



WHITEPAPER
VOLUME SIXTEEN

THE MATURE WORKFORCE
PUTTING EXPERIENCE TO WORK

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THE MATURE WORKFORCE
PUTTING EXPERIENCE TO WORK

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THE MATURE WORKFORCE

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1 :: INTRODUCTION

“Every seven seconds someone in North America turns 50.”

—US Census

When was the last time you considered someone in the 50+ age group for a position in your company? There have been countless reports, research studies and statistics that indicate a huge demographic shift is taking place in the workforce. Since 1964 there has been a decline of births that will create a shortage of younger candidates entering the labour market. People are living longer, they are healthier, and they want to continue working and being productive—the 50+ age group is ready and willing to fill the coming skills shortage.

This whitepaper will discuss the demographic change affecting organizations in every business sector and the characteristics of the 50+ worker that make them a great addition to any company. It will examine their value and skills, explore the myths and false perceptions surrounding the 50+ age group and show you how you can put this experience to work for your organization.

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2 :: TRENDS IN AN AGING SOCIETY

“It’s not just true that the industry needs these workers, but these people are willing to continue working.”

—Phillip Cross, Statistics Canada

Retirement at 65 is becoming a thing of the past. This consensus stems from a variety of sources both in Canada and abroad, informed by the reality of the aging population. More and more, we can expect older workers to postpone their retirement as the baby boom generation moves into their 50s and 60s, as birth rates decline and as people continue to live longer and healthier.

TREND #1: MATURE WORKERS ACCOUNT FOR WORKFORCE GROWTH

According to Civicventures.org, the first of 77 million baby boomers turn 60 in 2006. This generation is becoming the fastest growing age group in the labour market. Statistics Canada reports that workers over age 55 have contributed to one third of all labour force growth within the past seven years. They are on the front line of the largest, healthiest and best educated population to ever move through and beyond their 50s. There is no end in sight to this trend that reverses several decades of declining participation by this demographic.

INSIGHT

➤ The number of people in Canada aged 25 to 44, continues to decline.

The employment rate for those aged 55 and older has jumped by almost 20 percent since 2001.

TREND #2: RECRUITING AND RETAINING OLDER WORKERS —THE NEW SKILLS SHORTAGE SOLUTION

Employers may find themselves competing for the most skilled and knowledgeable individuals in the 50+ age group as baby boomers develop dual identities—becoming the retiree and the coveted employee. Companies are beginning to realize the importance of recruiting and retaining their older workers not only because of the impending skills shortage, but also for the experience and mentoring they can offer younger employees.

A Statistics Canada study revealed that alternative working arrangements are important in encouraging older workers to stay on the job, based on data from the 2002 General Social Survey. This survey examined how Canadians that had retired during the previous 10 years would have been willing to continue working, if they were given certain incentives. A report produced by The Conference Board of Canada contended that increased immigration should not be the primary method of meeting the country’s labour force demands and skills shortage. The preferred method is to postpone retirement. The report also recommended a national strategy to motivate older people to stay on the job and to inspire employers to hire and retain older workers—a strategy that should include part-time employment and longer vacation times for 50+ workers. “A more successful and increasingly popular approach to buffer the effects of an aging population involves labour-market programs to increase the supply of and demand for older workers,” the Conference Board said. “Several types of measures are central to this approach: reducing incentives for early retirement, encouraging later and more flexible retirement, passing legislation to counter age discrimination, and helping older workers find and keep jobs.”

INSIGHT

➤ Over one quarter of people who retired between 1992 and 2002 would have continued working had they been able to reduce their work schedule, either by working fewer or shorter days without their pension being affected.

28 percent would have continued working if they had been offered part-time employment and 12 percent of retirees said they would have kept working if mandatory retirement policies had not existed.

3 :: MYTHS ABOUT THE MATURE WORKFORCE

“The only source of knowledge is experience.”

—Albert Einstein

Both the federal and provincial human rights codes forbid discrimination based on age. Yet, according to a study done by Human Resources and Skills Development Canada (HRSDC), over one third of those people responsible for hiring indicated that there was an age they considered “too old”. This is despite the fact that when employers make hiring decisions based solely on performance, the HRSDC found that the average age of their employees increases by as much as 10 years.

