MAJOR RESEARCH PROGRAM FOR OLDER WORKERS

STAGE 1—THE CONCEPTUAL FRAMEWORK

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Introduction

Overview and key objectives
This commissioned ANTA report develops a conceptual framework for understanding the education and training needs of older workers in order to inform the context of future directions for education and training policy. This framework has been developed after an extensive review of existing literature and research in this area from both Australian and international sources. This report has 3 main purposes:

- To better understand the issues surrounding older workers and their participation in vocational education and training.
- To inform the development of ANTA policy relating to older workers
- To identify future research directions that would be of greatest benefit to the ongoing needs of policy makers, VET practitioners and, ultimately, the Australian community.

Key research questions
The report provides a critical analysis of the existing research literature related to vocational education and training and older workers based on relevant publicly available data. Specifically, this research sought to address the following questions:

1. What are the key themes and concepts that are emerging that could inform a theoretical framework and how are these related?
2. What do we know about demand, barriers and opportunities for the training of older workers including such matters as education and training provision, and skills recognition?
3. How can/should different sub-groups of older workers be identified or defined and what is the size of those groups in absolute terms and relative to the working age population?
4. How do the needs of different sub-groups of older workers vary and are any of these in particular need of intervention from the VET system?
5. What differences operate by industry sector generally and in the context of New Apprenticeship Career Pathways?
6. What does the literature not tell us and where are the needs for future research – short, medium and long-term?
EXECUTIVE SUMMARY

This summary outlines the major issues that can inform VET policy making in Australia in regard to older workers and the ageing population. The report reviews both national and international literature and research that focuses on these issues. As a result of the review this report suggests that ageing populations and older workers present significant challenges which have important implications for almost all areas of public policy including education and training policy.

Key conclusions

A number of key conclusions have emerged from this review:

- Structural ageing (increasing longevity coupled with declining birth rates) is occurring in many advanced economies. This has the potential to diminish the supply of labour, leading to a severe impact on productivity, taxation revenue and competitiveness. The overwhelming evidence from this review suggests that extending the working lives of the present and future workforce is now a major priority of governments.

- Australia’s changing demographics are similar to those in most advanced economies therefore there are significant opportunities for Australian policy makers to learn from overseas experience. Although there is some potential in Australia to increase the workforce participation rates of Australians (particularly women) who are not yet 45 years of age this is quite limited which means that the extension of working life in Australia is also a major priority.

- The issue of older workers and the extension of working life is embedded within a complex policy web, in which labour market policy, health and welfare policy, taxation policy and education and training policy interact in complex, complementary and contradictory ways. Within the VET policy context therefore interest in the education and training needs of older workers cannot be addressed in isolation from other policy areas of government.

- Both legislative and education and promotional strategies need to be used in tandem to change current continuing discrimination and the mostly negative perceptions held by employers, workers and the community regarding the role and contribution of older workers to the enterprise and the economy more generally.

- Older people who have retired from work continue to lead productive and socially useful lives, many undertaking unpaid work as volunteers and carers. Therefore
research is needed to identify what unintended social and economic consequences might flow from policies that achieve the extension of working life for many in the Australian workforce.

- Finally, although policy development has an important role in solving the issues that emerge with ageing populations and older workers these issues cannot be resolved solely through policy interventions. For example retiring is a taken for granted feature of working life in Australia. Shifting the way that retirement practices operate will not occur merely through policy development and implementation but will require changing the ways people understand their working and learning lives.

**Vocational Education and Training**

- The VET system is already experiencing the effects of the changing nature and organisation of work within the contemporary economy. However how these changes are advantaging or disadvantaging different groups of older workers within this economy is not well understood. Further the variable impact of these changes on different industries and the consequences of this for older workers and VET remains unclear.

- Vocational education and training policy for older workers therefore needs to inform and be informed by industry, business and employers at both the national and local levels concerning the employment of older workers in the contemporary economy. VET also needs to develop greater synergy between training provision and employment/career advice, by closely connecting with employment and career agencies.

- Vocational education and training like other institutions and agencies must in both policy and practice work to change existing attitudes regarding the employment of older workers. This may involve as an initial step reviewing all facets of policy and practice that inhibit older workers and learners entering the VET system. VET must also work to change the views of older workers regarding the value of education and training in their working lives. This may involve reviewing, delivery, recognition of prior learning and certification practices that better reflect the needs of older workers and learners.

- To date research on good practice for older workers suggests that it is simply good teaching practice. What perhaps distinguishes older learners from other learners is that they are returning to study after long periods. They have different motivations for learning and demand learning that is immediately relevant and of value in their work.
• Vocational education and training must look to adapt all aspects of its provision in order to produce policies and practices that acknowledge, support and value older workers participation in education and training. These adaptations must be informed by research that identifies the individual, social and institutional needs of older workers in the contemporary economy and society.

• As the Australian population ages, vocational education and training in the longer term is likely to have an increasingly important role in supporting older people who have left the workforce but continue to lead productive and socially useful lives. How and in what ways VET might be involved in supporting an ageing population remains unclear.
SECTION 1–KEY RESEARCH FINDINGS

This section summarises the major findings of the review that inform the key research questions outlined in the introduction. It outlines the key themes surrounding the issue of older workers within the context of ageing populations and labour force participation and provides a conceptual framework that can inform future directions for VET research and policy concerning the issue of older workers. It uses the data gathered in the review to address the following issues.

1. Key themes and concepts

An ageing Australia

The issue of ageing populations is the subject of much debate and research in many OECD countries including Australia. The national populations of most advanced economies are ageing with forecasters predicting that the twin impact of increasingly life expectancy and declining birth rates will continue to contribute to structural ageing of the population in these countries into the foreseeable future.

As economic and social commentators point out this structural imbalance can lead to a raft of fiscal, economic and social problems. It may result in a decline in economic growth and erosion of the tax base at a time when government social security outlays in pensions, health and aged care are set to rise. One result of this scenario is that a much heavier burden will be placed on the future working age population of countries experiencing this structural imbalance.

Structural ageing

Structural ageing (increased longevity coupled with declining birthrates) therefore presents industrialised countries with significant challenges. One such challenge is the impact of an ageing population on the future availability of labour. Another is the pressure that an ageing population places on pensions and related social security and health budgets. Numerous reports by the OECD, the European Union, the ILO, the world bank and other national and international agencies all point to the need for the development of policies that contribute to the extension of working life for the current and future labour force.
Extension of working life

The extension of working life of the current and future workforce has become the goal of governments tackling the problem of structural ageing and is being pursued in various ways by almost all OECD governments including Australia. In the Australian context there is some potential for increasing labour force participation rates, particularly of working age women, however for the most part policies both here and overseas have largely focused on the goal of extending working life as the most important strategy that can avoid future labour shortages.

Policy responses

This review has uncovered numerous examples of policy responses by governments both here and overseas. Overall the responses of these governments have involved developing policies that deal with some or all of the following areas:

1. Comprehensive approaches to the employment and retirement of older workers
2. The removal of incentives to early retirement and encouragement of later retirement
3. The abolition of compulsory retirement
4. The banning of age discrimination
5. Gradual retirement schemes
6. Consciousness raising campaigns
7. Guidance and training programs for older workers
8. Support for employers (advice, training, placement programs)
9. Support for labour market intermediaries
10. Employment subsidy and other employment incentive schemes (adapted from Encel 2003, p. 9)

A detailed analysis of various Australian policy initiatives at both the State and Federal level reveals that most of these areas have been the subject of policy work.

Overall policy responses have been legislative for example in the areas of access to superannuation and pension rights and age discrimination in employment. Equally, however educational and promotional campaigns have also played a role in changing public and employer perceptions and attitudes towards older people and older workers. Indeed both legislative and education and promotional campaigns have been used in tandem when pursuing the goal of extending working life.
The policy web

The goal of extending working life presents policy makers with highly complex socio-economic issues and problems that are inevitably embedded within an intricate policy web. These issues and problems cross traditional policy portfolios and although each policy area can contribute, more progress can be made if the relational dynamics between these policy areas are understood, made more explicit and used in concert to achieve the goal set for policy. Consequently developing a richer understanding of the relational impact of various policy-driven reforms between and across different policy areas is crucial to the achievement of this goal. How to better coordinate and integrate policy development across policy portfolios is now a major challenge?

Coordinating and integrating policy responses

The goal of extending working life crosses traditional policy portfolios: including the areas of labour market, industry, education and training, taxation and health & welfare. As the OECD (1998) indicates this goal therefore requires countries to develop strategic frameworks at the national level in order to harmonize ageing reforms over time, and to ensure adequate attention to implementation and the build up of public understanding and support.

Evidence from this review suggests that to date achieving such strategic frameworks has been difficult and somewhat patchy. One example, however, where this has not been the case is Finland. The Finnish experience is regarded as an example where the development of a strategic framework has met with considerable success. Over the last 5 years, in Finland, average working lives have been extended by 18 months and this success is seen in part the result of policy integration across portfolios. Essentially this was achieved when shared enabling goals were agreed and set by policy makers across portfolios. Finland adopted four shared enabling goals that guided policy development in different areas. These included:

- Improving ‘well-being’ at work
- Achieving changes in work organisation that involves older workers.
- Changing attitudes towards ageing and older people
- Supporting employability by keeping the workforce skilled motivated and able-bodied.

A similar approach within the Australian context may well be a fruitful way forward in achieving the goal of extending working life.
2. Demand, barriers and opportunities for the training of older workers

The policy context described in Section 2 of the report draws attention to a number of conditions that highlight the complexity of issues that influence the nature of the demand, barriers and opportunities of the training of older workers. The barriers and opportunities can be understood as structural, institutional and cultural ones and as such require a variety of policy and program responses (Encel 2003) some of which are already underway.

This section provides a snapshot of the barriers and opportunities, as identified in the literature which is detailed in Sections 2, 3 & 4 of this report. The picture is not a straightforward one but it attempts to describe them in a way that is useful for policymakers who are working to extend the working life of the Australian population.

Barriers

Some of the barriers discussed below may be understood as generational ones and therefore only need to be examined as legacies from an educational and policy world that is no longer current. This view may suggest that without specific interventions the problem with eventually ‘die out’ as more sophisticated cultural conditions including a more highly qualified population allow for systems and practices where the norm is to stay at work longer. However the known resilience of historical and existing institutional and cultural practices suggest that specific policy interventions are needed.

• Unevenness of compliance to Anti-Discrimination Legislation

There continues to be an unevenness in Australia in terms of the enactment of age discrimination legislation against older workers. This unevenness has a number of sources. One is the existing variation in legislations across the states and territories. Another is a considerable lack of awareness of such legislation as well as the persistence of negative perceptions and attitudes of ongoing mature age workforce participation (Encel 2003) where workers as well as recruiters view older workers as a disadvantage in terms of employment practices.

• Lack of incentives

An existing combination of a highly competitive labour market and a large pool of younger workers (as the literature in Section 4 reveals) has lead to a number of practices that do not favour high rates of employment of older workers. This is seen in recruitment practices that tend to favour younger workers and retrenchment and retirement schemes that financially and psychologically encourage lower rates of employment of older workers.
Many employers do not recognise that investing in the training of the older workforce is a worthwhile investment (Misko 1999). Furthermore those in employment appear to be significantly less likely to gain promotion or higher pay, while those who are unemployed are substantially less likely to gain employment on the basis of training than their younger counterparts. This disinterest by many employers and the absence of employment-based rewards influence the attractiveness of training older workers.

- **Educational level/qualifications**
  
  Typically, older workers have lower levels of formal qualifications than workers as a whole. This provides a significant barrier as qualifications appear to influence participation in employment (ABS 1999b; ABS 2001a; ABS 2002a; Ball 1999; Barnet 1999). See Section 3 for details.

  Further, older workers who are migrants, who have already been disadvantaged in employment through either the non-recognition of their overseas qualifications or their level of English, are further disadvantaged. Moreover a significant proportion of migrants in these groups work in the manufacturing industries where there has been declining growth.

- **VET participation**
  
  A related issue around qualifications and educational levels is the involvement of older works in education and training. While there is evidence to suggest that the participation of older workers in training in 2001 was higher than previously reported this is an area that requires attention. Older workers are less likely to undertake any training than other workers and for those who did the outcomes appear to be less useful. ABS Cat. 6278.0 shows that while older workers believed that the skills developed in training were transferable, the majority reported that it made little difference in terms of pay rise or promotion. Further older workers who completed a course while not in employment were significantly less likely to find employment than is the case for younger workers. Older VET graduates reported less benefits from courses than their younger counterparts.

  In addition, it seems that an important factor that influences older workers participation in VET is their own perception that they do not need or want further training (Wooden et al 2001, 1997).
An interesting point is that a large amount of training by older workers is undertaken outside the formal VET system.

- People aged 45 or more represented just under 12% of the 13.3 million subject enrolments in Australia’s VET system. Also older workers were more likely to undertake either a Certificate IV level course or courses classed as ‘non-award’, ‘module only’ or ‘other recognised courses’. In addition older workers were more likely to enrol in social science or education disciplines than in other areas (ABS Cat. 6278.0).

Opportunities

- **Signs of promise**
  There is some evidence that signals a shift in an apparent entrenchment of age discrimination practices. There appears to be a realisation that older workers are a significant part of the labour market and without them there will be significant lack of human resources. This has resulted in some organisational policies and practices that address age stereotyping and discrimination. For example, large employers, such as Telstra and some large public sector departments, have programs in place that incorporate age factors in their strategic staffing plans.

  On a political level the Prime Minister has made a commitment to increase from 10 to 15% workforce participation of workers aged 55 to 65 (McCallum & Parsons 2002). This is supported by calls for the implementation of a more robust legislation to fight age discrimination in employment in Australian (HEROC 2001).

