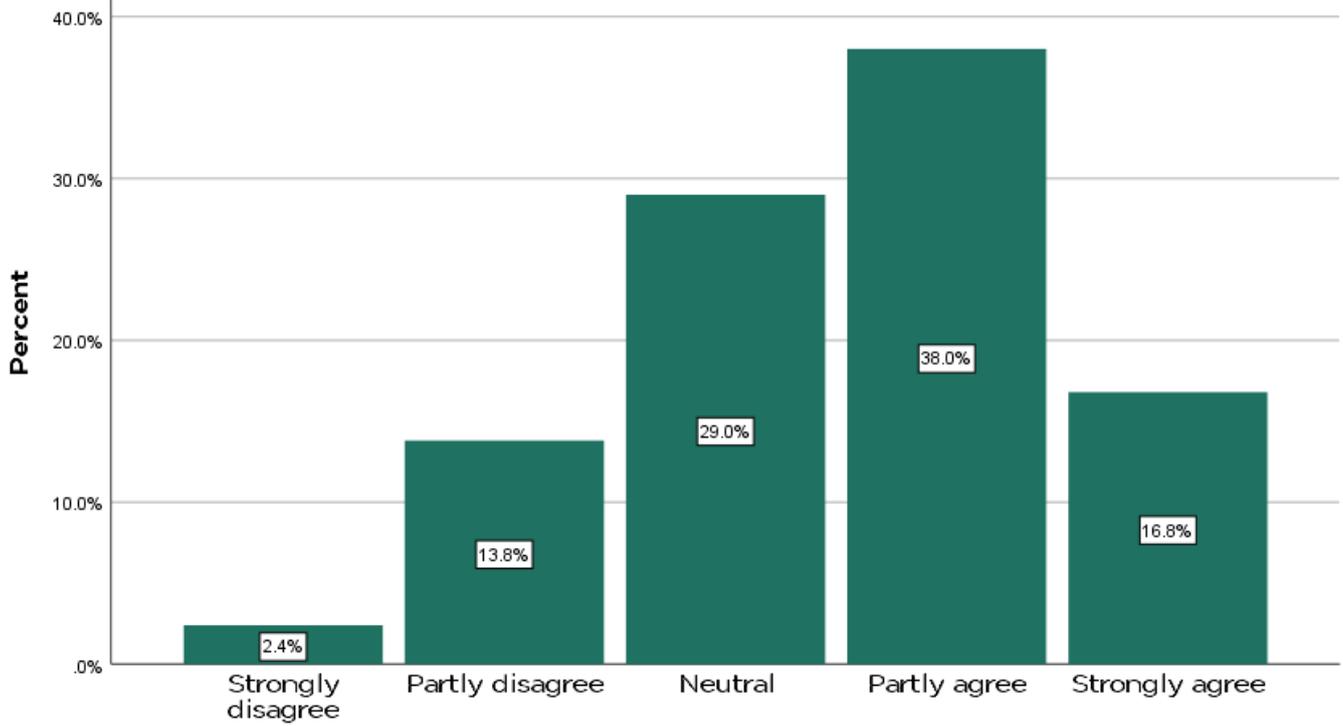
Older workers are a relatively untapped resource in our industry