MYTH #1

Employees over 50 have more health problems, and miss more work.

FACT

It might come as a surprise, but a survey by the Institute of Electrical and Electronics Engineers concluded that older employees actually take fewer sick days than younger ones. Additionally, research done in the UK by the Employers Forum on Age showed that the 60+ aged employees were happiest at work while workers in their 30s felt the most workplace stress. Only 17 percent of that age group said they would work into their 70s, compared to 30 percent of those aged 60 and older.

MYTH #2

Employees over 50 can't keep up with new technologies, are set in their ways, and are less productive.

FACT

A poll conducted by thirdage.com found that not only did mature professionals keep up with changing technologies but 90 percent were Internet users. Seasoned employees recognize the importance of keeping up with their younger counterparts and are accustomed to a constantly changing work environment. Yet, the myth that older workers are less productive persists. The HRSDC, in its report, **Overview of the Aging Workforce Challenges**, states that “there is no significant overall difference between the job performance of older and younger workers.” The report also disputes the belief that older employees will retire before the investment in their training pays off because “skills and knowledge become obsolete if they are not upgraded regularly”—a fact that applies to people of all ages.

MYTH #3

Employees over 50 want to be paid more, aren't passionate and won't stay—increasing the already high cost of turnover.

FACT

Results of a survey of over 1,000 job seekers in the 50+ age group conducted by Prime50 showed that 82 percent of older job seekers were not only willing to take a pay cut but 78 percent were also prepared to work on contract without benefits or pension obligations. As much as 38 percent of employees want to continue their careers and, in fact, may never retire, according to a Harris Interactive poll. The Harris survey found that workers over 55 have the “most passion” for their jobs—a fact backed by research conducted last year that found mature employees approaching retirement are “inspired and passionate about their work” by a margin of 28 to 43 percent over younger workers who are “the most dissatisfied and least engaged in the workplace environment.”

In addition, because younger employees tend to view their jobs as stepping stones, moving more frequently from one company to the next, in the long run, a younger workforce can end up increasing the cost to train and orient new employees. Investing in an employee who only remains on the job for a year or less costs companies much more money than one who remains longer, such as those older workers that have been found to demonstrate more loyalty.

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4 :: 10 ADVANTAGES OF HIRING THE 50+ WORKER



Consider

- What skills, knowledge and behaviours do 50+ workers bring to the table?
- How can employers embrace the older worker considering their reluctance in the past to recruit and retain them?

Organizations need to address the misconceptions that have created barriers to hiring job seekers they consider “too old”. In the UK, as reported by the Chartered Institute of Research in Development in 2001, it was found that 30 percent of employment ads were blatantly discriminatory, using words such as “youthful” and “dynamic”, implying that older workers need not apply.

Research has shown that one third of Canadians want to continue working past the traditional retirement age. In order to stay competitive, and prevent losing the extensive experience of older workers, employers must consider ways to appeal to their unique needs. If the future plans of today’s employees include a “working retirement”, what value does a 50+ employee add?

1. The older worker can come with 30 years of experience or more, and often possesses advanced skills in their field
2. Many 50+ employees have remained competitive, upgrading their training and education continuously so they can be immediately productive. This saves companies the expensive training and ramp-up time associated with younger, less experienced workers
3. The older worker comes with the maturity to handle work pressures, stress and deadlines; they are accustomed to different management styles and incorporate work philosophies; they have learned how to be successful team players
4. A strong work ethic and sense of loyalty to employers of choice keeps the Mature Workforce from job hopping, as opposed to those younger employees who tend to change jobs every few years—a very costly source of frustration for employers

5. 50+ employees are in a position to be more flexible in their work schedules. They are at a stage in their lives where they have fewer family commitments—their children are often adults themselves. They are able to align their time to the requirements of an employer by working full time, part time or on temporary assignments such as on a contract or a project basis
6. The older and more experienced worker often has enhanced soft skills, such as leadership, team building and communication abilities, giving employers more confidence in their ability to work effectively with other staff
7. Older workers may be less focused on pay raises. Some may be receiving CPP benefits, pensions from previous employers or other investment income; many have paid off their mortgages and feel less financial pressure
8. Experienced workers are excellent mentors for younger, less experienced staff. Their solid work ethic and attitude can make them good role models and they are often eager to share what they have learned with others
9. If part of your customer base is made up of older consumers and clients, older workers can better relate to your company’s demographic and better serve your business needs
10. The older worker is healthier than ever before and living longer. They want to keep contributing to the profits of their employer

Employers that recognize the advantages of hiring the 50+ age group and adopt approaches to meet their needs will show measurable results in their return on investment.