- **Suggestions for changes in human resource practices**
  In this climate, a number of suggestions have been made that can be taken up within organizations. These include:

  . Positive discrimination in recruitment advertisements
  . More flexible job designs, where for example job design matches skills and experience of older workers
  . Promotion of an organisational culture of continual training and development. Evidence suggests that older workers who participate in training are more likely to be retained in an organization (Kern 1993).
  . More equitable access to training programs to provide opportunities to develop new skills. Programs need to use methods that better suit ageing workers (Paul & Townsend 1993; Schabracq 1994; West & Berman 1996; Sullivan & Duplaga 1997). Training programs also need
to be accompanied by appropriate organisational practice, such as supervision and development relationships.

Development of diversity programs to increase opportunities for promotion.

• **Changing employment patterns**

  Changing employment patterns (see Section 2) provide opportunities for older workers which can enable the transition from full-time work to retirement to be a process rather than a single move or event. The changing patterns are seen in the increasing numbers of self-employed contractors (and these tend to comprise older workers) as well as in the proliferation of flexible employment arrangements within organizations, such as fractional, part-time, casual and temporary employment.

• **Customising VET provision for older workers**

  Although many employed older workers do not perceive a need to do further training, older workers who are unemployed or marginally attached to the labour force recognise the value of training. This is however countered by a lack of suitable training course as well as feelings of uncertainty about employment possibilities. This suggests a need to tightly customise VET provision for older workers, where specific gaps in the skills are targeted.

3. **Different sub-groups of older workers**

**Older Australian workers**

In 2001 the Australian labour force consisted of almost 10 million persons. Approximately 53% of this workforce is male and 47% female. Almost 27% of the Australian workforce is 45 years and older. Australia’s labour force is ageing dramatically, with over 80% of projected labour force growth occurring in the 45 years and over age group by the year 2016 (ABS 1999a). While labour force participation rates have increased, particularly among working age women, future labour shortages are likely to occur unless Australian workers extend their working lives.

A number of general points can be made regarding older workers in Australia. First, older workers tend to have lower levels of formal
qualifications than do workers as a whole. Rapid rises in school retention rates in the 1980’s and 1990’s have worked through the labour market disadvantaging older workers against more qualified younger workers.

Second, older workers are substantially under-represented amongst those engaged in education and training and do not take up further education and training compared with younger workers. Thirdly, those older workers who undertake education and training are most likely to engage in professional and management training and are least likely to engage in trade and sales/personal service training.

Third, older workers who have retired from the workforce undertake substantial amounts of socially useful unpaid work. Voluntary work and the work undertaken by carers provide important economic and social benefits to the Australian community. Any reduction in the amount of unpaid work undertaken by older people may result in this work increasingly becoming a public responsibility of government.

**Australian workers–sub groups**

Like all categories, the older worker category, that is those aged 45 and over in the Australian labour force can hide important differences that exist within this group. Therefore public policy designed to extend working life needs to be attuned to the diverse needs of older workers.

The changing nature and organisation of work for example has impacted on older workers quite differently. Traditional full-time job opportunities in manufacturing, wholesale trade and mining, traditionally male-dominated industries have decreased. At the same time more part-time, casual and temporary employment opportunities have occurred in the services sector particularly in retail trade, health and community services and property and business services, traditionally female-dominated industries. As a result more men have been displaced from the workforce leading to a decline in male participation. At the same time there has been an increase in female participation in the workforce.

An exception to this trend has been in the area of the self-employed contractor. Older workers, particularly older men when compared with most other employment categories, dominate this growing area of work.

These changes and others reported in this study points to the identification of a number of sub-groups of older workers that may require different policy responses. These include older men, older women, older workers and qualifications, older migrants and unemployed older workers.
**Older men**

The changing nature and organisation of work has in many ways impacted most on older male workers. Recent retrenchment patterns indicate that they have occurred most frequently in male-dominated industries such as manufacturing and construction, largely through the loss of full-time jobs. Moreover trades, labourers and related occupations have borne the largest numbers of retrenchments. This has meant that 65% of all retrenchments between 1997-2001 were male workers.

At the same time the biggest growth in employment has been in part-time and casual work particularly in service industries such as retail, health and social services that have traditionally been dominated by female workers. Although there has been some growth in male part-time work this has been modest. There has also been a tendency for older men to retire earlier with 17% retiring at 45-54 years and 53% of male workers now retiring between 55-64 years.

Men are also over represented among older job seekers relative to older men in the population, with older job seekers drawn from less skilled occupations being particularly disadvantaged.

**Older women**

The increasing availability of part-time work has coincided with more women participating in the workforce. Today female workers account for the majority (71% in 2001) of the supply of part-time labour in Australia. However this work is concentrated in the services sector of retail trade, health and community services and property and business services. There has only been a modest rise in full-time employment for women increasing from 32.3% to 33.6% over the last decade.

Female retrenchment occurs mostly in intermediate clerical sales and service workers (31%) and professional workers (14%)

Over the same period the participation rates of older females (aged between 55-65) has increased significantly. Between 1991-2001 participation rates of this group have risen from 35.75 to 48.1% (and 60-64 from 15.9% to 21.5%). This suggests that in the near future older women will attain comparable levels of participation to men of the same age group.

**Older workers-qualifications**

Qualifications held by workers have a significant impact on participation in employment. Job seekers with post-school qualifications are more successful in the job market than those without these qualifications.
Older workers are less likely to hold post-school qualifications than younger ones. In 2001 53% of older workers aged 55 and over held no post-school qualifications. They are therefore disadvantaged in the labour market. At the same time older workers are substantially under-represented amongst those engaged in education and training that leads to a qualification. Further older workers are less likely to consider undertaking training that leads to a qualification. However having qualifications does assist older job seekers gaining work.

VET qualifications obtained overseas are the least likely of all qualifications to be recognised in Australia, with less than 50% of these qualifications recognised in Australia. This adds a further layer of disadvantage to migrant older workers.

**Older workers-migrants**

Success in obtaining a job is greater for older job seekers born in Australia (60%) and migrants from the main English speaking countries (65%) than older workers born in non-English speaking countries (46%). Older job seekers in Australia are therefore likely to be male and born overseas.

Older migrants like other migrants are heavily represented in manufacturing industries where there has been declining job growth.

Participation rates of Australian-born men and women in the workforce are significantly higher than the participation rates of migrants particularly women from non-English speaking countries. English language skills play an important role in terms of labour force participation. There is a strong correlation between a migrant’s English speaking skills and their success in employment.

The low level of recognition of VET qualifications obtained overseas disadvantages older migrant workers in the same way as it does for all migrant workers.

**Unpaid older workers**

The unpaid voluntary and caring work undertaken by older retired Australians is largely unrecognised. However in future this group is set to increase. This in turn is likely to raise questions as to how this group can be supported by government. VET may well have a future role in contributing to this support. How and in what form this support might take may well become an important policy issue in the future.
4. Varying needs of different sub-groups of older workers

**Older Australian workers**

A number of general points can be made concerning the needs of older workers in education and training.

**Older workers participation in education and training**

Research evidence presents a striking paradox in terms of older workers participation in education and training. Although participation in formal education and training is consistently lower among older workers when compared with other workers, older workers are less likely than other workers to identify barriers that prevent them participating in training.

Older workers in higher skilled jobs are much more likely to undertake structured training than those in lower skilled jobs, particularly in the trades and sales/personal service training.

Further employed older workers are more likely to be participating in training that is less structured, informal and workplace based than in structured training that leads to a qualification. When older workers do participate in structured training they are also more likely to enrol in ‘single module’ and non-award courses. In addition unemployed older workers who participate in structured training view their education and training as less useful than other unemployed groups who undertake formal courses. This may in part be due to them being less likely than other workers to find employment after completion of their course.

Increasingly older workers are also carers of elderly family/friends. In future this group of older workers is likely to increase with important implications for education and training.

**Implications**

- Generally older workers see fewer barriers to participation in training than other workers yet they do not take up training opportunities to the same extent. Why this is so is an important question that VET should seek to address.

- In general older workers look to VET to provide them with the flexibility to undertake particular units within formal
courses without necessarily undertaking the full formal course that leads to a qualification.

- VET provision of training needs to meet the needs of older workers by delivering training that is less formal, which is tied to their immediate work needs and is located where possible within their workplaces rather than institutional settings.

- VET provision of training for unemployed older workers can be enhanced if it better tied to employer placements and liaison with employment agencies.

- VET provision in the future may need to consider what support mechanisms can be provided for older workers with care responsibilities of the elderly.

**Older workers – migrants**

Level of English language skill remains a strong predictor of success for workers in the labour market. Older workers with limited English language skills are also twice disadvantaged not only in employment but also when undertaking further training.

Jobs growth within the contemporary economy is not, in the main, in industry sectors that have employed migrants from non-English speaking countries. Increasingly English language skills are central to many of the jobs being created in the services sector.

VET qualifications gained overseas are least likely than other qualifications to be recognised in Australia. This further disadvantages older migrant workers.

This suggests:

- That VET should look to investigating issues surrounding increasing the recognition of vocational qualifications gained overseas.

- Enhancing English language skill development as a component of its training provision for employment.

**Older- workers—women**

The rise in part-time work and jobs growth in those industry sectors that have traditionally employed women has enabled more Australian women (including older women) to enter and remain in the labour force.
However most of these jobs remain restricted to particular industry sectors often at the lower end of the skills spectrum. Ensuring access and equity for women to full career opportunities remains an important goal if women are to fully participate and remain for longer in the contemporary labour market. VET continues to have an important role in providing training opportunities for women at all levels of VET provision.

Employment and career advice are important supports for older women returning to work and are closely related to decision making regarding training options for older women. Better integrating employment and career advice with VET training provision is a vital ingredient that facilitates older women remaining or re-entering the labour market.

**Older workers—men**

Jobs growth in trade areas and in industries that have been male dominated has been static in recent years. Older male workers more than other groups have also faced redundancy. They have also tended to seek earlier retirement. In order to remain in the workforce older male workers are increasingly required to move from full time work in one industry to part-time work in another.

This presents important challenges for education and training. In particular it suggests again that employment and career advice needs to be connected more closely with decisions on training.

Another issue for both older men and older women in terms of training is that both groups have considerable work experience albeit in different jobs. This will become increasingly important given the current focus on employability skills. For VET this means that demand for RPL may well increase. Furthermore given the limited impact of the current RPL system, a new approach to RPL will be needed in order to recognise the skills that older workers bring with them to training.

**Older unpaid workers**

The work of carers conservatively saves the Australian economy $18.3 billion annually. Indeed this work has enormous social and economic benefits and increasing longevity of the population suggests that care requirements will increase in the future. Many carers are older people and are unable to balance continuing employment with their care responsibilities.

Consequently, the goal of extending working life presents particular difficulties for this group.
First, unless work is organised in ways that allows older people to balance their role as carers with their role at work care responsibilities may increasingly fall on government.

Second, unless training providers organise ways to support the participation of older carers they will be increasingly excluded from training that equips them for work in the changing labour market.

Finally, given the increasing numbers of older carers in Australia the VET system may well be called on to find ways to support the important work of full-time unpaid carers of the elderly.

5. Differences by industry sector generally and in the context of New Apprenticeship Career Pathways

While it was not possible to identify details of specific industries, below is a summary of some of the key points in the patterns of VET participation and industry sector employment of older workers. (See also Sections 3 and 4)

- The changing economy has seen a steady decline in work, particularly full time work in the manufacturing, construction industries and in trades. At the same time there has been an increase in work, particularly part time work in the health and personal services industries. Full time male workers have been most affected by these changes
- Older workers are more likely to enrol in social science or education disciplines than in other areas (See Figure 9 in Section 3 for details of discipline enrolment patterns.) This trend is mirrored in the employment figures of graduates over 45. They are more likely than younger graduates to be employed after graduation in the Health & Community Service and Education industries.
- There do not appear to be significant differences between males and females under and over 45. However older males are somewhat less likely to enrol in Engineering than younger males but, like older females, are more likely to be enrolled in Education. And older females are less likely than younger females to be enrolled in Hospitality disciplines.
- Older workers are more likely to undertake management or professional training (ABS Cat. 6278.0) Moreover these workers are generally more highly skilled and qualified than older workers in trade areas
- Flexible employment arrangements including part-time work are concentrated in a small number of industries, that is retail trade, health and community services, and property and business services. These in turn are dominated by women including older women.
• Over the period 1997 to 2001 the over 45 group increased their share of enrolments only marginally, from about 15% in 1997 to nearly 17% in 2001. In both numerical and percentage terms the strongest growth (+170%) among those aged 45-54 occurred in Certificate II level courses, perhaps reflecting the increase in older workers retraining under New Apprenticeship arrangements. This trend was even more apparent among those aged over 55, with Certificate II course enrolments for this group rising by more than 227% between 1997 and 2001. In percentage terms only the 14-19 age groups showed higher growth at the Certificate II level over this period. This finding is particularly significant as it suggests that changes to the New Apprenticeship System has encouraged older workers to retrain.

• Older students are more likely to enrol in non-award courses, module-only mode or in ‘other recognised courses’. For older male students 22.5% were enrolled in courses at these levels compared with only 10.2% of males aged under 45. For female students the pattern was similar with 23.2% of older females students enrolled in these courses compared with only 9.8% of females under 45. Older students were also more likely to be enrolled in Certificate IV courses, courses often undertaken to upgrade from trade level to technician level occupations.

• The enrolment patterns of VET highlight differences between rural and urban uptakes. Enrolment by both older males and females living in rural (but not remote) areas are higher than younger people and than in the urban areas. One of the explanations could be the nature of the courses provided. In the rural areas there are few higher level awards and this concurs with other evidence on the uptake by older workers of either non-award or lower certificate level courses.

