

## *WORK IN LATER LIFE – OPPORTUNITY OR THREAT?*

Judith Davey  
New Zealand Institute for Research on Ageing  
Te Putahi Rangahau i te Pakeke Haere  
Victoria University of Wellington

Mary Davies  
Visiting Senior Fellow  
University of Surrey  
United Kingdom

### **Abstract**

In many countries population ageing has led to calls for a re-examination of retirement and labour-force participation by older people. This paper asks whether work in later life constitutes a threat or an opportunity – for the workers themselves, for their employers and for society as a whole. Comparisons are made between New Zealand and the United Kingdom, in terms of the policy environment and trends of labour-force participation for men and women aged 50 and over. Individual perspectives, the point of view of employers and factors at the macro level are examined. Through examining the factors that influence decisions about work in later life, the paper suggests measures that can be taken by employers and by governments to turn potential threats into opportunities.

### INTRODUCTION

We are living in an ageing world (Kinsella and Velkoff 2001). The United Nations sees population ageing as unprecedented, pervasive (affecting both developed and developing countries) and profound (having major consequences for all aspects and facets of human life). It is also enduring (United Nations 2002). The balance between young and old is changing, and this is reflected in the age dependency ratio (i.e. the ratio of the number of people of “retirement age” relative to those of “working age”). In New Zealand in 2000 there were 18 people aged 65 and older per 100 people aged 15 to 64. This figure is expected to more than double to 43 per 100 by 2040 (Statistics New Zealand 2000). In the United Kingdom, the comparable figures are 27 and 49 (Government Actuary figures, using the ratio of people 65 and older to 100 aged 20–64). As this ratio increases, concern grows about how a larger older population will be supported, both in terms of income and also health and other services.

In many countries there are doubts about the sustainability of retirement income provision, in both the public and private spheres. The fiscal “burden” of public provision is of concern to many governments. In New Zealand, the cost of retirement income support is now 4% of GDP and is expected to rise to 9% in the next few decades. In the United Kingdom, the comparable levels are higher at present, at just over 9%, and are expected to increase to 10.8% by 2050 (according to estimates by the Pensions Commission in 2004). Occupational schemes have been threatened by downturns in financial markets, which have also affected personal savings. These effects are magnified because, through increased life expectancy, workers spend a higher proportion of years in retirement relative to the number of years in paid work. Many global companies now have more “pensioners” than workers.

The demographic trends of lower fertility and longer lives, coupled with the advance of the “baby boom” generation through mid-life, with the early “boomers” reaching their mid-sixties from about 2010, are leading to higher levels of age dependency. In addition to this, technological advances are occurring with ever-increasing speed, particularly in communications. In some circumstances, this means that productivity is increased, with fewer people required to do the same amount of work. However, it can also lead to the creation of new jobs and demand for workers.

In light of these changes, it is not surprising that our understandings and expectations of working lives, retirement and work exit are being re-examined and that these issues have become prominent on the policy agendas in many countries and in organisations like the OECD (Burniaux et al. 2004, Watson Wyatt Worldwide 2004). Moves to enhance labour force participation by older people have potential advantages for the workers themselves, for their employers and for society as a whole.

The position taken in this paper is that countries such as the United Kingdom and New Zealand need to consider how labour-force participation among older people, aged 50 to 65, or even beyond this age, can be intensified and extended. We then ask whether work in later life constitutes a threat or an opportunity – for individuals/workers, for employers and for the economy and society as a whole.

#### POLICIES ON OLDER WORKERS IN THE UNITED KINGDOM AND NEW ZEALAND

In the United Kingdom, concern about the implications of population ageing is high. A Pensions Commission has been set up to consider the retirement income situation. Its first report (Pensions Commission 2004) concluded that unless it is accepted that pensioners will become considerably poorer relative to the rest of society, either taxes

and National Insurance contributions<sup>1</sup> must rise; or savings must rise; or average retirement ages must rise. Calculations in the report suggest that all three must occur in order to maintain adequate pensions. In 2006 the United Kingdom will introduce anti-age-discrimination legislation. In its Age Positive programme ([www.agepositive.gov.uk](http://www.agepositive.gov.uk)), the Department for Work and Pensions has several initiatives, which include removing previous incentives to early retirement and raising awareness of the issues among employers. One such initiative is the Age Partnership Group, which launched its Be Ready campaign in 2005, targeting employers.