INSIGHT

➤ Borders, the giant US bookseller, attributes much of its success to its older workforce—not just because of their maturity and work habits, but also because half of all Borders’ books are purchased by people over 45. In response to this, Borders has deliberately developed a workforce to which their customer base can relate. Healthcare for part-time workers, flexible work schedules, a community setting, and a learning-oriented environment are just some of the benefits Borders has implemented to retain these employees. Recognizing the loyalty of older workers, Dan Smith, Vice-President of Human Resources, for Borders said, “When they make a decision to work for a company, they usually want to stay for a long time.”

Companies that recognize what older employees can offer retain them before they decide to move on, either to full-time retirement; or, to a company that supports their needs. Flexible work schedules, reduced workloads, fewer weeks on the job without impacting pension benefits, cultures that value their strengths, and practices that accommodate their sensory and perceptual changes are just a few of the strategies that employers can implement in order to retain and motivate older employees.

In its 2002 General Social Survey, Statistics Canada cited a number of factors that could encourage retirees to remain on the job. In fact, 28 percent of recent retirees said they would have continued to work if they had been able to work part-time, making them ideal candidates for those positions that are not traditionally nine to five roles. The report concluded that “with the imminent retirement of baby boomers, some analysts have stressed the importance of strategies to encourage or enable workers to defer retirement or remain on the job.”

“In youth we learn; in age we understand.”

—Marie Ebner-Eschenbach

5 :: CASE STUDIES: ORGANIZATIONS BENEFITING FROM THE MATURE WORKFORCE

“The question companies need to answer as we approach a skilled labour shortage is: how do we better engage the younger workers while retaining the older worker, or at least postponing their retirement?”

—Tamara Erickson, The Concours Group

Organizations are increasingly recognizing the business case for acquiring the skills, knowledge, behaviour, and loyalty of workers over 50, and keeping them on the payroll rather than encouraging their retirement. Home Depot, Avis Rent A Car, IBM Canada, Merck Pharmaceuticals, Dofasco, and Royal Bank Global Services are only a few employers that have undertaken a human resources strategy of hiring or retaining 50+ employees.

Case Study #1

IBM Canada has 3,352 employees over the age 50 on its payroll and, from its Markham, Ontario offices, even has a ‘retirees on call’ program. This lets employees aged 65+ work for up to 1,200 hours a year on a contract basis. This kind of approach addresses the work / life balance needs of older employees, while still putting their experience to work. IBM spokesman Mike Quinn agrees that the company’s approach encourages employees to keep working and then ease into retirement. “And it’s good for the company as well because we can use their expertise,” he says.

“The desire is not to retire, but the desire is to have a change of pace...The risk to society and the risk to organizations is that they confuse the old-fashioned word retirement with what the current generation wants, which is a change of pace—a change to rebalance for work and life, for where they are in their lives—but to continue to contribute.”

Terry Lister of Human Capital Management for IBM Business Consulting Services.

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Case Study #2

Dofasco ranks number one among the ten best employers of “seasoned pros” on MediaCorp’s 2005 list of Canada’s Top 100 Employers. Close to half of their 7,200-member workforce in Hamilton, Ontario, are over 50. Dofasco has been a pioneer in the way it maximizes the experience and abilities of its senior employees in reinforcing the job skills of its young people. “We identify individuals who are getting closer to that 60-year age category,” says Leo Leombruni who heads Corporate Training and Development. “So a senior person that has been here and has all that experience and wealth of knowledge can work with the individuals we’ve hired, mentor them and give them that experience to guide them in the direction we need.”

