

September 2020

# viewpoint

## An ageing workforce... the world's unstoppable trend

### Can employers help their employees age more healthily?

An ageing workforce is now a reality for employers across the world. While the focus for many organisations has long been based around attracting, developing and retaining younger talent, businesses are now understanding and appreciating the advantages of experienced older workers and are learning to manage truly multi-generational workforces that create new dimensions in diverse thinking.

But, why now? Well, it's been happening for some time, but the issue is now taking on a new urgency. The simple fact is, we live in an ageing world.

In 1950, the global population was 2.5 billion. By 2019, it had risen to 7.7 billion. By the end of the century the United Nations (UN) expects it to reach 11.2 billion. And a significant factor in that increase is because people are living longer. Thanks to improvements in medical science and technology, along with geopolitical changes, life expectancy has been rising for decades. Between 2000 and 2016 alone, global life expectancy rose by 5.5 years.<sup>1</sup>

At the same time, birth rates are falling, meaning there will be fewer young people joining the global workforce – fewer employees to fill roles and pay towards pensions and care for the elderly through their taxes. Many older employees will want to work longer or may be forced to because of falling state pension contributions and requirements to pay towards the care they will need as they age.

While this is good news for business – older employees bring many positive attributes – they also tend to have some unique requirements – from HR policies and employee benefits (EB), to pensions and career development. Getting older is also the primary risk factor for many acute and chronic health conditions, which increase medical costs and demand interventions by health providers, employers and their benefits partners.

The challenge for multinationals and EB professionals is that older workforces require proactive strategies to address employee wellness, as well as measures to reassure them that their families will be looked after if their health falters. With increasing numbers of older employees, multinationals need to consider steps to minimise sick leave, control medical costs and limit the impact of disability.

They also have to consider ailments such as dementia, both how to identify the signs and support employees affected.

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#### Defining age demographics

**Non-workers:**

those under 14 and over 65.

**Working age:**

those aged 15 to 65.

**Older workers:**

employees aged 50 and 70.

## The many, and significant, benefits of an older workforce

Before this all sounds too negative, we should consider the many significant benefits of an older workforce. Employers report that older employees have a stronger work ethic than their younger colleagues. Advancing age is also associated with greater levels of experience, autonomy and efficiency. Generally, older workers report lower levels of work-related stress and less conflict with their co-workers.

They may also demonstrate greater flexibility in balancing work and non-work demands than their younger counterparts. Older employees tend to experience lower rates of work-related injuries and illnesses (albeit with longer recovery times if an incident does occur) and staff turnover tends to be lower among older employee groups.

Research from the World Economic Forum shows a more age-diverse workforce delivers better performance overall.<sup>2</sup> A survey of employers revealed 87% thought the over-50s were “a valuable resource for training and mentoring” and 86% “an important source of institutional knowledge.”<sup>3</sup>

In some professions, retaining older workers can be critical. In IT, for example, around 35% of organisations in a survey admitted they need legacy programming skills – skills that young people have no interest in learning.<sup>4</sup> Without their veteran tech people, many banks and airlines would no longer be able to function.



### Advantages of older employees

- Wisdom and judgment in decision making
- Ability to apply life skills to problem solving
- Developed communication skills and tact
- Greater willingness to share experiences
- Strong organisational skills
- Value placed on teamwork
- More patient than younger employees
- Willing to train and mentor younger employees
- Less competitive
- Fewer external responsibilities and distractions
- Preference for part-time work providing greater flexibility



### Disadvantages of older employees

- Higher pay due to experience/tenure
- Reluctance to accept peer reviews of own work
- Resistance to and fear of change
- Increased medical care and insurance costs
- Difficulty mastering new technological challenges
- Lack of formal qualifications
- Need for additional training
- Less commitment as they approach retirement
- Age-related performance impairment
- Preference for flexible hours which some businesses cannot provide

## Are perceptions of older workers changing?

These factors, coupled with a generally ageing population, ought to be changing perceptions of over-50s employees. But the picture isn't that clear cut. A study by Deloitte found large regional and cultural variations in the views on the merits of an older workforce. And on the global level, 20% of organisations think over-55s are a disadvantage on the payroll.<sup>5</sup>

The reasons are often health related. Older workers, aged between 50 and 70, see diminished physical capacity, slowing cognition, decreased working memory, difficulty with hearing and vision, and higher rates of musculoskeletal conditions – all of which can affect job performance. Older employees fare less well with certain kinds of work, such as shift work and long hours.