In New Zealand, less attention has been given to older workers. Instead, there have been calls for higher rates of labour force participation among welfare beneficiaries and younger women, especially mothers.<sup>2</sup> Nevertheless, policies have influenced older workers, especially the raising of the age of eligibility for New Zealand Superannuation from 60 to 65 during the 1990s, which had a clear effect on labour-force participation rates for people in this age range. The abolition of compulsory retirement under the Human Rights Act 1993 has been another incentive for people to remain in paid work.

#### WORK IN LATER LIFE – TRENDS IN THE UNITED KINGDOM AND NEW ZEALAND

In New Zealand, there has been an upturn in labour-force participation rates for both men and women in middle and later life, especially in the 60–64 age group, related to the increase in the age of eligibility for New Zealand Superannuation (Table 1). Increases in the 55–59 and 65-plus age groups have been less dramatic, but significant for women aged 55–59, rising from 59% in 1999 to 68% in 2004, and for men aged 65 and older, with a rise from 9% to 15% over the same period. In the United Kingdom, the proportion of males aged 55–64 in the labour force fell from 80% in 1979 to 70% in 2002 (Humphreys et al. 2003), but it has since recovered (Table 2). As in New Zealand, the proportion of older British women in the labour force continues to grow. The age group quoted in British data is 50–59 (as 60 is the state pension age for women and 65 for men). The proportion of both men and women aged 50–59 has risen since 1999 (Table 2). Beyond state pension age, participation levels are low in both countries, but have also been rising.

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1 National Insurance is contributions from workers and employers, paid through the wages/salary system, to cover pensions, health services and social security.

2 In a Ministry of Social Development symposium presentation in May 2005, Grant Johnston outlined low labour-force participation rates for women aged 25–39, especially for women with children under six years old and sole parents. Incentives for this group include subsidies for childcare and after-school care.

**Table 1** New Zealand Labour Force Participation Rates (%), by Age and Sex (Household Labour Force Survey, New Zealand)

Age Group	Gender	Year (average for year ending March)					
		1999	2000	2001	2002	2003	2004
55–59	Male	83	82	83	84	85	85
	Female	59	60	60	61	64	68
60–64	Male	57	58	62	65	67	66
	Female	33	32	36	42	44	45
65 plus	Male	9	11	12	14	15	15
	Female	4	4	5	5	6	6

Source: Labour Market Statistics 2004 <http://www.stats.govt.nz/people/work-income/employment.htm> (accessed 25/11/05)

**Table 2** United Kingdom – Percentage of Age Group in Employment (ONS Labour Force Survey)

Age Group	Gender	Year (Spring figures)					
		1999	2000	2001	2002	2003	2004
50–SPA	Male	68.6	70.3	69.9	71.8	71.9	72.4
	Female	63.1	65.3	65.6	67.6	67.9	68.4
SPA and older	Male	7.6	7.0	7.5	8.6	8.6	9.0
	Female	8.1	8.4	9.0	8.9	9.9	10.5

Note: State pension age (SPA) is 60 for women and 65 for men.

Source: DWP 2005

There is therefore some evidence that higher levels of labour-force participation among older workers and the delaying of retirement are beginning to happen in both the United Kingdom and New Zealand. Does this present an opportunity, as many policy pronouncements suggest, or a threat? If it is a threat, then for whom? The rest of the paper examines these questions and presents some ideas on how a potential threat can be turned into an opportunity.

## INDIVIDUAL PERSPECTIVES

Many employees do not welcome the idea of work in later life. They and their unions have fought over decades for the right to retire on a decent pension. Retirement is now seen as a legitimate phase of life, a right that has been earned by a lifetime of hard work and something to look forward to (Phillipson 1998). Removal of the right to retire could be seen as “turning the clock back” and as a return to the bad old days where people “worked until they dropped”.