6. The needs for future research: Short, medium and long-term

The concept of lifelong learning now has increasing global appeal as it has opened up possibilities which support these changes to our lives. How these possibilities play themselves out is yet to be worked through.

As has been discussed in this report, there has been a significant amount of research into the nature and implications of ageing populations, particularly in OECD countries. This research has emerged from a range of disciplines and has been used to address a range of different issues. While this research is of significant value, in relation to Australian VET, two main shortcomings can be noticed:

• Research specific to the Australian VET context is under-represented and perhaps under developed particularly in terms of informing VET policy and practice.
• Research on ageing populations tends to focus on economic or social or industrial or health or welfare or education and training issues rather than taking a more holistic approach to issues of an ageing population. Consequently research that has been done has tended not to focus on investigating integrated social, economic and political approaches to managing the ageing population. Thus, little is known about the role of educational policy in contributing more generally to national outcomes.

In the medium term, policy development in this area would benefit by research on the ageing population that takes an integrated approach to the issue

These gaps in the research are significant because, as we have concluded, VET policy in relation to older workers in Australia is a significant issue and one that needs to be considered within a broader policy framework. Further, it is important to note that in Australia there has not yet been any concentrated support for research in this area especially in terms of integrated or longitudinal studies. This considerably limits the capacity to generalise existing research findings.

In the short term, there is a need to support longitudinal studies research that tracks the experiences of older people in terms of their transition pathways from work to retirement.

What is also noticeable about the research into older workers is that the context within which this research is being conducted is undergoing rapid change. Governments, policy makers and businesses have come to recognise that urgent responses are needed to the ageing populations and we are seeing the ongoing implementation of a range of new policies and practices. Given the increasingly pressing issues surrounding the ageing of the workforce, changes to government policy and business practice in this area is likely ongoing for some time.

In the short term, research needs to be established that evaluates the effects of new policies and practices as they relate to the VET sector.

Further, many other countries are facing similar issues to Australia in this regard. There is therefore an ongoing long term need to research changes to international vocational education to ensure that successful practices from other countries can be adapted and incorporated in Australia.
An ongoing program of comparative research would therefore be of great value to policy makers.

As shown in section 4, it is common for organizations to have embedded practices of age-discrimination and under developed responses to their increasingly ageing workforce. It is also likely, however, that out of necessity these responses will change. Changes in this regard are likely both to have an effect on, and provide new opportunities for vocational education.

Ongoing research that assesses the responses of public and private organizations in relation to the ageing workforce and their vocational learning needs will continue to be an important focus for research.

The extension of working life is currently the primary goal of governments. However as has been reported in this review older people who have retired from work continue to lead productive and socially useful lives, often undertaking unpaid work as volunteers and carers.

Therefore in the longer term, research is needed, which looks at the unintended social and economic consequences that flow from policies that achieve the extension of working life of the labour force.

In addition to the research goals proposed above, findings from this review suggest some pressing research questions for the short to medium term. In terms of the framework of this report, matters requiring more immediate further research include:

- How and in what ways do changes in work and work organisation advantage and disadvantage particular groups of older workers?

- How can VET contribute to changes in workplace organization that will make it a more friendly and responsive environment for older workers?

- What are the attitudes towards VET that are held by older workers and how might these be changed or enhanced in ways that make participation in VET more attractive for those who require further training?
• What are the skills and knowledge requirements of older workers that would make them more competitive in employment? Which of these are suitable or appropriate for VET provision?

• What sub-groups of older workers are most likely to benefit from improved access to education and training?

• What are the reasons for the changes in age participation rates in VET and what does this mean for policy and practice?

Afterword

While these research directions may lead to policy development that produces important changes in participation in work, addressing issues concerning ageing populations cannot be resolved solely through policy interventions. Retirement for example is a practice that is historically, institutionally and culturally embedded within the lives and identities of individuals, society and government. Retiring is a taken for granted feature of working life in Australia. Shifting this norm will not occur merely through policy development and implementation but will require changing the ways people understand their working and learning lives. The concept of lifelong learning, now a feature of international interest, has opened up possibilities which support these changes. However, how these possibilities play themselves out is yet to be worked through.
SECTION 2—OLDER WORKERS IN CONTEXT

This section describes in detail the background and context in which the issue of older workers has become a major focus of interest of governments in advanced economies. It suggests that the demographics of ageing and labour force participation rates point to the need for policies and practices that encourage older workers to extend their working lives.

An ageing Australia

As noted, the issue of ageing populations is the subject of much debate and research in many OECD countries including Australia. The national populations of most advanced economies are ageing with forecasters predicting that the twin impact of increasingly life expectancy and declining birth rates will continue to contribute to structural ageing of the population in these countries into the foreseeable future.

In Australia the median age of the population is set to rise from its current 34.3 years to 44.1 years by 2051 (Carey 1999) with over 25% of the population aged over 65 years (Access Economics 2001). Further the Australian Bureau of Statistics (ABS 2002e) reports that over the course of the twentieth century, the proportion of people aged 65 years and over has tripled from 4% in 1901 to 12% in 2001 and projects that this trend will continue in the twenty-first century. By 2020 the ABS predicts that 18% of the population will be aged 65 years and over. At the same time workforce growth is projected to slow from an annual average rate of 1.3% today to 0.2% by 2020. Indeed by the 2020’s the total projected labour force growth for the decade is predicted to be 125,000 compared with current growth of 170,000 per annum (Encel 2003, p. 14).

Obviously increased life expectancy increases the number of people living to an older age and if this was the only demographic trend, many of the problems such as increasing health costs, pensions and an ageing workforce could be managed. For example, the category “older workers” is in one way merely a product of the statistical definition used to identify them—currently 45 years and over. If increasingly longevity was the only issue it would be possible to change the definition to 50 years and over. With pension payments too, raising the eligibility from 65 years to 70 might be logically, if not politically possible in an era of increasing longevity.

However of more significance to governments is the decline in birth rates, which is occurring at the same time. Structural ageing of the population\(^1\) is largely the result of lower birth rates, which reduces the proportion of younger people in the population relative to older people. In Australia, for example, it is projected that the ratio of people aged 65 and over to those of working age rises from 18% in 1997 to 40% by 2051. In other words the number of people of working age for each person aged 65 and over is expected to decline from 5.6 to 2.5 by 2051 (ABS 2003b).

\(^1\) Structural ageing is a measure of the relative proportion of younger people to older people in the population. Lower birth rates reduces this proportion.
As economic and social commentators point out this structural imbalance can lead to a raft of fiscal, economic and social problems. It may result in a decline in economic growth and erosion of the tax base at a time when government social security outlays in pensions, health and aged care are set to rise. One result of this scenario is that a much heavier burden will be placed on the future working age population of countries experiencing this structural imbalance.

**Extending working life**

Structural ageing therefore presents industrialised countries with significant challenges. One such challenge is the impact of an ageing population on the future availability of labour. Another is the pressure that an ageing population places on pensions and related social security and health budgets. As Encel (2003, p.7) indicates numerous reports by the OECD, the European Union, the ILO, the world bank and other national and international agencies all point to the need for policies that contribute to the extension of working life for the current labour force.

Encel (2003) summarises the contributing factors that have led to the need for such policies including:

- the ageing population and increased life expectancy
- pressure on public pension systems
- a shift of responsibility for pension coverage from public schemes to individual saving
- the popularity of early retirement
- a general shift from passive to active labour market policies
- increases in long-term unemployment among older workers
- a growing view that employment problems require co-operation between government employers and unions
- recognition of age discrimination in the labour market
- concern about labour shortages.

In 1998 OECD ministers agreed to take into account a set of general principles to guide policy development designed to address the issue of the ageing workforce (OECD 1998).

<table>
<thead>
<tr>
<th>TABLE 1 PRINCIPLES TO GUIDE POLICY DEVELOPMENT—OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>• A variety of reforms will be needed to ensure that more job opportunities are available for older workers and they are equipped with the necessary skills and competencies to make them.</td>
</tr>
<tr>
<td>• Fiscal consolidation should be pursued and public debt burdens should be reduced. This could involve phased reductions in public pension benefits and anticipatory hikes in contribution rates.</td>
</tr>
<tr>
<td>• Retirement income should be provided by a mix of tax-and-transfer systems, funded systems, private savings and earnings. The objective is risk diversification, a better balance of burden-sharing between generations and to give individuals more flexibility over their retirement decision.</td>
</tr>
</tbody>
</table>
In health and long term care there should be greater focus on cost-effectiveness. Medical expenditure and research should be increasingly directed to ways of reducing physical dependence and explicit policies for providing care to frail older people should be developed. The development of advance-funded pension system should go hand-in-hand with that of a strengthening of the financial market infrastructure including the establishment of a modern effective regulatory framework. Strategic frameworks should be put in place at the national level now in order to harmonize these ageing reforms over time, and to ensure adequate attention to implementation and the build up of public understanding and support.

These principles reflect increasing recognition that complex socio-economic problems such as an ageing population and their solutions are inevitably embedded within an intricate policy web. Consequently developing a richer understanding of the relational impact of various policy driven reforms between and across different policy areas has become even more crucial to the achievement of particular policy goals.

As illustrated by the OECD principles, above, the goal of extending working life is a complex problem involving labour market, education and training, taxation, health and welfare policy development. Each separate policy area can contribute to the achievement of this goal, however more progress is made if the relational dynamics between these policy areas are understood, made more explicit and used in concert to achieve the goal set for policy.

A number of governments have initiated policies that reflect elements of the OECD principles. In Norway for example one policy focus has been to reduce the incidence
of early retirement (Antolin & Suyer 2001). In Finland policy attention has been on pension reform and increasing participation rates of older people in employment. (Antolin et al. 2001). In the UK too the issue of early retirement has been the subject of attention (Mîniaci & Stancanelli 1998).

However Taylor (Taylor 2002b, p.7) suggests that to date there has been insufficient attention given to the integration of policy across traditional government areas. Taylor compared how policy-making towards older workers was developing in Australia, Finland, Germany, Japan, the Netherlands and the United States of America. He concluded that in all countries, with the exception of Finland, although consistently argued for; there is little evidence as yet of integration of public policies towards older workers. He therefore concludes that there continues to be a need for much greater integration of public policies towards older workers, with better links to other policy areas and greater recognition of the diverse needs of older workers.

After his investigation, Taylor (2002a) concludes that overall the responses of these governments have involved developing:

- comprehensive approaches to the employment and retirement of older workers
- the removal of incentives to early retirement and encouragement of later retirement
- the abolition of compulsory retirement
- the banning of age discrimination
- gradual retirement schemes
- consciousness raising campaigns
- guidance and training programs for older workers
- support for employers (advice, training, placement programs)
- support for labour market intermediaries
- employment subsidy and other employment incentive schemes

(adapted from Encel 2003, p. 9)

**Finland**

*Finland's national programme for older workers in which the social partners are central players-ended in March 2002…..research indicates that the labour market position of people aged over 45 has been improved over the five years of the programme: their employment rate has increased and the average retirement age has been raised by a few years. Finland is considered as providing an example to the rest of the EU in terms of policies to deal with the ageing workforce. (European Foundation for the Improvement of Living and Working Conditions 2002)*

Finland is cited in a number of reports as a useful example of a country having some success in tackling the issues of ageing, labour force participation rates and older workers. (Antolin et al. 2001; European Foundation for the Improvement of Living and Working Conditions 2002; Taylor 2002b).

Of course different countries have different political, legislative and consultation structures and processes and it is unwise to believe that particular policy models, which appear to work in one country can operate in another. Nevertheless the Finnish
approach to policy development in the area of older workers is an example where the
concept of integrated policy development has been adopted with positive results.

In 1997 the Finnish government began a 5-year national program for older workers.
Based on a social partnership model, 3 ministries, Labour, Social Affairs and Health
and Education and Science joined with employer groups, trade unions and public and
local government sector representatives to develop an integrated program of reform.
The overall goal of the program was to improve the employment rate among older
workers in Finland. Policies were developed and coordinated to facilitate the
achievement of this goal.

Finnish policy makers agreed that in order to reach this goal a number of shared
enabling goals should be used to guide policy making in the different policy
portfolios.

These enabling goals included:

• Improving ‘well-being’ at work
• Achieving changes in work organisation in which older workers could be
  involved
• Changing attitudes towards ageing and older people
• Supporting employability by keeping the workforce skilled, motivated
  and able-bodied

(European Foundation for the Improvement of Living and Working Conditions 2002)

In the context of this report we suggest that the overall goal of policy development in
the area of vocational education and training for older workers is to contribute to the
extension of working life.

Furthermore achieving this goal would benefit by organising policy responses around
the 4 enabling goals outlined.

Current Australian responses

In Australia various reports have highlighted the need to address many of the 10
responses outlined by Taylor (see page 26) through policy interventions and other
government initiatives.

The recommended policy options developed by Wooden et al (2001:273-274) to
address barriers to training for older workers in the Australian context reflect a
number of responses on this list.

The Human Rights and Equal Opportunity Commission report (Human Rights and
Equal Opportunity Commission 2000) argues that although different age
discrimination legislation has been enacted by the Commonwealth, States and
Territories discrimination against older workers remains a major issue in the labour
market. It proposes that various Federal Acts may need to be amended to eliminate age distinctions found in these Acts (p. 104).

This report also suggests that there is a need for education campaigns to change community and business attitudes to older workers. This position is also supported in a report to the Business Council of Australia (BCI) and Australian Council of Trade Unions (ACTU) (Encel 2003). It suggests that ways of ‘addressing public attitudes and perceptions about the benefits of ongoing mature age workforce participation and increasing awareness of age discrimination legislation and its implications’ are also crucial if the goal of government is to extend working life.