Case Study #3

Home Depot, one of Canada’s largest retailers, launched a new program last year, the first of its kind in Canada that actively recruits new people over 50. “We’d be doing ourselves a disservice to not include them and actively go out and recruit (them),” says Angie Goldsmith, Home Depot’s national staffing manager. “This group excels at customer service and possesses leadership skills that will provide invaluable resources to our store managers and the associates on the floor.”

6 :: RETIREMENT LEGISLATION

“It is not the years in your life, but the life in your years that counts.”

—Adlai Stevenson

Mandatory retirement laws in Canada are not uniform across all provinces, but the trend is moving towards abolishing such legislation. The most recent province to pass a bill ending forced retirement at age 65 is Ontario. Other provinces and territories that have banned mandatory retirement include Manitoba, Quebec, Alberta, Prince Edward Island, the Yukon, Northwest Territories and Nunavut. The New Brunswick government has announced plans to revoke its mandatory retirement legislation, as well. Ontario’s legislation will take effect later this year and has been endorsed by the Ontario Human Rights Commission as a positive step. “It’s a very historic day,” Ontario Labour Minister Steve Peters said. “We’ve ended a great wrong in this province.”

Governments need to face the enormous economic impact that will result from the mass retirement of the baby boomer generation and the shortage of younger workers due to the declining birthrate. New legislation and policies are needed to encourage older workers to stay on the job and for employers to recruit and retain them. In addition to abolishing mandatory retirement, the Federal government needs to enact legislation against age discrimination, change pension regulations, and create tax incentives for hiring older workers. These actions will ensure that the mature workforce does not encounter further barriers in the workforce.



7 :: THE DRAKE SOLUTION: PRIME50 PUTTING EXPERIENCE TO WORK

When you hire someone that is 50+, you're hiring extensive experience and proven abilities. This is someone who already has the skills, knowledge and behaviour to outperform without the training and development often required by younger candidates. For a critical business initiative, would you rather put your organization in the hands of five years of expertise, or thirty?

Prime50, a provider of employment opportunities for Canadians 50+, is now a part of the Drake group of companies. Prime50 has added to Drake's already expansive range of human resources solutions, by creating job opportunities for Canada's mature workforce and by benefiting Canadian employers faced with a looming skills shortage. It has developed a wide range of services for both employers and the 50+ job seeker, creating a common ground to benefit each.

A. SERVICES FOR THE EMPLOYER

Prime50 Search Group

Prime50 can find the top performing talent in the 50+ candidate pool for you. Prime50's consultants will source, interview, perform skills and behavioural assessments using advanced technologies, check references and recommend the best candidate for your open positions. Prime50 finds the experienced talent you need so you can focus on your core business and guarantee performance at the same time.

Interim Management

Sometimes, organizations lose great people to early retirement, or normal retirement packages, and are not permitted to directly rehire them due to pension restrictions or other internal policies. Cut the red tape. Prime50 can contract those employees you have lost back to you, acting as the bridge that aligns your business objectives with the talent you already trust to meet them.

Prime50 is your direct access to the mid- to upper management 50+ top performers. Across numerous business sectors, this is the senior talent, with the know-how to be immediately effective in Interim Management roles. This ensures that your organization does not suffer from an unexpected skills gap.

Flexible Staffing

Many 50+ job seekers prefer to work part time, on temporary assignments or on specific projects. As employees of Prime50,

through Drake's payroll services, your organization avoids the cost of payroll requirements, benefits and vacation pay while ensuring you have the experience your organization needs during the peak periods.

HR Consulting

Prime50 can assist your organization to create flexible work arrangements, and to implement the kind of compensation and benefit programs that will make you an employer of choice for the mature workforce.

Outplacement Services

Unfortunately, down-sizing and laying people off is a business reality. Providing customized Outplacement solutions to your out-going employees can do a lot for your reputation in the marketplace. Prime50 can help with career counseling, coaching and career transition. Prime50 is aware that a 50+ employee would prefer to deal with an outplacement service that specializes in this age category, relating to counselors in the same age group that may have even faced similar circumstances.