Low job satisfaction is commonplace among older workers when they feel they have very little control over how they do their jobs, in the face of constant change (McNair

et al. 2004). This can lead to a deterioration of both physical and psychological health, at a time of life when age-related health problems may be beginning to affect some people. Despite efforts by governments and others, ageism is still rife in the workplace and older workers often experience discrimination from their employers and managers, and even from their colleagues (Taylor and Walker 1998, Gee et al. 2000, McGregor and Gray 2001a, Greene 2001). Because of ageist attitudes, many older workers feel that they are going nowhere as far as work is concerned, and also have limited opportunities for training, career guidance and promotion.

Older people now take on substantial caring responsibilities, particularly grandparenting, to enable their own children to work (Mooney et al. 2002). Many people in their fifties and sixties are caring for older family members (Davey and Keeling 2004). Studies, both in the United Kingdom and New Zealand, illustrate the difficulties of juggling caring responsibilities with paid work, and how lack of flexibility in the workplace may lead to withdrawal by older workers, who see continuing to work as a threat to the service they wish to offer their families (Phillips et al. 2002). Finally, yet importantly, as people get older they become more concerned about the value of free time and what gives purpose and meaning to their lives. They may not believe that work provides the answer.

Set against these negative aspects of working in later life, and both the pull and push factors encouraging withdrawal from the labour force, are several advantages of remaining. A strong imperative is the economic necessity to work. Studies by the Centre for Research into the Older Workforce (CROW) (McNair et al. 2004) in the United Kingdom identified three groups of older workers, one of which was the “survivors”, motivated strongly by the need for an income. This group have few or no qualifications and are in routine and semi-routine jobs. They have little control over their working lives and often have job changes forced on them.

Choices about withdrawal from the labour force depend on the availability of alternative sources of income, such as pensions or superannuation entitlements, and also on income requirements. The Periodic Report Group (PRG 2003) concluded that, when people leave the workforce on retirement, New Zealand Superannuation provides a high replacement income<sup>3</sup> for low-income earners and beneficiaries and a moderate replacement income for average-wage earners (65% for a couple). The report *Living Standards of Older New Zealanders* (Fergusson et al. 2001) found that the majority of older New Zealanders have relatively few material and financial restrictions.<sup>4</sup>

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3 This shows the extent to which New Zealand Superannuation replaces the income which people earned or received before retirement, in percentage terms (PRG 2003:22). The higher the replacement rate, the greater the incentive to leave the labour force.

4 Some 5% experienced marked material hardship and a further 5–10% had material difficulties. The individuals most at risk of poor material wellbeing were characterised by a mix of low income, lack of savings, high accommodation costs, a history of economic stress, being younger (65–69), Māori or Pacific ethnicity and having a low-status occupation.

These sources suggest that the current level of New Zealand Superannuation is sufficient to assure the majority of older people a basic living income. However, expectations of higher living standards in retirement, especially among the oncoming baby boom generation, are likely to encourage New Zealanders to remain in paid work, in some form, after the “traditional” retirement age. This is especially so given higher life expectancy, which means that savings have to last longer. Also, increased levels of debt, including student loans, have an impact on the ability to save.

In addition, higher divorce rates and increasing numbers of unpartnered people in mid-life mean that many people may have to work longer to provide for their retirement (Statistics New Zealand 2000). According to British research, work participation rates of women who are divorced are higher than those for married women. This is also the case for men, and is due mainly to financial factors, although social factors may also play a part, particularly for women (Humphreys et al. 2003).

Remaining in paid work provides workers with non-monetary benefits, including social contact and mental stimulation. There may even be health benefits. Older workers are generally in better health than older non-workers (National Academy on an Ageing Society 2000), although this may be because ill health is linked to early retirement. The British Department of Work and Pensions (DWP) research also showed that continuing to work in later life was associated with higher levels of self-reported health (Humphreys et al. 2003).

### THE EMPLOYERS’ POINT OF VIEW

Employers may also believe that older workers pose threats to their company and its management. In the United Kingdom, many have used a fixed retirement age for their particular industry as an easy way of reducing staff numbers and getting rid of unsatisfactory workers. If there is no compulsory retirement age, this is not possible and more difficult procedures need to be used. Some employers believe that this will lead to a stagnant workforce and make succession planning more difficult, attitudes which have resulted in considerable opposition to anti-age-discrimination legislation in the United Kingdom. These issues are discussed in recent research commissioned by the Joseph Rowntree Foundation (Hornstein et al. 2001, Taylor 2002).