Access Economics (2001, p. x) also supports strategies that encourage changes in attitudes of employers and employees to the early retirement culture.

Training for older workers has also been an important policy focus in Australia (Smith 1999) with a number of initiatives that specifically target older workers. Examples of such programs can be found at both Federal and State level (Encel 2003).

Australian governments at both the Federal and state level have been actively developing policy responses designed to extend working life. This demonstrated by the following table which maps Australian government policies against Taylor’s policy response types.

**TABLE 2 AUSTRALIAN POLICY RESPONSES MAPPED AGAINST TAYLOR’S RESPONSE TYPES**

<table>
<thead>
<tr>
<th>Taylor’s Response Types</th>
<th>Australian examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. comprehensive approaches to the employment and retirement of older workers</td>
<td>• Centrelink established bringing together income support and labour market assessment</td>
</tr>
<tr>
<td></td>
<td>• Job network changes that improve services to older workers including a new Job Seeker Classification Index giving greater weight to age and duration of unemployment.</td>
</tr>
<tr>
<td></td>
<td>• Establishment of the National Employment Services Association special interest group for mature-age job seekers.</td>
</tr>
<tr>
<td></td>
<td>• Mature age employment and Mental Health Promotion Plan (VicHealth-Victoria)</td>
</tr>
<tr>
<td>2. removal of incentives to early retirement and encouragement of later retirement</td>
<td>• Pension bonus scheme</td>
</tr>
<tr>
<td></td>
<td>• Raising to 65 public pension eligibility</td>
</tr>
<tr>
<td></td>
<td>• Increasing the preservation age for retirees (the age when superannuation benefits can be drawn) from 55 to 60 by 2015-2025.</td>
</tr>
<tr>
<td>3. the abolition of compulsory retirement</td>
<td>• compulsory retirement abolished in Federal, State and Territories</td>
</tr>
<tr>
<td>4. the banning of age discrimination</td>
<td>• age discrimination legislation enacted in all States and Territories with new legislation expected in the federal arena</td>
</tr>
<tr>
<td>5. gradual retirement schemes</td>
<td></td>
</tr>
<tr>
<td>6. consciousness raising campaigns</td>
<td>• promotion of ‘Age Aware Employer Champions’ Victoria</td>
</tr>
<tr>
<td>7. guidance and training programs for older workers</td>
<td>• Australians Working Together (AWT) program has measures specifically for older workers including transition to work, training credits, training accounts, language literacy and numeracy supplement, greater flexibility of Newstart allowances. More personal advisors.</td>
</tr>
<tr>
<td></td>
<td>• Specific ICT training programs for older workers</td>
</tr>
<tr>
<td></td>
<td>• Career Counselling Program for parents re-entering workforce and older workers</td>
</tr>
<tr>
<td></td>
<td>• New Enterprise Incentive Scheme (NEIS) –small business start up</td>
</tr>
<tr>
<td>8. support for employers (advice, training, placement programs)</td>
<td>• Additional financial incentives to employers to take on apprentices aged 45 and over</td>
</tr>
<tr>
<td>9. support for labour market intermediaries</td>
<td>• Job network</td>
</tr>
<tr>
<td></td>
<td>• Group training companies</td>
</tr>
<tr>
<td>10. employment subsidy and other employment</td>
<td>• Adult Wage Subsidy Scheme</td>
</tr>
</tbody>
</table>
However in order to refine future policy responses by vocational education and training designed to support the extension of working life a more detailed analysis of the Australian workforce is required.

**Australia’s older workers**

Overall Australian data reveals demographic trends similar to those noted by the OECD (1998) for most advanced economies.

**An ageing workforce**

Australia’s labour force is ageing dramatically, with over 80% of the projected labour force growth occurring in the 45 years and over age group by the year 2016 (ABS 1999a). Birth rates have fallen. In 1976 birth rates fell below replacements rates for the first time and have fallen further in the intervening period (ABS 2003a). Consequently structural ageing is a prominent feature of the Australian population.

**Working**

The size and composition of the labour force is constantly changing. This change is due to both changes in participation rates as well as changes in the adult population. During the last two decades the overall labour force participation rate has increased slowly from a level of 61% of the adult population in June 1982 to 64% in June 2002. The major factor for this rise in participation rates has been the increase in female participation. This rose from 45% in June 1982 to 55% in June 2002. During the same period male participation fell from 77% to 72% (ABS 2003a), largely due to a decline in available work in male-dominated industries and the increasing incidence of early retirement among men.

![Male and female participation rates](image)

**Figure 2 Participation rates by gender** *(Source: ABS 2003a)*
Underlying these trends in male and female participation rates are varying movements in the age-specific participation rates. For men there has been a decline in participation rates by age in all age groups between 1984-85 and 2001-2002 except in the 55-64, and 65+ age group.² For women there has been a steady increase in participation rates in all age groups which has now levelled off, except for older women in the 55+ categories.

Finding work

Recent evidence indicates that in the contemporary Australian labour market success in finding work is age related. Older job seekers are less successful at finding work than younger ones. In the year 2000 for example some 40% of all job seekers aged 55 and over were unsuccessful in finding work, as were 31% of those aged 45-54 and 28% of those aged 35-44 years. By way of contrast only 19% of job seekers aged between 25 and 34 years in 2000 were unsuccessful in finding work.

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Changing employment patterns

The profile of the labour force is also changing. The number of persons employed in part time, casual and temporary work increased by over half (51%) in the ten years since October 1991. Over the same time full time employment increased by 11%. Part time, casual and temporary employment as a percentage of all employment has increased from 22% in 1991 to 28% in 2001. However the demand for part time labour is concentrated in a small number of industries in 2001 50% of all part time work was located within 3 service industries retail trade, health and community services and property and business services. These same industries accounted for only 31% of full time employment. In some industries including wholesale trade, mining

*FIGURE 3 ACCESS TO EMPLOYMENT BY OLDER WORKERS (SOURCE: ABS 2002c)*

² Evidence presented in 1994 suggested that the decline in participation rates for men was greatest in the 55-64 age group. Between 1973 and 1993 there was a steady decline in the full-time participation rates of men aged between 55-64 years from 79% to 52%. During the same period there was also a trend towards earlier retirement by older men (ABS 1994). This latest data suggests that this earlier trend may have been halted.
and manufacturing increases in part time employment has been accompanied by decreases in full time employment in those industries (ABS 2002c).

Another significant change in employment patterns has been the significant rise in the number of self-employed contractors in the Australian labour force. Furthermore ABS data indicates that the self-employed contractor category tends to be made up of older workers when compared with other employment categories.

**TABLE 3 PERCENTAGE DISTRIBUTION OF EMPLOYEES AND SELF-EMPLOYED CONTRACTORS BY GENDER AND AGE CHARACTERISTICS 1998**

<table>
<thead>
<tr>
<th>Gender and age characteristics</th>
<th>Employees %</th>
<th>Contractors %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>53.0</td>
<td>70.7</td>
</tr>
<tr>
<td>Female</td>
<td>47.0</td>
<td>29.3</td>
</tr>
<tr>
<td>Aged</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15-24</td>
<td>21.7</td>
<td>7.5</td>
</tr>
<tr>
<td>25-34</td>
<td>27.0</td>
<td>22.8</td>
</tr>
<tr>
<td>35-44</td>
<td>24.5</td>
<td>28.9</td>
</tr>
<tr>
<td>45-54</td>
<td>19.7</td>
<td>25.0</td>
</tr>
<tr>
<td>55 and over</td>
<td>7.1</td>
<td>15.8</td>
</tr>
</tbody>
</table>

Adapted from Waite & Will (2001)

**Increasing participation rates**

Extending working life is regarded as an important goal that can contribute to solving the economic impact of ageing populations. As we noted earlier many OECD countries, including Australia, have developed policies and strategies that encourage older workers to remain in the workforce beyond existing retirement norms. However another related issue that may also contribute to solving the problem of ageing populations is for countries to increase labour force participation rates. As the recent Australian Treasury statement puts it:

*policy settings can also be very influential in widening the choices available to actively participate in the labour force, or in reducing or removing obstacles or disincentives to such participation.* (Budget Statement 4: Sustaining Growth in Australia’s Living Standards 2003: 24-28).

The statement goes on to suggest that microeconomic reform in the areas of labour market, education and training, taxation and welfare and health policy must be mobilised if increased participation rates in the labour market is to be achieved, with accrued benefits to economic productivity and standards of living.∗3

There are subtle but important differences in the concepts of *extending working life* and *increasing participation rates*, which have important implications for policy making. For example, data from the ABS (ABS 6203.0) on men’s labour force

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2 The position is an illustration of a more general issue emerging in contemporary policy development in terms of the challenges policy makers face when presented with increasingly complex social, cultural and economic issues such as an ageing workforce.
participation indicates the following

![Graph](image.png)

**FIGURE 4 PARTICIPATION RATES—MEN** *(SOURCE: ABS CAT. 6203.0)*

As Access Economics (Access Economics 2001, p. 30) points out the rates for men between 20-54 have been both high and very stable over the last 20 years. Therefore it is unlikely that any higher participation can be achieved among this age group. Moreover while participation in the 15-19 age group has declined in recent years this is due to higher retention rates in education and training, which means it would not be possible or even desirable to attempt to increase participation rates for this cohort. This leaves the 55+ male cohort as the only one where there is potential to increase participation rates – largely through polices that encourage the extension of working life.

On the other hand workforce participation rates of women show a somewhat different pattern.

![Graph](image.png)

**FIGURE 5 PARTICIPATION RATES—WOMEN** *(SOURCE: ABS CAT. 6203.0)*

Workforce participation for women aged 20-54 trended upward in the 1980’s but has flattened in the 1990’s to around 70% for women 25-54 and 78% for women 20-24. This suggests that there is some potential for increasing the participation rates of women aged between 20-54. However Access Economics (2001, p. 30) proposes that
the 70% participation rate for women aged between 20-54 may well be the new upper limit for participation by women in the labour force.

By way of contrast the participation by women drops off significantly at the age of 55+. Importantly though participation by women in this age group has increased by 15% points over the last twenty years and there is potential that participation by women in the 55-59 and 60-64 age groups age could grow significantly in the future.

Although there is some potential to increase participation rates of both men and women in the 20-54 age groups this potential is limited.

**Therefore Australian workforce data confirms that future policy development should focus on encouraging older workers (55+) to extend working life.**

### Australian workers—sub-groups

One of the conclusions reached by Taylor (2002a) from the study reported earlier is that public policy for older workers needs to be much more attuned to the diverse needs of older workers. Like all categories, the older workers category, that is those aged 45 and over can hide important differences that exist within this group. In this section we report what the literature is telling us regarding different subgroups of older workers. We begin by examining in more detail the different experiences of the most obvious sub groups - older men and women in the labour force.

### Australian workers—men

There has been a small decline in full-time labour force participation by men in Australia from 75.3% in 1991 to 72.5% in 2001 (ABS 2002e). Between 1991 and 2001 the percentage of male part-time workers (of total male employed) rose from 8.1% to 13.4%. The share of male workers in part-time employment has also increased between 1991-2001 from 24% to 29%(ABS 2002c).

The ongoing decline in employment in male dominated industries has resulted in relatively more men being displaced from the workforce (ABS 1999b). Between 1997-2001 the largest number of retrenchments were in manufacturing 20%, property and business services 12% and construction 11%. There is a relatively high male share (65%) of all retrenchments as a result of the concentration of male workers in these industries. Industries that recorded the highest proportions of retrenchment, relative to the number of employees in 2001 were Mining 25%, Communication services 19%, Construction 16%. The greatest number of employees retrenched by Occupation were tradespersons 18% (26% of all retrenched males), intermediate clerical sales and service 17%, labourers and related 14% (ABS 2002d).

### Older workers—men

A number of trends have emerged for older male workers.
• The greatest decline in male workforce participation rates in Australia has occurred in the age groups 55-59 years (75.2% to 72.4%) and 60-64 years (50.6% to 46.9%) (ABS 2002e)

• Despite an apparent halt in recent figures the age of male retirement has been consistently trending down (ABS 1994). In 1997 22% of male workers retired from full time work at 65 and over, 53% retired between 55-64 and 17% retired from full time work at 45-54 years and 7% retired aged less than 45 years.

• Men are over represented among older job seekers compared with older men in the general population. These job seekers are more likely to be drawn from less skilled occupations such as labouring and less likely from high-skills jobs. (ABS 1999b).

Australian workers—women

The overall number of women in employment and the proportion of women working part time has increased significantly over recent decades. However over the last decade the rise has flattened out with the percentage of female full time workers rising from 32.3% to 33.6% (ABS 2002e). Over the same period female part-time workers (as a % of total females employed) rose from 40.4% to 43.6%. Female workers account for the majority (71% in 2001) of the supply of part-time labour in Australia (ABS 2002c).

More women are remaining in the labour force during child bearing years. In 1984-85 the female participation rate fell from 73.1% for the 20-24 age group to 56.2% for the 25-34 age group, a decline of 16.9 percentage points. In 2001-2002, the participation rate declined from 77.7% for the 20-24 year age group to 70.6 for the 25-34 year age group and remained almost unchanged through to the 45-54 year age group (ABS 2003a).

While female workers dominate the part time, casual and temporary labour market this work is concentrated in the services sector Retail Trade, Health & Community Services and Property and Business Services. They are under represented in the growing self-employed contract category, which is dominated by men particularly older men.

Female retrenchment in contrast to male retrenchment occurs most commonly in Intermediate clerical, sales and service workers (31% of all retrenched females) and Professionals (14%)

Older workers—women

• Female participation rates by those aged 55+ compared with the rates of younger women in the workforce drops significantly. However over the last 20 years participation rates of older females aged 55-59 in the labour force have risen between 1991-2001 from 35.7% to 48.1%, 60-64 years 15.9% to 21.5%.