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## Handling chronic conditions: the vital mission<sup>6</sup>

But it's in the area of chronic conditions – including back, digestive and cardiovascular system disorders – that we see the biggest challenges and opportunities for employers with their aged 50 to 70 employees. As people move into this bracket, the costs of managing their conditions – as well as the potential for developing related complications – increases as they occur more regularly. And not only do these chronic conditions cause employees to take sick leave, they can have a huge impact on an employer's medical benefits costs.

While there's a clear link between ageing and developing chronic diseases, they do impact younger people too. The US Centers for Disease Control and Prevention (CDC) estimated that about 60% of all adults in the US have one or two chronic diseases.<sup>7</sup> In Sweden, 44% of the population have one chronic disease and 25% two or more.<sup>8</sup>

And, as these chronic diseases are impacting younger workers now, wellness, screening and health packages can help employers address these conditions before they become more debilitating in later life. This means that wellness programmes implemented in the right way and at the right time could have a huge impact on the costs of healthcare now and in the future.

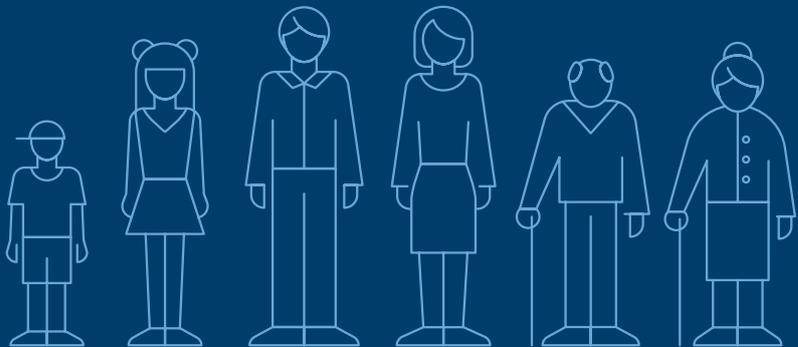
... about 60% of all adults in the US have one or two chronic diseases.

## Understanding the science of ageing

But how do employers know which wellness programmes are going to be most effective for improving the health of their workforce? It's a significant challenge for any EB professional – yet understanding how we age and the effect this has on our health could be helpful when planning future interventions.

Ageing is the subject of a vast and growing body of science<sup>9</sup> – meaning our understanding of the process is evolving fast. Knowing why we age and what we can do about it is hugely important – both for us as individuals, and in terms of shaping our responses to an ageing workforce. If, for example, treatments to delay ageing at a cellular level become commonplace, we might need to rethink our entire EB approach.

This science also helps us understand which interventions to help with healthy ageing will work – and might therefore be part of future EB packages.



## Can employers help combat the negative effects of an ageing workforce?

In the face of an ageing population and an ageing workforce, doing nothing is not an option. Aside from the health issues that can hurt productivity as well as incur large costs, employers in most sectors are facing skills shortages that will demand they cater to the 50 to 70 age group more effectively. With proportionally fewer young people coming into the workplace, employers must recruit, retain and retrain a greater number of older workers than ever before.

Building a progressive, thoughtful approach to flexible and responsive benefits can help older employees, keeping them motivated and productive – as well as opening pathways for younger employees to take a proactive approach to their own ageing process.

Ageing is inevitable. But we have the power to age better – and by helping employees age well, we create more sustainable futures for our organisations, too.

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We look at this fascinating subject in more detail in our brand-new health and wellness whitepaper **Healthy ageing in the era of an ageing global workforce**. The paper looks in depth at the issues employers need to be wary of when planning for an ageing workforce, explains the science of ageing, and discusses how we can all age more healthily and ways to support employees.

The paper is available to download from [maxis-gbn.com/AgeingWorkforce](https://maxis-gbn.com/AgeingWorkforce) from 15 September 2020.

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- 9 López-Otin et al in Cell magazine, The Hallmarks of Ageing, 2013, <https://www.cell.com/cell/fulltext/S0092-8674%2813%2900645-4> (sourced March 2020)

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