There are other “myths” held by employers that can affect the situation of older workers. Older workers may be seen to have outdated skills, particularly in information technology, but this may be because they are not encouraged into training opportunities. Many employers consider older workers too expensive because (in many jobs) pay rises as the length of service increases. However, this is not inevitably the case (Bennington and Tharenou 1997, Davey and Cornwall 2003).

A range of opportunities and benefits for business in employing, retaining and upskilling older workers is set out clearly in the literature (Worsley 1996, Walker 1998, White 1999, Robson 2001).

- *Amelioration of skills shortages*  
By using age to narrow the field of applicants, organisations restrict and narrow their recruitment potential.
- *A vibrant and diverse workforce*  
Some employers recognise that organisations with diverse and varied workforces will be better placed to respond to the changing environment, including the ageing of the workforce and the ageing of the population and consumer pool. They see the need to have a workforce that reflects the age composition of their customers.
- *Retention of the experience of older employees and protection of the corporate memory*  
The consequence of early exit for employers is that valuable experience and human resources go to waste. Older workers can play a role in training and mentoring younger workers, creating new role models and providing a stabilising influence on younger workers.
- *Improved management of staff*  
Opportunities include reducing staff turnover and the costs of recruitment; avoiding the loss of talented knowledgeable workers to competitors; and planning human resource requirements so that as the supply of younger workers reduces they can access a pool of skilled older workers to keep their companies competitive.
- *Higher staff morale*  
Morale can be improved through policies and processes aimed at showing workers they are valued and that recruitment and promotion are based on performance and credentials rather than age, and the need for flexible working styles is recognised.
- *Improved public image* (Bunt et al. 2005)

#### THREATS AND OPPORTUNITIES AT THE MACRO LEVEL

In both New Zealand and the United Kingdom, older people make an enormous contribution to their communities through unpaid work. This takes the form of caring roles, as already noted. Many help to reduce demands on the state for elder care by looking after their dependent elderly relatives. Many grandparents take on childcare responsibilities so that their adult children can work and contribute to the household budget. The cost of housing often requires both parents to be in paid work.

Older people also contribute to the voluntary sector through regular unpaid work (Gee 2001). These roles would be threatened by higher levels of labour-force participation. Anecdotal information suggests that charity trustee openings are already much harder to fill in the United Kingdom as more older people remain in paid work.

The interaction between health and retirement is a complex one, as noted later, but it is possible that the “work till you drop” approach and an emphasis on prolonging full-time work could lead to higher health costs, especially for workers in more stressful or physically demanding occupations.

A less tangible effect of prolonging labour-force participation would be to devalue the notion of retirement as a legitimate phase of life earned after a life of paid work. Many people look forward to retirement and the increased leisure opportunities that it offers. If this is not available as something to look forward to, the morale of the workforce could be affected.

On the other side of the coin, prolonging and intensifying labour-force participation by older people could bring economic and social benefits at the macro level. There is considerable political emphasis currently on enhancing growth and raising New Zealand’s economic performance ranking. In Britain, the rhetoric centres on the macro-economic impact of pensions provision. Emerging skills shortages are likely to hamper progress towards tackling these issues. If productivity growth does not compensate for the predicted slowdown in labour-force growth then there will be adverse economic consequences, and an impact on the overall standard of living. At the same time as affecting labour supply, ageing will bring about increased government outlays for public pensions and health care, causing deterioration in budget balances and reduced economic growth (Liebfritz 2003). As well as ameliorating skills shortages, keeping older people in paid work will prolong their contributions as tax-payers and reduce their levels of dependency.

Society as a whole will benefit if older people are able to remain financially independent for longer and able to build up resources for later life. Working longer may improve their health and wellbeing (and may still allow time and energy for volunteering). Older people can contribute to society as role models and mentors in workplaces, thus helping to break down ageism and negative stereotypes. This will also contribute to intergenerational solidarity.