• If this trend continues women aged 55-59 and 60-64 could in the future attain comparable levels of participation to men of the same age groups. The growth
in the number of women aged 65 and over may also in the future lead to higher labour force participation rates by this group.

- In 1997 3% of female workers retired from full time work at 65 years and over, 21% retired from full time work at 55-64 years, 22% retired from full time work at 45-54 years and 54% retired from full time work aged less than 45 (ABS 1998b).

**Older workers—qualifications**

As reported by Wooden et. al. (Wooden et al. 2001, p. 70) *The one clear finding among those in employment, with respect to age, is that the oldest workers have the largest proportion that did not complete the highest level of secondary schooling, while the lowest is among younger workers.* Rapid rises in school retention rates in the 1980’s and 1990’s have worked through the labour market and participation in post-secondary education has also increased.

Qualifications held by workers have an impact on participation in employment. For example, of all job seekers those with post-school qualifications are more likely to obtain work than those without a post-school qualification. 82% of those with post-school qualifications were successful in obtaining a job compared to 72% of those without (ABS 2001a; ABS 2002a).

Among older job seekers very few (7%) have obtained their highest qualification since 1990. Although recency of qualification might be seen to be of more value to employers, figures indicate that this is not the case. Of those older job seekers who had obtained their qualification since 1990 45% were successful compared with 43% who held a qualifications prior to 1990 (ABS 1999b).

Nevertheless, having qualifications does assist older job seekers obtaining work for example 69% of those who had post school qualifications had worked between 1995-1997 and 28% were in stable employment in 1997. In comparison of those without qualifications 48% had worked during the same period and only 18% were in stable employment (ABS 1999b).

**Australian workers—migrants**

In August 2001 the Australian labour force totalled 9,768,200 people; 7,400,900 Australian-born and 2,367,300 overseas-born. Of the overseas-born 1,383,600 people were from non-English speaking countries (NESC) and 983,700 were from the main English speaking countries (MESC)
Of migrants in the workforce 94.2% of MESC migrants and 92.3% of NESC were employed in 2001. This compares with 93.5% in employment for the Australian-born. Participation rates of Australian-born men and women in the workforce are higher than migrants (74.7% and 59.3% respectively) For NESC men and women the participation rates are 63.4% and 43.9%, and for MESC 72.7% and 55.2%.

There are also differences by industry. Overseas-born migrants are heavily represented in manufacturing making up 31.8% of workers, while 31.7% of workers in communication services are also migrants. MESC migrants are strongly represented in the property and business services industry (13.1%).

More than half (55%) of all migrants arrived in Australia with a post-school qualification. 35% had a skilled or basic vocational qualification 34% had a bachelor degree. Less than half (48%) of those with a skilled or basic vocational qualification had it recognised in Australia. English language skills play an important part in finding work. There is a strong correlation between a migrant’s English speaking skills and their level of success in finding a job (Department of Immigration and Multicultural Affairs (DIMIA) 2000).

**Older workers—migrants**

- Older job seekers in Australia are more likely to be male and born overseas. Success in obtaining a job is greater for older job seekers born in Australia (60%) and those born in MESC (65%) than older workers born in other countries (46%)
- Older migrants like other migrants are heavily represented in manufacturing industries where there has been declining job growth.
- Older migrants, like all migrants are least likely to have their overseas vocational qualification recognised.

**Unpaid work**

One of the significant areas in which the nature of ‘work’ is changing is the growth in work that does not involve employment in the sense that this term is typically used. While a great deal of attention has been paid to the growth in unpaid overtime, of greater importance for older workers is the growth in voluntary work and in the extent to which adults are now caring for family and friends, usually in an unpaid capacity.
Voluntary work

In the year 2000 32% of the population 18 years and over performed some voluntary work in the preceding 12 months up from 24% in 1995. Growth in volunteer rates occurred for both sexes and across all age groups, particularly in the 18-24 (17% to 27%) and 55-64 (24% to 33%) age groups. Overall volunteer rates were slightly higher for women than men (33% -31%). People aged 35-44 reported the highest rate of volunteering by age (40%) and the highest rate of volunteering is in the category married women with dependent children (45%).

Volunteers contributed 704.1 million hours of voluntary work. In aggregate people not in the labour force contributed slightly more hours of voluntary work (265.2 million) compared with those who were employed full-time (260.7 million). Among males the largest contribution (58% of male hours) came from those employed full-time while among females the largest contribution (44% of female hours) was made by those not in the labour force.

For employed people the volunteer rate varies between occupational groupings. Professionals have the highest participation rate (46%) followed by advanced clerical, sales and service workers (45%) and managers and administrators (42%). Intermediate production and transport workers have the lowest rate (22%). The nature of peoples’ voluntary work is also closely related to their type of paid employment. Moreover employees in some industries (health and community services and education and training) are more likely to volunteer than employees in other industries (ABS 2001c).

Carers

Conservative estimates show carers save the economy $18.3 billion annually. Carers are the major providers of community care services delivering 74% of all services to people needing care and support. The home and community care program, worth over $800 million nationally meets only 9% of this need. (Carers NSW http://www.carersnsw.asn.au/facts)

In 1998 there were approximately 2.3 million carers in Australia with 1 in 5 being primary carers. More than half of Australian carers (56%) are women. Women are most likely to become carers between the ages of 55-64 years (26%) while for men it is over the age of 74. (Reflecting the greater tendency for male carers to be assisting a partner at that age and for women over 74 to be widowed.)
78% of carers are of workforce age in Australia. Carer rates in 1998 were the highest for people with basic vocational qualifications (20%) and lowest for those with a bachelor degree or higher (12%). This is likely to be a reflection of the age and gender profile of Australian carers. It is also not surprising that carers’ participation in the labour force is lower than for non-carers.

Employment opportunities for some carers are limited by their need to find flexible and or part-time work. Most carers (59%) combined their caring role with full or part-time work. However for primary carers less than half (48%) are in full-time work. Carers report that the majority of employment practices are inflexible and incompatible with being a carer.
### Summary – major points

<table>
<thead>
<tr>
<th>Employment patterns</th>
<th>Older women</th>
<th>Older men</th>
</tr>
</thead>
<tbody>
<tr>
<td>rising FT employment</td>
<td>• rising FT employment</td>
<td>• declining FT employment</td>
</tr>
<tr>
<td>bigger rise in PT employment</td>
<td>• bigger rise in PT employment</td>
<td>• rising PT employment</td>
</tr>
<tr>
<td>concentrated in 3 service industries</td>
<td>• concentrated in service industries</td>
<td>• rise in self-employed contractors</td>
</tr>
<tr>
<td>Unemployment</td>
<td>• retrenchments highest in intermediate sales and service and professional areas</td>
<td>• concentrated in manufacturing, property &amp; bus and construction</td>
</tr>
<tr>
<td>Qualifications</td>
<td>• fewer with post-school qualifications</td>
<td>• retrenchments highest in trades and ‘blue collar work’</td>
</tr>
<tr>
<td>• Overseas vocational qualifications least likely to be recognised</td>
<td>• Overseas vocational qualifications least likely to be recognised</td>
<td></td>
</tr>
<tr>
<td>Birthplace</td>
<td>• NESC women less likely to be working,</td>
<td>• NESC older men have least success in finding work</td>
</tr>
<tr>
<td>• Australian born women participation rates higher than female migrants</td>
<td>• NESC workers concentrated in manufacturing and communication services</td>
<td></td>
</tr>
<tr>
<td>Unpaid work</td>
<td>• More women than men undertake unpaid work</td>
<td>• % of male carers increases with age</td>
</tr>
<tr>
<td>• Married women with children are the highest group for volunteering</td>
<td>• volunteering is highest in professional occupations lowest in trades areas.</td>
<td></td>
</tr>
<tr>
<td>• More women than men are primary carers</td>
<td>• Primary carers are the most disadvantaged in the labour market</td>
<td></td>
</tr>
<tr>
<td>• Primary carers are the most disadvantaged in the labour market</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Policy implications

### Conclusion

Australia, like other OECD countries is experiencing a striking paradox. Although people are living longer many are retiring earlier. This trend is seen as unsustainable from both an economic and social point of view. Therefore the extension of working life has become an important goal of governments.

Already governments are tackling this problem with a range of measures including reforming social security, pension and superannuation policy in order to reduce incentives for early retirement. They are also changing employment regulations and business practices, which discriminate against older workers. However these supply-side measures in themselves are not enough.

Employers, unions and governments also need to change stereotypic views of older workers and modernise work practices so that they actively encourage older workers to remain in the workforce.
Vocational education and training can play its part by linking with other policy areas to integrate measures which focus on:

- Supporting older workers by keeping them skilled, motivated and able-bodied
- Developing strategies that improve ‘well-being’ at work
- Assisting business to organise work that encourages older workers to stay in the workforce
- Contribute to changing social attitudes towards ageing and older workers
SECTION 3—EDUCATION, TRAINING AND OLDER WORKERS

This section details the major issues for vocational education and training in an environment in which older workers are being encouraged to remain active and productive members of contemporary society and provides a more detailed picture of the relationships between older workers and VET.

**Older workers involvement in all forms of education or training**

Older workers, typically, have lower levels of formal qualifications than do workers as a whole. The Australian Bureau of Statistics Survey of Education and Training 2001 asked workers to indicate what post-school qualifications they held. For all workers surveyed in 2001 (ABS 2001b), 49% held no post-school qualification and if younger workers (under 24) were excluded as many were still gaining their qualifications, this dropped to 43%. By comparison, 53% of those aged over 55 held no post-school qualification. There is, however, also evidence that this is shifting and that the average educational level of older workers is increasing.

![Workers With No Post-School Qualifications](source: ABS Survey of Education & Training 2001 Companion Data CAT 6278.0)

**FIGURE 9 EXTENT OF POST-SCHOOL QUALIFICATIONS.** (SOURCE: ABS SURVEY OF EDUCATION & TRAINING 2001 COMPANION DATA CAT 6278.0) XXX FIRST 8 ALL 8
TABLE 4 PERSONS WITH A VOCATIONAL OR HIGHER EDUCATION QUALIFICATION (SOURCE: ABS 2002 CAT. 1370.0)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24</td>
<td>21.1</td>
<td>22.4</td>
</tr>
<tr>
<td>25-34</td>
<td>49.8</td>
<td>54.0</td>
</tr>
<tr>
<td>35-44</td>
<td>49.9</td>
<td>52.0</td>
</tr>
<tr>
<td>45-54</td>
<td>42.9</td>
<td>48.9</td>
</tr>
<tr>
<td>55-64</td>
<td>33.2</td>
<td>38.6</td>
</tr>
<tr>
<td>Total</td>
<td>39.7</td>
<td>43.8</td>
</tr>
</tbody>
</table>

Moreover, older workers are substantially under-represented amongst those who are engaged in education or training. ABS surveys in 1993, 1997 and again in 2001 have consistently shown that older workers are much less likely to have undertaken any form of training than are their younger counterparts (ABS 2002b).

This lower participation is especially marked when the data is examined for the proportion of workers who, as part of their training completed a structured course of training. NOTE: this is not a nationally-recognised qualification these are coded as “education”.

![Did some training in last 12 months](image)

**FIGURE 10 PARTICIPATION IN TRAINING 1993-2002** (SOURCE: ABS CAT. 4230.0)

It is possibly significant to note in both of the above figures that the participation of older workers in 2001 was higher than had been reported in the earlier surveys. This is also consistent with the European experience (European Foundation for the Improvement of Living and Working Conditions 2003).

Substantial amounts of training are undertaken outside the formal VET system. In an analysis of that 1997 survey data Dumbrell (1999, p. 5) found that,

*The total number of hours in training courses, almost 214 million contact hours in 1997, compares with about 300 million ‘Annual Hours Curriculum’ (AHC) recorded in the formal VET context. While contact hours are not strictly comparable with AHC, any variation between the two measures is likely to narrow the gap between the two areas. (AHC is the product of the nominal duration in hours of all government funded VET courses multiplied by the number of enrolments for each course.) Hence, according to these figures structured
vocational learning beyond the formal VET system is at least 71% of the size of the formal VET system as measured by contact hours.

These surveys also provide useful information on the training intentions of workers and the outcomes of their training. Again these show that older workers experience of training differs greatly from that of workers in general. Recalling the typically lower educational background of older workers, it is interesting to note that they are also much less likely to be planning further study for further qualifications.

The survey data also shows that older workers are much less likely to want to participate in any form of training: compared to an average for all workers of 76% not wanting to undertake any form of training, the figure for those aged over 54 was 88%.

**Figure 11 Intentions for Further Study (Source: ABS Cat. 6278.0)**

**Figure 12 Completion of Training Courses 1993-2001 (Source: ABS Cat. 6278.0)**
Moreover, for those workers who did engage in training, the outcomes appeared to be less useful. Questions asked in the Survey of Education and Training (ABS 2001b) included whether workers believed that the skills developed in their training were transferable and more than 85% of all – at all ages – say yes. However, when asked if the skills obtained helped to obtain a pay rise or promotion, the proportion agreeing is much lower – around 10%. For older workers, the figure is very much smaller as the figure above shows.

**Figure 13 Use of skills from training** (Source: ABS Cat. 6278.0)

This difference is even starker amongst those older workers who undertook and actually completed a structured training course while not working. The figure above shows that firstly, completing a training course for older workers is significantly less likely to lead to employment than is the case for younger workers. However, even where they do find employment, the training course is much less useful in assisting in that transition.