B. SERVICES FOR THE JOB SEEKER

Individual Career Coaching Services

Many individuals in the 50+ age group require assistance on how to best market themselves in order to stay competitive, or even to determine their career direction. If you are in the 50+ age group, Prime50 is there to help with:

- Career counseling and assessments
- Career coaching on how to present yourself to an employer
- Resume writing
- Image consultation
- Career transition
- Work / life balance
- Networking and job searching
- Workshops, seminars and webinars

C. SERVICES FOR THE JOB SEEKER AND THE EMPLOYER

Job Board

There are thousands of qualified candidates over 50 looking for employment opportunities. **Prime50.com** registers job seekers who are 50+ for free and posts their resumes. Employers can also use this job board to post open positions that they need filled by experienced people with the right experience.

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8 :: CONCLUSION

Canada, and much of the world, is facing an imminent skills shortage as the Baby Boom generation prepares to exit the workforce. Many businesses are recognizing that they can achieve a significant return on investment by courting older workers and putting their experience to work.

It is unfortunate that many often assume that a person's ability to contribute to the economy declines as they get older. With a drastic shortage in skills facing businesses across every industry sector, that attitude will need to change. Hiring and retaining older workers will no longer be a choice, it will be a necessity. By 2011 more Canadians will be leaving our workforce than entering it.

Over the past seven years employment of Canadians over 50 has increased with no sign of stopping in sight. Many who left work in their mid- to late 50s with early retirement packages are now returning. The reasons are often non-financial. Grant Schellenberg, a senior analyst for StatsCan, says "People work for a lot more reasons than just a pay cheque." Returning workers want the challenge of employment, as well as the opportunity to contribute something valuable.

It is time to consider the mature workforce. A number of employers, tired of regularly training and retraining replacements for job-hopping younger workers, are turning specifically to older candidates for their experience, the stability they offer and the loyalty they demonstrate—staying on the job significantly longer. Their flexibility with their employment relationship, their ability and willingness to upgrade skill levels, their longevity on the job, and the real and often unique contribution they can add to your company make the mature workforce an important part of the future of business performance.



9 :: TIPS AND CHECKLIST

Older employees are valuable in terms of their skills, knowledge, behaviour, and experience. Here are ten helpful tips for effectively hiring and retaining a mature workforce:

1. Conduct “age audits” to identify possible barriers for older workers to balance hiring, promotional and training opportunities
2. Educate and sensitize managers in age discrimination laws, age-neutral performance and appraisal systems and the benefits of hiring and promoting older workers
3. Offer management level training and employee workshops to eliminate age-related bias in the workplace
4. Ensure that recruitment materials reflect the images of an age diverse workforce and supplement recruiting packages with materials designed for older workers
5. Provide flextime work, job sharing and part-time opportunities
6. Offer phased retirement opportunities and compressed work schedules
7. Encourage older workers to stay abreast of technological advances and offer computer training courses to all workers
8. Encourage all employees to participate in informal training and development opportunities
9. Encourage older workers to mentor younger workers and structure their jobs creatively
10. Use a third party HR service provider, such as Prime50 – a division of Drake, that specializes in sourcing and the recruitment of older workers

ABOUT DRAKE

Using a partnership approach to deliver measurable results, Drake optimizes a company's profitability applying a blend of flexible staffing, permanent recruitment and technology solutions. With innovative strategies, Drake reduces costs, increases revenue and customizes HR solutions including outsourcing of non-core business functions. Our unique vision plans to hire the right people for our clients the first time, thus saving them money by reducing their need for recruitment.

Drake's operating philosophy is based on the principle that organizations and people are at the highest level of productivity when they are working with the right skills, knowledge and behaviours, using the best processes and technologies.

We aim to assist your organization in achieving heightened productivity, performance and profit standards through the effective use of people and the application of proprietary technologies to help match workforce levels to workload. Allow Drake to help you and your company Outperform.

Members of The Drake International Group of Companies are global leaders in the field of human resources, consultative management, staffing and technology solutions. For more than 50 years, Drake International has helped North American businesses solve productivity problems and recruit the best people. We begin with a business needs analysis which pinpoints the optimal way in which we can help your organization achieve its strategic objectives and overall workforce optimization strategy.

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