## TURNING THREAT INTO OPPORTUNITY

### What Influences Workers' Choices?

A range of factors influences whether older workers remain in the labour force and the extent of their attachment to it. They include personal factors, such as financial circumstances (mentioned above), health status, attitudes to change and to their occupation, and views on the "natural" time to retire (often coinciding with age of eligibility for a pension or superannuation) (Humphreys et al. 2003). Factors deriving from the work environment are very influential, such as feeling valued by employers and colleagues, having a sense of control and of purpose in relation to the job, and flexibility (McNair et al. 2004). There are also "pull" factors, attracting workers into retirement, such as having a partner who is retired, wanting to spend more time with family or travelling, or pursuing hobbies (Morrison 2001). All these factors operate in complex ways and their influence will vary between workers.

British research (Smeaton and McKay 2003) has shown that feeling valued by employers and colleagues, and having a sense of control and autonomy and a good social environment in the workplace, are positive factors. People in jobs that entail a personal sense of purpose or concern about professional reputation may be led to remain longer in paid work. These are the "choosers" (McNair et al. 2004): well-qualified people in professional and managerial jobs, who have significant control over their working lives, and describe their job changes in terms of challenge and opportunity. If work is interesting they are likely to stay (sometimes into their 70s). If they retire, they are likely to take up voluntary work.

Another important aspect is flexibility about time and responsibility. A higher proportion of older workers may be involved in non-standard forms of employment; for example, part-time, self-employed, bridging jobs. There may also be issues of "over-employment" (actual hours worked exceed desired). Older workers may find it hard to keep pace with, or choose not to "buy into", the time commitment required in some parts of the labour force.

As already mentioned, responsibilities to older parents/relatives and the desire to care for grandchildren are additional "pull" factors for many older workers (Davey and Keeling 2004, Phillips et al. 2002). These are McNair et al.'s third group – the "jugglers", balancing domestic and caring roles with paid work, almost all of them women (McNair et al. 2004). Jugglers have some qualifications, usually below degree level, and they are likely to work in intermediate occupations.

Policy incentives may also influence decisions either to retire or to remain in work. The effect of a higher age of eligibility for New Zealand Superannuation is clear in labour-

force trends in the 60–64 age group in the 1990s. The abolition of compulsory retirement under the Human Rights Act 1993 has been another incentive for people to remain in paid work. In the United Kingdom, the government proposed raising the age at which public sector pensions could be accessed from 60 to 65, but this has been withdrawn in the face of high levels of opposition from unions. However, the equalisation of state pension age for men and women is going ahead during the period 2010–2020. In 2010 the minimum age of eligibility for occupational pensions will be increased from 50 to 55.

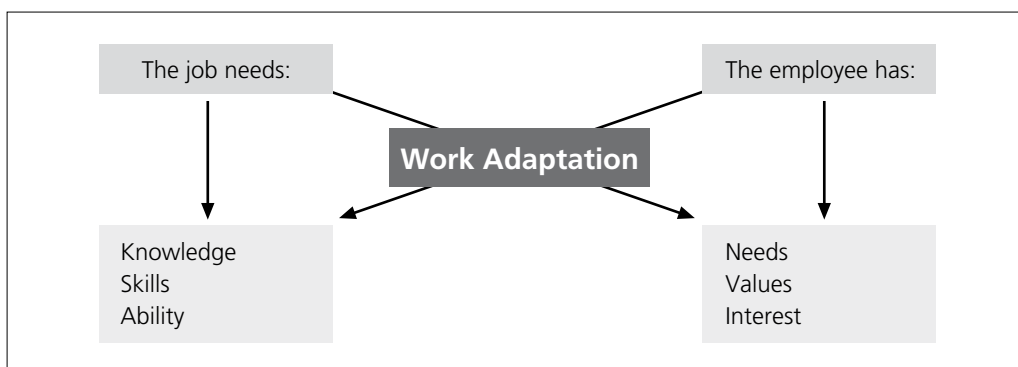
### What Can Employers Do?

The threats arising from working in later life can be turned into opportunities if employers recognise the challenges. In particular, they need to adapt jobs to “fit” the older worker as well as providing opportunities for the older worker to update their skills to “fit” the job. This is the concept of “reciprocal work adaptation” as set out by Yeatts et al. (2000:568).