**Figure 14 Outcomes of training** (Source: ABS Cat. 6278.0)
Older workers are, however, less likely than younger workers to identify barriers to training (see figure below) suggesting that they may be more flexible and available for training.

There are also substantial differences between older workers and the workforce in general in the kinds of courses of training they do undertake. For those who underwent training in 2001, that older workers were much more likely to undertake management or professional training. Indeed this was the only field in which the incidence grew with age, although there is something of a similar pattern for technical and paraprofessional training. In every other case, the incidence amongst older workers is lower than for other age groups and the figure illustrated two fields where there is a marked decline with age—trade training and sales/personal service training.

**Older worker participation in VET**

Persons aged 45 or more represented just under 12% of the 13.3 million subject enrolments in Australia’s VET system in 2001. Older workers were more likely to undertake either a Certificate IV level course or courses classed as ‘non-award’, ‘module only’ or ‘other recognised courses’. Older workers were more likely to enrol in social science or education disciplines than in other areas.
While in the younger age group males out-numbered females, older females were more numerous than older males among course enrolments, as shown in the following table.

**TABLE 5 TOTAL VET COURSE ENROLMENTS, AUSTRALIA, 2001 BY AGE GROUP AND GENDER**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Males &lt;45</th>
<th>Males &gt;45</th>
<th>Females &lt;45</th>
<th>Females &gt;45</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6,199,673</td>
<td>717,756</td>
<td>5,513,192</td>
<td>863,023</td>
</tr>
</tbody>
</table>

Source: NCVER unpublished data

Over the 1997-2001 period enrolments by persons aged over 45 grew more rapidly than for those aged 20-44, although not as rapidly as for those in the 14-19 age groups. The following table shows the level of course enrolments in VET in Australia over the 5 years from 1997 to 2001. The relatively high level of ‘unknowns’ in 1997 and the decline over the period for that category, however causes some doubt over the validity of these trends.

**TABLE 6 COURSE ENROLMENTS BY AGE GROUP, 1997 TO 2001**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>14 years &amp; under</td>
<td>5,722</td>
<td>7,897</td>
<td>7,580</td>
<td>8,893</td>
<td>10,374</td>
<td>81.3</td>
</tr>
<tr>
<td>15-19</td>
<td>337,377</td>
<td>406,748</td>
<td>456,570</td>
<td>504,219</td>
<td>559,797</td>
<td>65.9</td>
</tr>
<tr>
<td>20-24</td>
<td>296,144</td>
<td>306,456</td>
<td>320,104</td>
<td>326,545</td>
<td>331,055</td>
<td>11.8</td>
</tr>
<tr>
<td>25-29</td>
<td>211,702</td>
<td>224,646</td>
<td>233,331</td>
<td>229,509</td>
<td>224,381</td>
<td>6.0</td>
</tr>
<tr>
<td>30-34</td>
<td>188,099</td>
<td>194,411</td>
<td>194,989</td>
<td>199,052</td>
<td>200,593</td>
<td>6.6</td>
</tr>
<tr>
<td>35-44</td>
<td>343,119</td>
<td>369,174</td>
<td>375,450</td>
<td>387,788</td>
<td>376,887</td>
<td>9.8</td>
</tr>
<tr>
<td>45-54</td>
<td>195,989</td>
<td>221,224</td>
<td>232,276</td>
<td>255,256</td>
<td>248,847</td>
<td>27.0</td>
</tr>
<tr>
<td>55+</td>
<td>83,245</td>
<td>93,288</td>
<td>95,420</td>
<td>123,340</td>
<td>110,347</td>
<td>32.6</td>
</tr>
<tr>
<td>unknown</td>
<td>182,841</td>
<td>112,783</td>
<td>76,513</td>
<td>73,430</td>
<td>56,923</td>
<td>-68.9</td>
</tr>
</tbody>
</table>

Source: NCVER unpublished data

Over the period 1997 to 2001 the over 45 group increased their share of enrolments only marginally, from about 15% in 1997 to nearly 17% in 2001. In both numerical and percentage terms the strongest growth (+170%) among those aged 45-54 occurred
in Certificate II level courses, perhaps reflecting the increase in older workers retraining under New Apprenticeship arrangements. This trend was even more apparent among those aged over 55, with Certificate II course enrolments for this group rising by more than 227% between 1997 and 2001. In percentage terms only the 14-19 age groups showed higher growth at the Certificate II level over this period.

However, these figures need to be put into a broader context of the changing age demographics of the population as a whole. When these enrolment numbers are recast as VET participation rates for each age cohort, it becomes clear that the growth in numbers in the over 40 years of age group is largely a result of the growth in that group in the population.

![Figure 17: Participation rates relative to Australian population (Source: NCVER 2003)](image)

**Discipline group of enrolment**

While there are well known differences in discipline enrolment patterns between males and females there do not appear to be significant differences between those under and over 45 within the genders. Older males are somewhat less likely to enrol in Engineering etc than younger males but, like older females, are more likely to be enrolled in Education.

Older females are less likely than younger females to be enrolled in Hospitality disciplines. However, there are significant differences across discipline areas as to the

![Figure 18: Discipline differences in proportion of older enrollees (Source: NCVER unpublished data)](image)
proportion of older workers enrolled as the figure indicates.

Enrolment by course level

Older students are more likely to enrol in non-award courses, module-only mode or in ‘other recognised courses’. For older male students 22.5% were enrolled in courses at these levels compared with only 10.2% of males aged under 45. For female students the pattern was similar with 23.2% of older females students enrolled in these courses compared with only 9.8% of females under 45. Older students were also more likely to be enrolled in Certificate IV courses, courses often undertaken to upgrade from trade level to technician level occupations.

On the other hand older students are less likely to be enrolled in diploma and advanced diploma level courses than those aged under 45. The following table shows enrolment by age group and gender by level of course.

**Table 7 Level of course enrolment by age group and gender, Australia, 2001, percentages**

<table>
<thead>
<tr>
<th></th>
<th>Males &lt;45</th>
<th>Males &gt;45</th>
<th>Females &lt;45</th>
<th>Females &gt;45</th>
</tr>
</thead>
<tbody>
<tr>
<td>AQF diploma or higher</td>
<td>15.3</td>
<td>10.9</td>
<td>17.8</td>
<td>11.1</td>
</tr>
<tr>
<td>AQF certificate IV or equivalent</td>
<td>10.9</td>
<td>16.7</td>
<td>12.1</td>
<td>15.2</td>
</tr>
<tr>
<td>AQF certificate III or equivalent</td>
<td>30.4</td>
<td>23.5</td>
<td>26.5</td>
<td>26.0</td>
</tr>
<tr>
<td>AQF level unknown</td>
<td>0.8</td>
<td>0.8</td>
<td>0.7</td>
<td>0.8</td>
</tr>
<tr>
<td>AQF certificate II</td>
<td>24.2</td>
<td>20.8</td>
<td>27.9</td>
<td>18.3</td>
</tr>
<tr>
<td>AQF certificate I</td>
<td>8.2</td>
<td>4.7</td>
<td>5.1</td>
<td>5.3</td>
</tr>
<tr>
<td>AQF senior secondary</td>
<td>0.1</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Other recognised courses</td>
<td>4.6</td>
<td>9.6</td>
<td>4.0</td>
<td>9.4</td>
</tr>
<tr>
<td>Non award courses</td>
<td>4.6</td>
<td>9.4</td>
<td>4.1</td>
<td>8.0</td>
</tr>
<tr>
<td>Module only - no qualification</td>
<td>1.0</td>
<td>3.5</td>
<td>1.7</td>
<td>5.8</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: NCVER unpublished data

Regional differences in enrolment patterns

VET enrolment appears to be a more attractive option for older students in rural than in the capital city areas of Australia. As the following table shows older male and female students are more likely to live in rural (but not remote) areas than younger students. The reasons for this quite marked difference are not immediately apparent. It could be that younger students are more geographically mobile than older students, or that the courses offered in capital city VET colleges are less attractive to older workers.

**Table 8 Region of students by gender and age group, Australia, 2001, percentages**

(Source: NCVER unpublished data)

<table>
<thead>
<tr>
<th></th>
<th>Males &lt;45</th>
<th>Males &gt;45</th>
<th>Females &lt;45</th>
<th>Females &gt;45</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital cities</td>
<td>57.8</td>
<td>52.8</td>
<td>58.7</td>
<td>55.3</td>
</tr>
<tr>
<td>Other metro</td>
<td>7.9</td>
<td>7.8</td>
<td>8.7</td>
<td>8.4</td>
</tr>
<tr>
<td>Rural</td>
<td>28.2</td>
<td>34.7</td>
<td>27.2</td>
<td>32.8</td>
</tr>
<tr>
<td>Remote</td>
<td>3.3</td>
<td>3.5</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Overseas</td>
<td>1.6</td>
<td>0.1</td>
<td>1.4</td>
<td>0.1</td>
</tr>
<tr>
<td>Unknown</td>
<td>1.3</td>
<td>1.1</td>
<td>1.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Another possible explanation is the level of courses available in capital cities and rural areas as noted above, with fewer diploma and advanced diploma courses available in rural areas.

As with region, there are also notable differences in the proportions of those aged over 44 enrolling in the various states and territories. The following figure based on data from the Student Outcome Survey shows that Queensland, South Australia and the Northern Territory have noticeably higher enrolments from those aged 45+ are more while the rate in the ACT is much lower than average.

![Proportion of Graduates Aged 45+](image1)

**Figure 19 Graduates by State. (Source: NCVER Student Outcomes Survey 2001)**

It is interesting to note, also, that there appear to be very different opportunities provided to older students as well. The Student Outcomes Survey asks whether or not graduates of VET programs received any recognition of their prior learning. The figure below shows that there is a marked decline after age 44 in the proportion of graduates who had received such recognition. This decline continues in each subsequent age group.

![Proportion of Graduates given any RPL](image2)

**Figure 20 Recognition for Prior Learning (Source: NCVER XXX)**
Outcomes from VET

Data from the Student Outcomes Survey (SOS) was examined to determine whether there were any significant differences between the outcomes for graduates and module completers on the basis of being aged under or over 45.

Overall employment outcomes for both age groups were quite similar. Older male graduates and module completers showed a slight tendency to move from full-time employment before starting their course to part-time employment after graduating. About 56% of male graduates were employed full-time before starting their course and 52% were employed full-time after graduating. Older, male module completers showed a similar pattern. There was no such pattern however among older female graduates or module completers.

Male graduates and module completers aged over 45 also showed a tendency to move out of being classified as unemployed, however it seems that this was in part because there was an increase in the number who left the work force, especially so for module completers.

Overall female graduates, both under and over 45, were slightly more likely to be employed after graduating than before. For women graduates under 45 there was a movement from part-time to full-time employment, whereas the reverse applied for those aged over 45. Younger women graduates showed some tendency to move away from being not in the labour force after graduation, however this did not seem to be a significant trend for older women graduates. For female module completers there were few changes in labour force status before and after completing their module, although here was a slight tendency to move out of the labour force after completing the module.

There were some marked differences between graduates aged under and over 45 in the benefits they believed they gained from their courses. About 43% of older graduates believed they gained no specific benefits from their course, compared with just 32% of younger graduates.

The following table shows the perceived benefits reported by graduates according to their age group. It is apparent that younger graduates were more likely to report benefits than those in the older group. Interestingly older graduates were more likely to report a promotion as a result of their course however they were less likely than younger graduates to report a change of employment or setting up their own business.
TABLE 9 PERCEIVED BENEFITS OF TRAINING, GRADUATES AGED UNDER AND OVER 45
(SOURCE: NCVER STUDENT OUTCOMES SURVEY 2001)

<table>
<thead>
<tr>
<th>Perceived benefits</th>
<th>Percentage reporting a benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Got a job</td>
<td>29</td>
</tr>
<tr>
<td>An increase in earnings</td>
<td>26</td>
</tr>
<tr>
<td>Promotion (or increased work status)</td>
<td>23</td>
</tr>
<tr>
<td>Change of job</td>
<td>18</td>
</tr>
<tr>
<td>Was able to set up my own business</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
<tr>
<td>None of the above</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

* indicates sample too small to be meaningful; percentages sum to more than 100 because multiple responses were allowed.

With the exception of those aged 55+, it appears that, for graduates at least, there is little variation in post-course labour force status after age 35. The following figure indicates that labour market outcomes are much more variable for younger graduates but then settle into a relatively stable pattern until after the standard retirement age of 55.

![Labour Force Status of VET Graduates](image)

FIGURE 21 EMPLOYMENT AFTER GRADUATION (SOURCE: NCVER STUDENT OUTCOMES SURVEY 2001)

Module completers showed similar trends in reporting benefits from training although a higher proportion in both age groups (56% in the under 45 and 61% in the over 45 groups) reported no specific benefits. The field of study did not appear to influence perception of benefits.

Graduates aged over 45 were much more likely than younger graduates to be employed after graduation in the Health & Community Services and Education industry divisions. As might be expected older workers were more likely to be employed in higher status occupations after graduating than those aged under 45.
Almost 30% of graduates aged over 45 were working as managers, administrators or professionals while only about 15% of younger graduates were working at these levels.

**Good Practice in Training**

Two important investigations (Smith 1999, Gelade et al. 2002) have explored what are the requirements of effective education and training arrangements for older workers. While both give detailed advice on particular approaches and methodologies, the principle they advance is best summarised in Smith’s phrase of “tactical learning”. As he expressed it, “skills are what older people wish to acquire and they will be highly selective about identifying these … and how they will acquire them” (p. 109).