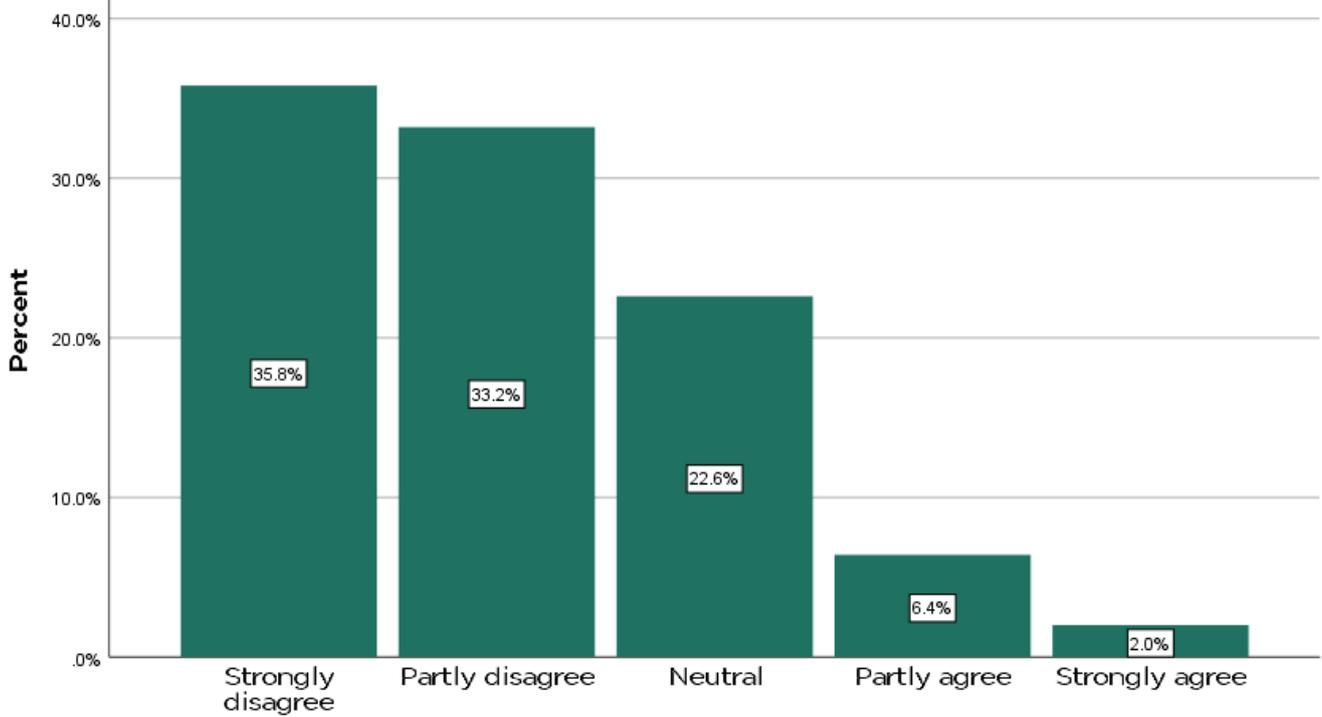
Attitudes towards older workers

Respondents reported very positive attitudes towards older workers. Respondents viewed older workers as no more or less resistant to change than other groups of workers (54.8% strongly or partly agree) and no more likely to take sick leave (69%). 55.2 percent of respondents reported that older workers in their business are more productive than younger workers, and only 8.6 percent said that older worker workers are less productive. 65.2 percent agreed that businesses should try to attract and retain older workers.

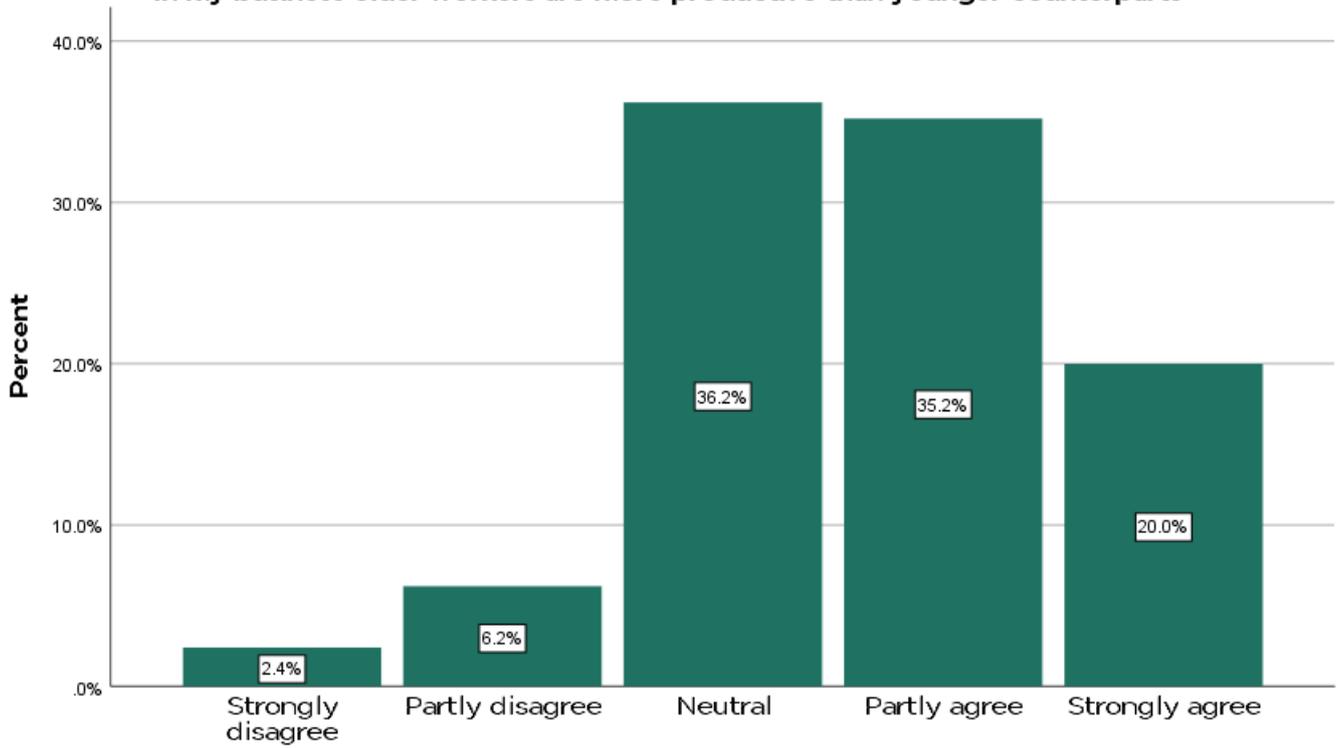
Older workers are no more or less resistant to change than other groups of workers