Our conceptual framework for explaining work adaptation suggests that each job has knowledge, skill, and ability requirements that must be met by an employee. Likewise, employees have needs, values and interests that must be met by their jobs. To the extent that a complementary, reciprocal relationship of balance exists between the employee and the job, there is an individual–job fit (i.e. correspondence). The result is relative satisfaction for both the employer and the employee.

The model is shown diagrammatically in Figure 1. This is a dynamic concept, acknowledging that the elements on both the job and the worker sides will change over time. For example, older workers may be less concerned with money and more focused on work–life balance. Part of this adaptation is recognition by the employer of “time sovereignty”, by accommodating individual patterns of work to suit changing circumstances. Many older workers want more free time for their other interests and concerns, as already explained.

**Figure 1** Work Adaptation



Source: based on Yeatts et al. 2000

Another response is to develop appropriate human resource management philosophies and policies. Many workplaces are now run on a “depreciation model”, in which an individual’s value to the organisation peaks early in his or her career, reaches a plateau at mid-career, then steadily declines as the worker ages towards retirement. Much more useful is the “conservation model”, in which all employees, regardless of age, are viewed as renewable assets that can continue to yield a high rate of return for long periods of time if they are adequately managed, educated and trained (Yeatts et al. 2000:577). For many organisations this will require a new “mind set” and will not be achieved overnight.

Consistent with the conservation model is employers’ provision of education and training, career development and guidance, and pre-retirement education for all their workers, not overlooking the older people. Many employers still subscribe to the myths that older workers are less able to learn and present a lower return on training investment than younger employees. But if employers do not facilitate their access to education and retraining or do not encourage age-appropriate methods in workplace training programmes, then this will simply reinforce stereotypes about older workers and discourage their retention and employability (Carpenter 2001, Davey and Cornwall 2003). There is extensive literature showing that, while older workers may require different learning environments and sometimes take longer to pick up skills, they are capable of both learning and applying new knowledge in the work environment (Warr 1994, New Zealand Employers Federation 1998, Turner 2000, Robson 2001).

An argument against employing older people is that pay scales based on seniority and experience make them too expensive to employ (Bennington and Tharenou 1997). This may not be true in all types of employment, or at the aggregate level. In any case, a move away from pay rates based on time in the job, to a focus on performance-based pay, performance appraisal and development, which is already occurring in many work environments, would alleviate the perceived problem. A competency-based pay structure is valuable as a basis for employing all workers, regardless of their age (Patrickson and Hartmann 1995).

By using strategies such as those outlined, employers are able to demonstrate that older employees are valued and appreciated. Tackling ageism throughout the workplace will make it more attractive for older workers to remain in the labour force and to make the most of the opportunities which this presents.

## Policy Responses

There are also initiatives that can be taken by governments to help turn the threats posed by work in later life into opportunities. Governments in many OECD countries are adjusting pensions and retirement policies to encourage higher levels of labour-force attachment by older workers (OECD 2000).

The abolition of compulsory retirement under the Human Rights Act 1993 has removed a significant barrier to prolonged workforce participation in New Zealand. However, despite the passing of this legislation, there is evidence that it has not yet extinguished age discrimination in the workforce (Sparrow 1999, McGregor and Gray 2001b, Wood et al. 2004). These conclusions are reflected in the international literature (Swaim and Grey, 1998, Bennington and Wein 2003). The effect of the British government's legislation on age discrimination remains to be seen, as this will not be implemented until October 2006. At that time it will be illegal for an employer to force anyone to retire on the grounds of age before they are 65, and employers will have a duty to consider requests from employees who wish to work after age 65. The government will consider abolishing compulsory retirement ages altogether in 2010.

Apart from tightening up on legislative provisions, government can assist by educating employers on the benefits of non-discriminatory processes and by modelling such provisions in all public sector agencies. The British Department of Work and Pensions' Age Positive, Age Partnership and Be Ready campaigns have already been mentioned.

A considerable proportion of older workers have low levels of educational achievement and in many firms the commitment to invest in training is not high, as already noted (Inkson et al. 1998). In 2001, about a third of New Zealanders aged over 50 had no formal qualifications (Davey and Cornwall 2003). In Britain, 15.5% of people aged 50 to state pension age have no qualifications, and 28% of those of state pension age and older have no qualifications (DWP 2005). Younger people are much more likely than older people to hold a degree or higher degree. Thus a vicious circle develops – outdated skills reinforce stereotypes about older workers, which give them low priority for retraining, and hence their disadvantage is reinforced.