A number of studies have sought to identify the features of education and training programs that are most effective in dealing with the needs of older workers. The Gelade et al (2002) study noted above was conducted for the Commonwealth and focused on the provision of training in a range of provider settings. Its conclusions provided five major areas of “good practice”: Creating a safe, non-threatening environment; Negotiating the processes of learning; Motivational strategies; Diversifying the approach to teaching and learning; and Organisational innovation. When this study is compared to a range of others, a classification of “good practice” recommendations emerges:

### Good Practice in Training for Older Workers

<table>
<thead>
<tr>
<th>Education &amp; training issues</th>
<th>Workplace issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Context</strong></td>
<td><strong>Content</strong></td>
</tr>
<tr>
<td>Safe, non-threatening, less formal environment</td>
<td>Clearly written instructions</td>
</tr>
<tr>
<td>Flexible in timing and delivery modes</td>
<td>Learning materials facilitate recall</td>
</tr>
<tr>
<td>Small class sizes</td>
<td>Material is organized into small units</td>
</tr>
<tr>
<td>Older workers are involved in designing the training</td>
<td>Work-relevant tasks</td>
</tr>
<tr>
<td>Learner readiness issues are addressed</td>
<td>Work-relevant tasks are identified</td>
</tr>
</tbody>
</table>

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4 Table draws upon the findings of seven studies — Gelade et al 2002; Access Training & Employment Centre 2002; Rosen and Jerdee 1989; Cremer 1994; Sullivan and Duplaga 1997 and Geller Smith 1999; and Simpson 1999.
• Practical knowledge is the focus

Methods
• Predominantly utilise verbal rather than literacy skills
• Vary amount of time allocated to tasks to accommodate individual needs
• Allocate significant blocks of time
• Use active, discovery-based learning methods
• Provide opportunities to practice skills as they are developed
• Limit learning group to older workers
• Utilise participant experience
• Use self-paced methods
• Include group and collegial learning strategies
• Gradual transfer of learning
• On-the-job coaching is provided
• Learning time is allowed and facilitated
• Export support is provided
• Opportunities to practice and apply knowledge are established

It is important to observe, however, that there is little in this table that could not be described simply as good teaching practice. What is included but might be less often required are a series of recommendations that are responding to the reality that many older workers will be returning to study after long periods of absence and probably with poor study habits and skills and, in many cases, considerable apprehension. Ultimately we agree with Wooden et al (2001)’s conclusion that “the major shortcoming in this body of research is that underlying theories have not been tested … [especially as to] their relative benefit compared with other persons” (p. 41).

VET programs for older workers will need to be tailored to reflect the specific entry-characteristics of this group. In particular, VET provision for older workers needs to be highly customised and targeted to respond to the gaps in individual’s expertise. Broad, generic programs are likely to be perceived as of less value or relevance

Issues for VET

Any assessment of the policy implications an ageing workforce for VET needs to recognise that VET’s ability to achieve change is constrained by its position as only one actor in the web of policy discussed in section 1. Moreover, the context in which VET now operates makes the analysis of the workplace response in section 3 especially significant.
On the raw figures it appears that older workers have represented a growing proportion of VET learners and we have suggested that, in part, this appears to be linked to the recent introduction of existing worker traineeships. However, the recognition that overall participation rates for this cohort have not risen as quickly as enrolment numbers draws attention to the relative decline in other forms of VET participation. As Ball et al (2000) indicate “[t]he primary motivation of older people … for taking a course was to gain extra skills for their job” (p. 9). They noted that 60% of older VET enrolees remained with their existing employer after completing their course. Relatively few (14%) undertook training to change careers.

Thus the demand for VET provision by older people appears to be more selective and focussed than is true in general. Barnet (1999), for example, reports twelve case studies of older learners and notes that they “sought knowledge and skills … to fill gaps in their overall expertise” (p. 101).

VET provision for older workers needs to be highly customised and targeted to respond to the gaps in individual’s expertise. Broad, generic programs are likely to be perceived as of less value or relevance.

Factors influencing participation

Amongst older employed workers the evidence suggests that the greatest factor influencing their participation is their own perception that they do not need or want further training. Wooden et al (2001) carried out extensive analyses of the 1997 ABS training survey and noted that “the likelihood that the respondent indicated they had no need for training increased with age, with a particularly sharp increase in this response [among older workers]” (p. 135). Moreover, in both the 1997 survey and again in the 2001 survey, older respondents were significantly less likely to identify factors inhibiting their participation than were younger workers. Where they did, the most salient reasons advanced by older workers were personal reasons and not associated with the amount of work they were doing or any lack of support from their employers (Wooden et al. 2001, p. 136). Significantly, they also note that the respondents indicated that their attitude might have been different had the training been expected or required by their employers.

However, the position is notably different for those who are unemployed or marginally attached to the labour force. Amongst this group there is a much greater recognition that training might be of value to them. Despite this, the greatest factor limiting their participation in training is lack of interest. Amongst those who, while marginally attached are employed, the lack of training courses that are available at times suitable to their employment appears to be a factor as did the uncertainty as to what training would assist them, given the uncertainty of the employment market at their age.
Wooden et al caution that older workers should not be seen as a homogeneous group in respect to their reasons for participation or non-participation in training. However it appears clear that a pervasive view that training is not needed contributes to the lower participation rates of older workers. While there is evidence that such attitudes may be shifting, this is a position that is unlikely to change as a direct result of marketing by the VET system and may require changes to the practice of employers.

The role of the workplace

Employers are not, as a group, recognising that investing in training of their older workforce may be a worthwhile investment. Consequently there is a particular need to develop persuasive evidence — where the case can be made — of the cost-effectiveness of the proposition. Misko (1999) discusses the problem that stereotypes held by employers of older workers, encourage employers to direct their training investment away from older workers. The workers interviewed by Barnet (1999) were strong in asserting that they had received less than their fair share of attention on training matters and that it was not, so much a matter of being unwilling to be engaged as it was of not being asked.

This picture is exacerbated by the evidence that older workers typically receive substantially lower than average or no benefits from participation in training. Hose in employment appear to be significantly less likely to gain promotion or higher pay, while those who are unemployed are substantially less likely to gain employment on the basis of training than their younger counterparts.

Thus it appears that the twin forces of, on the one hand, disinterest by many employers and, on the other of the absence of employment-based rewards influence the attractiveness of training older workers. The capacity of VET to influence these forces is limited and is best focused on supporting employers to make better use of their older labour force.

The nature of older learners

Notwithstanding the matters discussed above, there are important differences in background, knowledge and expertise that are possessed by older workers and that distinguish them from the populations that have characterised VET provision I the past.

Firstly, as a group, older workers are less well-educated than the average worker. This has implications both for the kinds of programs that are appropriate but also for their willingness to participate. Experience with Labour Market programs in the 1980s and 1990s and subsequent experience in programs for the unemployed demonstrated that many in this category lacked the basic literacy, numeracy and related skills needed to
undertake any form of training. Significantly, the downsizing phenomenon of the 1990s has created a situation where the impact (and hence possibly the need for training) has fallen disproportionately on relatively unskilled older males — a group known to be resistant to training-focussed interventions.

For older workers, their lack of prior — and especially recent — educational experience is a significant issue. Firstly, it limits their interest in, and willingness to engage in, training. Moreover, once engaged, they face a series of difficulties in acquiring the knowledge and skills that are the focus of the program. In the case of vocational skills, it is especially important that they be capable of being practiced and applied within authentic contexts. This is especially difficult for unemployed older persons whose likelihood of employment is low.

VET programs for older workers will need to be tailored to reflect the specific entry-characteristics of this group. It is unlikely that standard courses, unmodified, will meet their needs.

The longer term policy implications

In the longer term, the principal policy issue appears to be that of ensuring that the educational system as a whole is better prepared for demographic changes such as this. The ageing of the Australian workforce has been understood for many years but little has been done to address the situation until recent times.

Ball (1999) has noted that the greater the educational background of older workers, the greater is their likelihood to participate further. Moreover, there is evidence that those older workers whose early training had provided them with more broadly-based knowledge and skills were also those who most profited from education and training in their later years (Barnet 1999).

This suggests that in the long term the greatest contribution VET can make to ensuring that the education and training of Australia’s older workers is most likely to succeed is by VET providing a sound, and broadly-based, education for the younger work force who will, become Australia’s future “older workers”.

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SECTION 4—ORGANIZATIONAL ISSUES AND RESPONSES TO THE AGEING WORKFORCE

This section describes the issue of older workers, within business and organizational contexts, which can inform VET policy makers when developing strategies to enhance the experience of older workers in VET provision.

With the ageing of the population and the increasing reliance on older workers, organizations are coming to realise that they need to implement changes in their human resource management practices and policies in order to account for and best utilise an ageing workforce. James (1997), for example suggests that one of the human resource ‘megatrends’ of the 21st century will be developing ways to manage an ageing population of workers. He argues that companies must acknowledge the motivations of ageing workers and develop ways for older workers to stay in the workforce longer – ways such as flexible scheduling, skill-upgrade training, and elder care’ (p. 457). In Australia, the Council for Ageing in 2000 identified ‘the need for changing employer and human resource practices and attitudes’ as being one of the three major themes related to the ageing of the global workforce (Sheen 2001a, p. 43). Indeed, this is an issue facing managers in the private, public and non-profit sectors (West & Berman 1996).

Given the importance of the ageing workforce to businesses and other work organizations, this section describes current issues that these organizations are facing in regards to older workers, with a particular focus on the training needs of older people at work. To do so, the section reviews literature and research from Australia as well as from the United States, the United Kingdom. The United States and United Kingdom were chosen to be included in the review because both countries are encountering similar demographic changes to those in Australia and because they are the source of much of the international research in the area.

To review the impact of the ageing population on organizations, this section contains five parts.

• The organizational context in which older workers find themselves is reviewed. In particular this is a context where organizations have an entrenched legacy of discrimination against older workers. Indeed, this is a significant challenge for organizational change as older workers come to increasingly dominate the labour market.

• Second although organizations and commentators on business are increasingly recognizing the value of older workers, this reliance provides a paradox for organizations – one where they have systematically discriminated against those workers who they are having to rely on more and more

• Third, the ways in which organizations have responded to, and are planning for, the challenge of adjusting to an older workforce are examined. In
particular, a focus is placed on the new human resource management practices and policies that organizations are using to address this issue.

• Fourth, an assessment is made of the specific implications for training of older workers in organizations

• Fifth and finally, commentary is made regarding the current status of organizational responses to the ageing workforce

Together, this discussion suggests that today’s organizations are in the midst of a transition in terms of making changes to policies and practices that accommodate the ageing of their workforces. Further changes to curriculum, the organization of training and pedagogy are key elements of this process.

**Age discrimination**

Since the mid-1990s age discrimination, or ageism, has become an increasingly common topic discussed in the literature on Human Resource Management (HRM) (Snape & Redman 2003). A key issues for organizations is that while the demographic changes occurring in western societies is leading to an ageing workforce, simultaneously, many organizations have a long history of discriminating against older workers. Such forms of discrimination are said to be related to recessions during the 1980s and 1990s (Patrickson & Hartmann 1995) and an influx of baby-boomers into the workforce in the same period. Thus, the combination of a highly competitive labour market and a large pool of younger workers created a context in which age discrimination developed.

It is broadly recognised that many employers hold stereotyped views of older workers that place them at a disadvantage in terms of employment practices (Taylor & Walker 1998). Indeed, such forms of discrimination are so entrenched that they constitute what has been described as ‘institutional ageism’ (Walker 1993). In a survey by Ginn and Arber (1996) for example more than 60 percent of people over forty years of age reported that they perceived their age as an impediment for their career advancement. In another survey of 500 executives conducted by Drake International in 1999, it was found that mature age workers were the least preferred for recruitment and the most preferred for retrenchment (cited in Sheen 2001b). Further, researchers have also shown that managers rate the promotibility of older workers lower that they do of younger workers (Bennington & Tharenou 1996). In Australia in particular older workers have ‘been disadvantaged in the labour market, finding it more difficult to gain employment, and access to training and promotion, than comparatively younger people’ (Patrickson & Hartmann 1995, p. 35). Further it is acknowledge that as well as having greater difficulty in finding employment and, for those in work, they are more likely to be retrenched in economically difficult times (Yearta & Warr 1995).

Age discrimination is manifest in a range of employment and human resource management practices. Here we canvass three of the main examples of such practices: recruitment, retrenchments and retirements, and training.

**Recruitment**

A key form of age discrimination has been through recruitment practices that favour younger workers (Vine 1999). Historically, such discrimination has occurred on a
formal basis where cut-off ages are set for recruitment purposes (Taylor & Walker 1993; Taylor & Walker 1998; Yearta & Warr 1995). However, in Australia since the 1994 Industrial Relations Reform Act, such discrimination has been outlawed by legislation. Despite the removal of age requirements as a formal selection criterion has not eliminated age discrimination in employment. Indeed, studies on the relationship between age and employment decisions have consistently shown that interviewers tend to favour younger workers over older ones (Sullivan & Duplage 1997). The result is that older workers have more difficulty in finding and employment, and, if re-entering the workforce, often have to accept a salary and/or position lower than that which they exited the workforce on (Choo 1999; Patrickson & Hartmann 1995).

Retrenchment and retirement

In a response to mounting pressures to increase productivity reduce costs in the 1980s and 1990s, many organizations have rationalised their workforces, with older workers having borne the brunt of this process (Arrowsmith & McGoldrick 1997; Walker 1997). Thus, in a bid to reduce labour costs there were increasing numbers of people retiring by age 55, rather than the tradition 65 (Choo 1999; Vine 1999). The incentive for organizations being that voluntary early retirements schemes where significantly less costly than negotiated retrenchment packages (Patterson & Wolffs 1996). In the same period, as many organizations downsized, older workers tended to be disproportionately represented in the total number of people retrenched (Patrickson & Hartmann 1995). This is an important issue as older workers have a significantly lower rate of re-employment than do younger workers (Dawkins & Littler 2001). In Australia such practices have been implemented despite legislation being introduced in 1994 prohibiting employers from dismissing people on the basis of age, except where it is essential for a specific occupation (Industrial Relations Reform Act 1994) and the abolishment of the compulsory retirement age in the Australian Public Service from 1996 onwards (Patterson & Wolffs 1996).