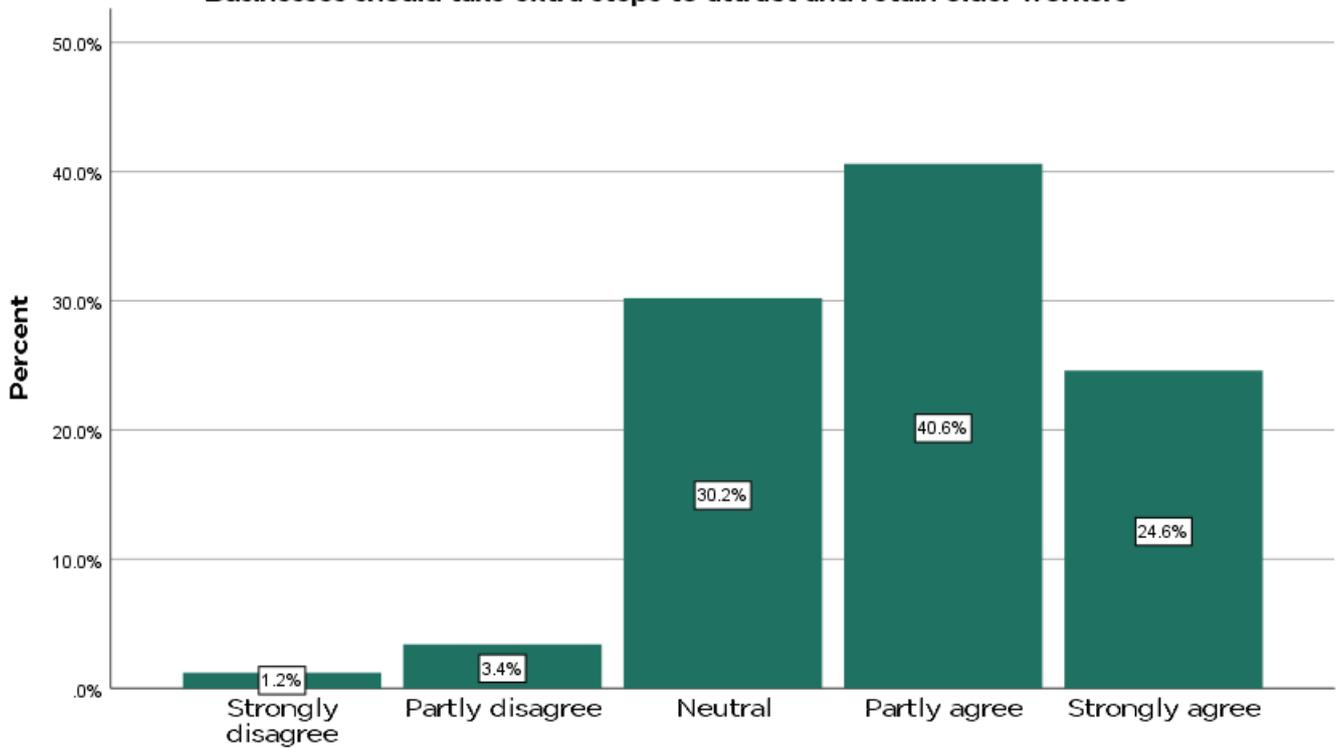
Older workers are more likely to have higher absenteeism or sick leave