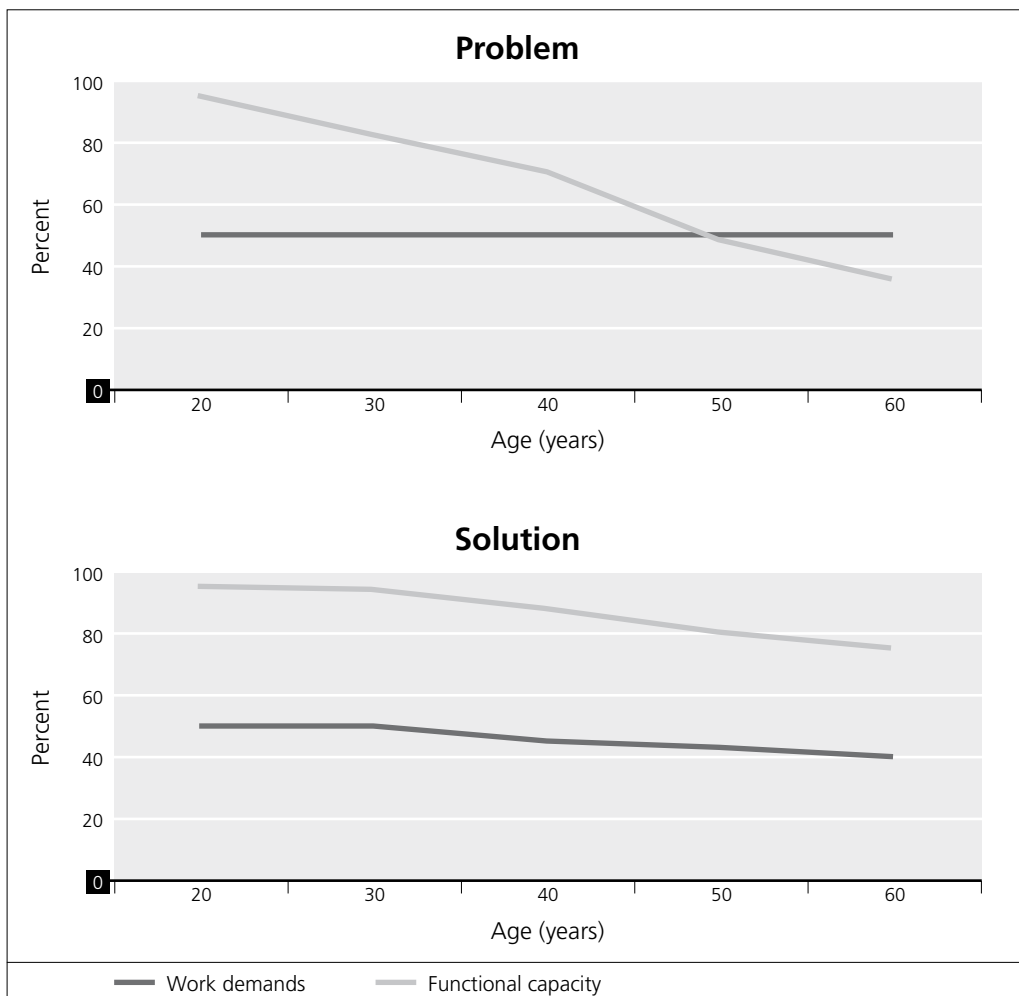
The New Zealand tertiary education system has some advantages not shared by the United Kingdom – open adult entry, no age limit on student loans, and opportunities for part-time study. On the other hand, there is little government support for adult retraining. The Adult Education and Community Learning Working Party report (2001) gave little attention to work-related issues. In the context of the United Kingdom, opportunities for education and training in mid-life and later life are fragmented and largely on a “user pays” basis. Access to information about such opportunities is

reported to be a significant barrier. In addition, the administrative systems of many academic institutions are not well attuned to the needs of older students, linked to assumptions that education is for those under 25 years. Individuals also may need more encouragement and support than is presently available to return to a regime of study which will produce heavy demands on their family and recreational time, in addition to financial pressure.

Some governments have taken proactive stances on the employment of older workers. In Sweden, policies are based on the “work principle” – the idea that work should be favoured over financial support for unemployed workers before retirement. This means that labour market programmes for the unemployed have always been open to older workers, and participation in these programmes is very high. As a result, Sweden has a higher labour-force participation rate among older workers relative to other countries in the European Union (Foden and Jepson 2002).

Finland has also taken several initiatives since the 1990s to retain older workers in employment, under the FINPAW programme (Finnish National Programme on Ageing Workers). This includes promoting “work-ability”, combating age discrimination, providing educational opportunities, and the ability to take part-pensions. Work adaptation has also been suggested as a “solution” for older workers by the Finnish Action Programme to promote health, work-ability and wellbeing of ageing workers. The model adopted, illustrated in Figure 2, incorporates the concept of work adaptation outlined above (Ilmarinen and Louhevaara 1999). Functional capacity is the sum of physical, mental and social capacities. These capacities are bound together and influence each other both positively and negatively. If the work demand remains constant and the functional capacity of the worker falls with increasing age, then capacity will eventually fall below the level demanded by the work (Figure 2 – Problem). This can be resolved, as shown in Figure 2 – Solution. If work demands slightly decrease over time and the worker is encouraged to preserve and enhance their functional capacity through retraining and health-promoting initiatives, then ability to perform the job will continue; i.e. the graph lines will not intersect. Both the job and the worker “adapt”. The Finnish programme also incorporates “age-management training” for managers, supervisors and foremen, to improve attitudes towards ageing workers and support appropriate HR policies and practices. The results have been positive, with an increase in the average age of retirement (Foden and Jepson 2002).

Figure 2 Work Adaptation – FINPAW Model



Source: Ilmarinen and Louhevaara 1999:265

Governments can also play their part in encouraging flexible working arrangements and changes in workplace and human resource practices. For example, the Age Positive Initiative of the United Kingdom’s Department of Work and Pensions is a programme of awareness-raising and education aimed at changing attitudes within organisations. Several schemes have been initiated under the European Social Fund. Business Links Kent offers a programme for older ex-managers to update their skills and secure employment in organisations facing management skills shortages. Mentoring for Success provides ex-managers aged 50-plus as mentors for small and medium enterprises.

## CONCLUSION

If reciprocal adaptation takes place, then work in later life can be turned into an opportunity for older workers, for their employers and for the wider society. The wisdom and talents of older people will no longer be squandered, but developed and enhanced. This can have positive effects on the self-esteem of older people and consequently on their health and wellbeing. Earning for longer can reduce financial dependency and promote involvement in and contribution to society, as envisaged in the New Zealand Positive Ageing Strategy. If work is flexible then there is still time for other voluntary and caring roles, such as grandparenting.

The benefits to organisations can be substantial in terms of meeting skills shortages; retaining the experience of older workers and protecting the corporate memory and networks; reducing staff turnover with savings on recruitment costs; higher staff morale; improved public image; and access to a wider customer base because there is a better match between customer needs and workers' age and experience.

There are also benefits to society, not least in the amelioration of skills shortages and the maintenance of productivity. Positive role models of older people are created with enhanced intergenerational solidarity, since older people are seen to be making a contribution. Flexible working conditions will allow older people to play their part in the community. The improved health and wellbeing of older people will lead to a reduction in the costs of an ageing population.

But there is a word of caution. It must not be forgotten that many jobs that are available to older workers are low-level, boring and repetitive and are unlikely to produce the opportunities just described. Quality jobs are required, and this should be the objective of initiatives taken by employers and by governments. Older workers will leave bad jobs, as will workers of any age.

In conclusion, work in later life can be an opportunity rather than a threat. The key to this is reciprocal adaptation, which is the continuous and dynamic process by which the individual updates their skills and knowledge to fit the job and the job is modified to suit the needs, values and interests of the older worker. This will not occur where there is a climate of ageism in the workplace. It will require an attitude change in the workplace which can be brought about over time by programmes of awareness raising and education.

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