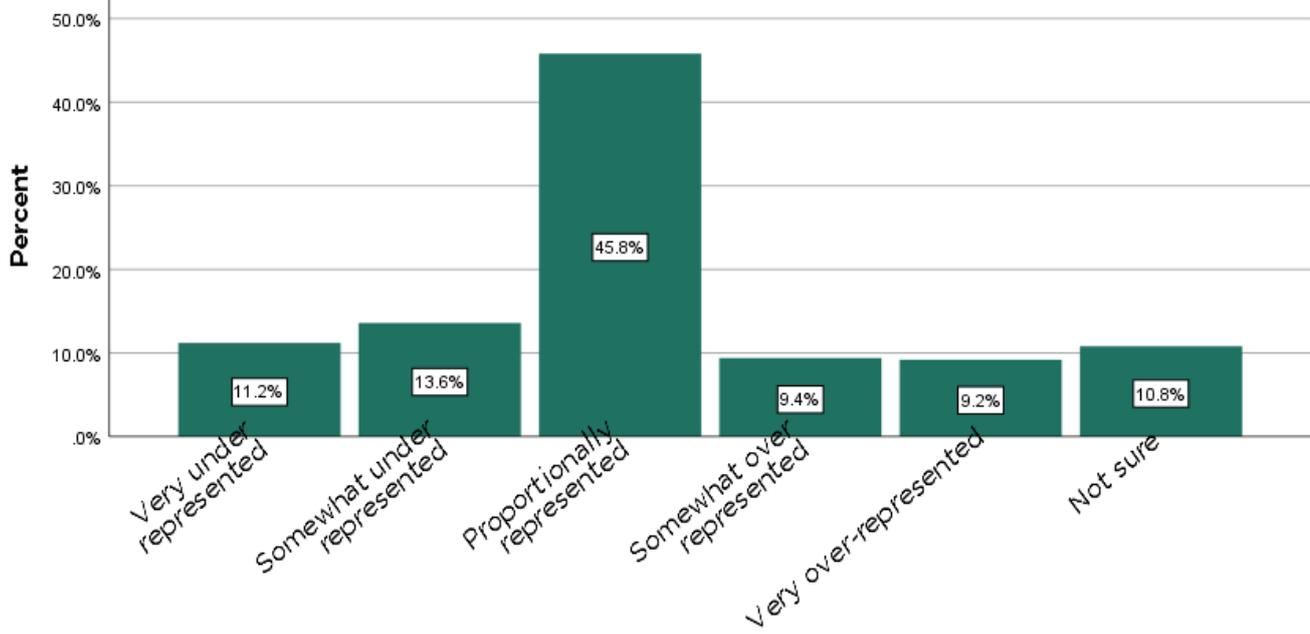
In my business older workers are more productive than younger counterparts



Businesses should take extra steps to attract and retain older workers

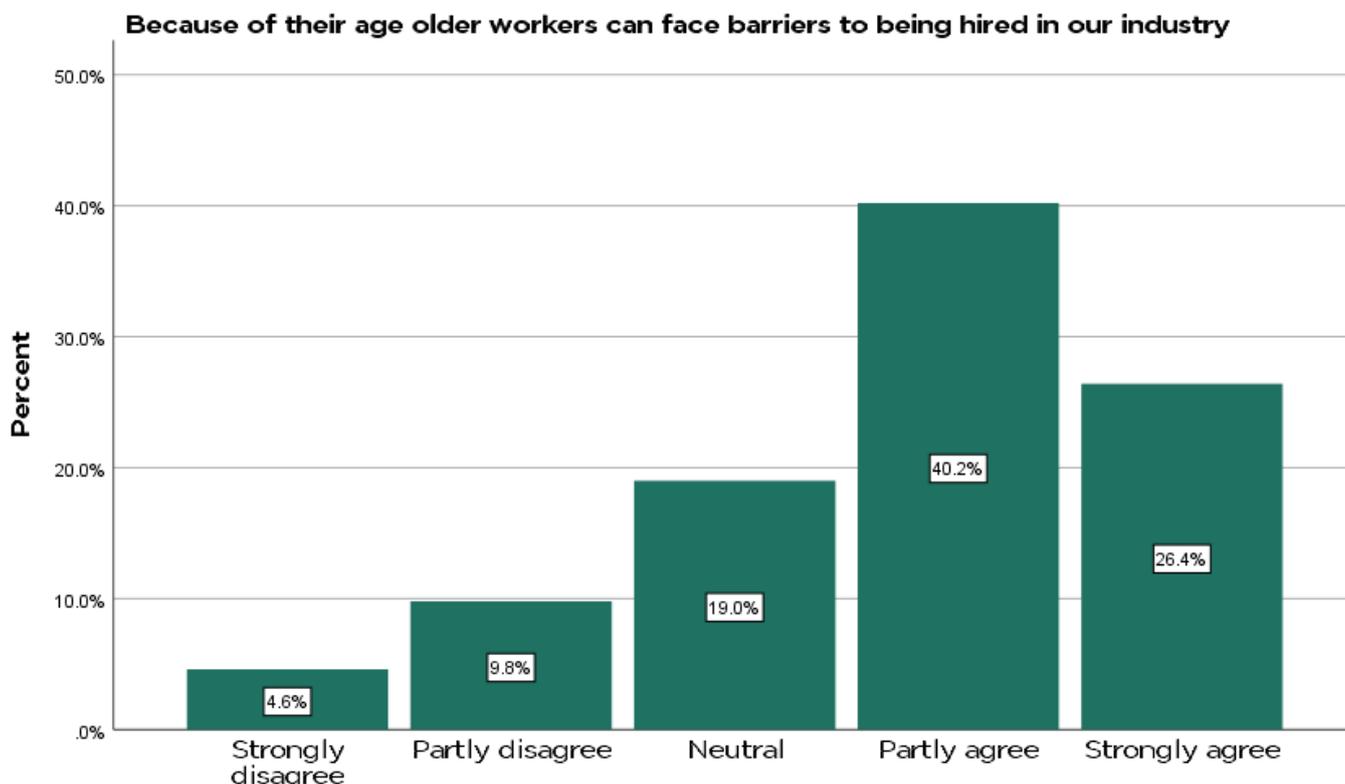


Thinking about your organisation, would you say that older workers are:



Age discrimination

In the light of these very positive attitudes towards older workers and concerns about skill shortages, it was surprising that 66.6 percent of respondents reported that in their industry age can be a barrier to being hired. Age as a barrier was reported most often by respondents from industries which value good looks or physical fitness, such as media or construction.

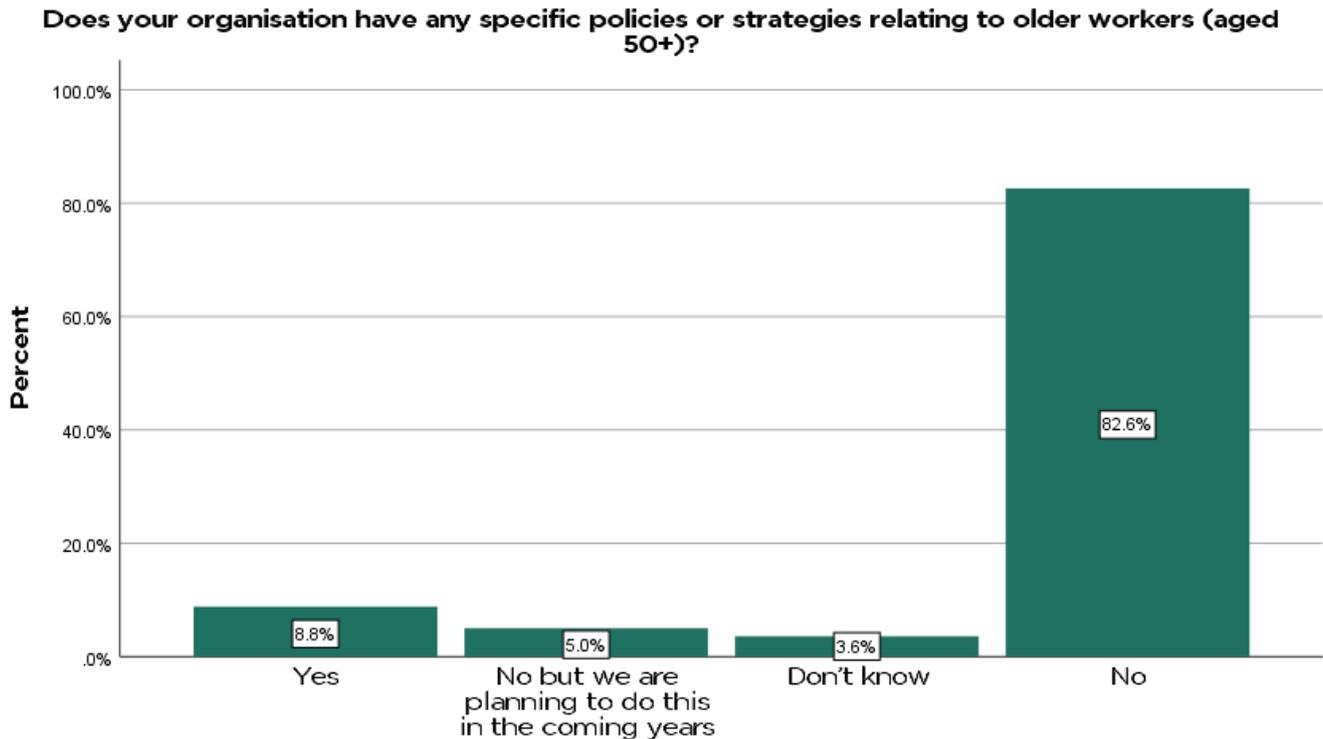


Percentage of respondents who partially or strongly agree that older workers can face barriers to being hired, in their industry because of their age

Information, media and telecommunications	80.0%
Agriculture, forestry and fishing	74.4%
Construction	73.5%
Wholesale trade	72.2%
Accommodation and food services	71.4%
Education and training	71.1%
Other services	70.4%
Professional, scientific and technical services	68.8%
Health care and social assistance	65.5%

Policies and strategies relating to older workers

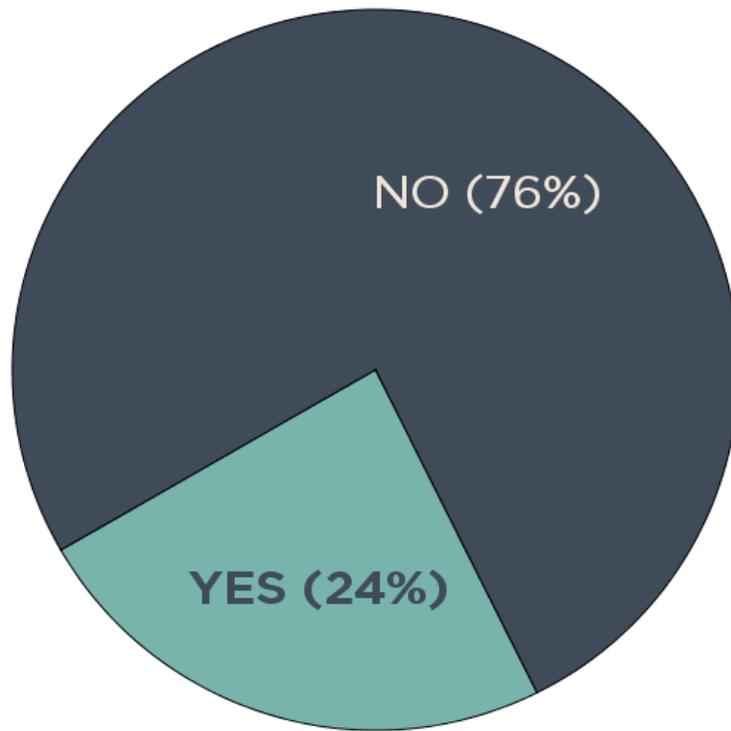
Despite valuing older workers, only 8.8 percent of respondents have specific policies relating to older workers and only 24 percent carry out active retirement planning.



Percentage of respondents who have specific policies or strategies relating to older workers (aged 50+) by industry

Financial and insurance services	27.8%
Information, media and telecommunications	20.0%
Agriculture, forestry and fishing	17.9%
Rental, hiring and real estate services	16.0%
Administrative and support services	11.1%
Transport, postal and warehousing	9.5%
Retail trade	8.5%
Education and training	7.9%
Other services	7.4%
Arts and recreation services	7.1%
Manufacturing	7.1%
Wholesale trade	5.6%
Professional, scientific and technical services	4.7%
Health care and social assistance	3.4%
Construction	2.9%

Does your organisation carry out any active retirement planning with employees, such as having conversations about their intentions to finish work?



Summary

In summary, there is a mismatch between the positive beliefs and attitudes that survey participants report towards older workers and some of the practices and tendencies evident in the various industries. This report reveals strong acknowledgement of the contribution of older workers and awareness of the consequences of an ageing workforce. However, the report also shows that this is not reflected in businesses having specific strategies and policies targeted at this group.