Training

Discrimination also occurs through training. This is reflected in the disproportionately low number of older workers participating in organizationally funded programs. In relation to this, older workers are more likely to experience discrimination in access to training and development programs (Maurer & Rafuse 2001; Snape & Redman 2003). For example, in the United States, the Bureau of Labour Statistics report that opportunities for training drop once a worker reaches the age of 44 (Sullivan & Duplage 1997). Similarly, in the United Kingdom, Warr (1994) found that in many companies older workers receive much less training than their younger counterparts. In a study of UK retail managers, Broadbridge (2001) found that those under 40 reported significantly higher levels of satisfaction with the level of training they received as compared to those over 40.

In terms of public opinion, a 1997 study in Europe reported that 67 percent of respondents believed that older workers were discriminated against when it came to training (reported in Walker 1997). A possible reason for this is the established, yet misconceived, belief that older workers will resist change and are not willing or able to learn new things (Doering et al. 1983). Another related reason being that many older workers experience a decline in self-confidence for career relevant skills development (Maurer 2001) and therefore exacerbate the discrimination by opting not
to participate in training. In an extensive study of employers and older workers in New Zealand, McGregor and Gray (2002) found that older workers are much more positive in their beliefs about themselves than are their employers when it comes to issues of willingness and capability to be trained.

Despite the prevalence of age discrimination in organizations, there is a growing recognition, and evidence base, to suggest that such discriminatory practices are based on serious misconceptions (Sullivan & Duplage 1997). Research has shown that these misconceptions include a general belief that older workers:

- Have lower job performance, are less motivated, have lower levels of job satisfaction and are more difficult to train (Sullivan & Duplage 1997)
- Are less energetic at work (Yearta & Warr 1995)
- Are likely to be in poorer health, are more resistant to change, are more cautious, have lower physical abilities and are more accident prone (Taylor & Walker 1998)
- Are less creative (Shearing 1992; Taylor & Walker 1998)
- Cannot adapt to new technologies (Bennington & Tharenou 1996; McGregor & Gray 2002)
- Are less productive and have lower adaptability to learning new skills (Patterson & Wolfs 1996)
- Are more prone to absenteeism and ill-health (Duncan 2003)
- Are less motivated to keep up to date (Maurer & Rafuse 2001)

Although there is considerable evidence to suggest that such stereotypes are not accurate, they do appear to be persistent (Bennington & Tharenou 1996; Paul & Townsend 1993; Taylor & Walker 1998) and the attitudes of many people in organizations towards older workers has remained negative (Yearta & Warr 1995). Further, such perceptions often persist even at the inter-personal level because as it is less likely that older workers will engage in political behaviour such as using ingratiating influencing tactics to secure positive perceptions from managers (Ferris & King 1992; Forum of Labour Market Ministers 2001)). This in turn both reflects and reinforces broader social prejudice against older people (McGregor & Gray 2002).

Research into the age and job performance by psychologists consistently show that there is no significant relationship between the two ((Arthur et al. 1990; Cleveland & Shore 1992; Doering et al. 1983; Griffiths 1997; McEvoy & Cascio 1989; Schwab &

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5 It is worth noting that while in general stereotypes of older workers tend to be negative, a study of 1,000 employers and 2,000 older workers conducted in New Zealand by McGregor and Gray McGregor, J and Gray, L 2002, 'Stereotypes and older workers: The New Zealand experience', Social Policy Journal of New Zealand, vol.18, pp.163-177. suggested that there are also some positive stereotypes – older workers are generally considered to be more reliable, loyal and committed to their jobs than younger workers. In accord with this, both Duncan Duncan, C 2003, 'Assessing anti-ageism routes to older worker re-engagement', Work, Employment and Society, vol.17, no.1, pp.101-120. and Walker Walker, A 1997, 'Age and employment', Paper presented to The 1997 World Congress of Gerontology — Ageing Beyond 2000: One World One Future. Keynote presentation, Adelaide, 19-23 August. state that positive stereotypes for older workers include the idea that they are more reliable, committed, loyal and are better communicators.
Heneman 1977; Waldman & Avolio 1986; Yearta & Warr 1995)). Even though it can be shown that there is some deterioration of cognitive and motor abilities with age, this is does not imply a concurrent decrease in job performance as the majority of jobs do not require constant performance at maximum capacity; the only exceptions might be outdoor jobs which have heavy physical demands (Czaja 1995). Even on a more practical level, for example, in Australia the ABS National health Survey 1989-90 found that older workers (55-64 years) reported fewer sick days in occupations such as trades, sales, personal services, plant and machine operators, drivers and labourers (reported in Bennington & Tharenou 1996).

Nevertheless, in a survey of five hundred organizations, Taylor and Walker (1998) found negative stereotypes of older workers held by managers was directly related to employment practices that negatively affected older workers. They thus concluded that 'workplace perceptions about older workers … may directly influence not only their prospects for gaining employment but also their prospects for development and advancement within an organization' (p. 654). In Australia in particular a study of employers in Brisbane by Steinberg et al. (1994) reported that employers perceived older workers to be less ambitious, healthy and creative that their younger counterparts. The study also found that older workers were less frequently offered training and they were less likely to volunteer for it those younger workers. In the UK, research conducted by the Department for Education and Employment DfEE published in 2001 revealed that over 90 percent of older workers believed that employers discriminate against older workers in some aspect of employment (Redman & Snape 2002).

Recognition that older workers are important

Against the backdrop of structurally embedded discrimination practice, organizations in general are fast coming to realise that with an ageing population, older workers will be increasingly essential as a significant part of the labour market. There has thus been a call for the implementation of policies and practices to create more diverse workforces in organizations and to directly address age stereotyping and discrimination (Vine 1999). Organizations in western economies have increasingly recognized over the past ten to fifteen years that the ageing workforce has contributed to a situation where ‘human talent’ is will be in shortage. This has meant that organizations have the need to significantly shift their human resource management policies and practice which were developed in an era (the 1980s) where there was a surplus of unskilled workers (Wendling 1988). Many organizations have thus realised the need to plan for predicted labour shortages in the future and to consider how the increased employment of older workers will figure as a key element is such plans (Sullivan & Duplage 1997). Indeed, there has been an awareness of this for some time, especially in the United States (see Cowan 1982; Sonnefeld 1978). Further, in light of how organizations have encouraged early retirement, research is showing that organizations realise that this has also resulted in the loss of difficult to replace skills and experiences (Taylor & Walker 1995). Fear of litigation is also cited as a reason that organisations need to address age discrimination (Maurer & Rafuse 2001). In the US, for example, such practices have resulted in law cases against private and public organisations such as Calpers, Westinghouse Electric, Monstanto and Chevron, Johnson and Higgins, The Pennsylvania State Police and the Kentucky State Police (Wiscombe 2003).
Although the challenges of the ageing workforce are increasingly recognised, the implications for performance and productivity are still not being addressed. A study in the United States in 1994, for example, suggested that whilst more than half of the companies surveyed believed that older workers should be retrained, only 29 percent had training programs in place to do so (Sullivan & Duplage 1997). Further research in the UK indicates that age discrimination may also have negative consequences for employee attitudes and hence for organizational performance and effectiveness (Snape & Redman 2003). In a survey of over 600 workers in a UK local government authority in 1999, Snape and Redman (2003) found that perceived age discrimination is associated with lower levels of worker commitment while at the same time feeling ‘locked in’ to their jobs.

These issues have also been acknowledged by government policy makers. In the US the ‘Age Discrimination in Employment Act (ADA) was introduced back in 1967 (Duncan 2003). This act regulates age discrimination in relation to a range of employment decisions including selection, promotion and termination (Ferris & King 1992). In the United Kingdom since the late 1980s, government programs have been in place to encourage older people (over 50) to remain in, or re-enter, the workforce (Taylor & Walker 1998). More recently the UK government issued a formal report in 1998 called ‘Advantage – A Code of Practice for Age Diversity in Employment’ – this document was designed to offer advice to employers on how to tackle unfair age discrimination (Vine 1999). The UK also has a ‘Employers Forum on Age’ which ‘aims to educate employers about the benefits of age balance in the workforce and the specific benefits of employing mature people’ (Sheen 2001a, p. 43). Elsewhere in 2000, the European Union introduced the ‘EC Framework for Equal treatment in Employment and Occupation Directive (Council Directive, 2000/78/EC) which prohibits discrimination in the workplace based on age, religion, disability and sexual orientation (Duncan 2003). In Australia, since 1991, The Federal Equal Opportunities Act expressly prohibits discrimination on the basis of age and the Federal Workplace Relations Act 1996 makes the dismissal of an employee on the grounds of age unlawful; laws at state levels also exist to make age discrimination unlawful (Hamilton 2001). Australia’s ageing workforce is a political as well as a policy issue – for example Prime Minister Howard has responded to with a commitment to increase the workforce participation of workers aged 55 to 65 by 10 to 15% as a catch-up strategy to match international benchmarks (McCallum & Parsons 2002). At the same time there have been calls for the implementation of more robust legislation to fight age discrimination in employment Australia (Human Rights and Equal Opportunity Commission (HREOC) 2001).

**Strategies for managing an ageing workforce**

The recognition of the increased importance of older workers has significant implications for all aspects of how organizations manage their human resources. As a result, it is anticipated that changes will be required to policies and practices related to areas as broad ranging as ‘workforce planning, recruitment, selection, training, remuneration, performance measurement, career development, disengagement, occupational health and safety, and equal opportunity’ (Patrickson & Hartmann 1995, p. 35). Other proposed changes relate to policies that encourage phased retirement, workforce re-entry, and ongoing training (Choo 1999).
Australian businesses, however, have still not fully embraced the need to develop programs and policies to address the specific needs associated with older workers – indeed, where such programs are in place they tend to focus more on retirement issues that on learning, retraining or flexible employment (Choo 1999). Those organizations who do incorporate age factors in their strategic staffing plans tend to predominantly be large employers such as Telstra and large public sector departments (Patrickson & Hartmann 1995).

The research indicates that the required changes in organizations in order to best utilise and retain older workers relate to the full range of human resource processes. Research in Australia conducted by the Victorian, South Australian and Western Australian Equal Opportunity Commissions and the Australian Employers’ Convention (Brooke 2001) concluded that in response to discrimination, employers need to actively pursue new ways to understand the issues faced by Australian workers as they age. The report (pp. 10-11) suggested three ways that employers could do this:

- Reviewing their current practices in relation to age balance, training participation, older workers’ access to training and promotion as well as age related patterns in outplacement and retirement within their workplace
- Becoming active partners in strategies to enhance the ongoing employment opportunities and achievement to work of people as they age
- Managing change in relation to the ageing demographic of the workforce. This could include the development and promotion of case studies and tools to encourage best practice in age balance.

On a more pragmatic level, researchers and commentators have also suggested specific changes that can be made to human resource practices in order to combat discrimination. Four of the most commonly practices cited as requiring change being: recruitment, flexible job design, diversity and equal opportunity policy and training. Each of these is elaborated below.

Recruitment

A key response to age discrimination is the elimination of age discrimination in recruitment, training and promotion practices (Vine 1999). This can even take the form of positive discrimination where recruitment advertisements are used that specially encourage older workers to apply for jobs (Fyock 1994; Sullivan & Duplage 1997). Other initiatives to address discrimination in recruitment are the training of interviewers to disregard common misconceptions and beliefs that are discriminatory to older workers (Sullivan & Duplage 1997) and the formal monitoring of the demographic spread of application to hiring ratios to monitor potential discrimination (Yearta & Warr 1995).

Flexible job design

It has been suggested that a productive response to the ageing workforce is the redesign of HK policy to accommodate the needs of older workers. In one sense this means redesigning jobs to make them more suitable to older worker and by matching job design to the skills and experience of those workers (Patrickson & Hartmann 1995). Second, it means using flexible benefits, part time work, flexible work
scheduling and incentives for continued employment (Paul & Townsend 1993). Indeed, as such flexible arrangements are also of value to achieving a flexible workforce more generally, they are said to be of benefit both to the organizations that employ them as well as to the older workers. (Arrowsmith & McGoldrick 1997). In particular, for workers approaching retirement part-time work offers a desirable way to transition from full-time work to retirement (Patterson & Wolffs 1996). Further, new technologies such as teleworking have the potential to provide new employment opportunities for older workers (Patrickson 2002).

**Diversity and equal opportunity policies**

A significant response that has been suggested in order to combat age discrimination is the expansion of diversity programs to ensure that older workers have equitable access to training courses and opportunities for promotion (Sullivan & Duplag 1997). This means ensuring that equal opportunity policies specifically address age discrimination (Yearta & Warr 1995). There is some evidence that such polices are beginning to be put in place – in a 1998 survey in the UK, for example, it was found that 40% of workplaces had normal equal opportunity polices that included reference to age (Duncan (2003) citing Cully et al (1998)).

**Training**

Research has shown that older workers are consistently denied equal access to training (Bennington & Tharenou 1996; Choo 1999; Maurer & Rafuse 2001). Given that this is the case, an important organisational response to the ageing workforce relates to ensuring that older workforce have the opportunities to develop new skills. This relates not only to monitoring training activity to ensure that employees of all ages have the appropriate opportunities (Yearta & Warr 1995) but also ensuring that the curriculum, content and pedagogy of programs is suitable to the needs and preferences of older workers.

**Implications for training**

As described above, research has shown that training is one of the most significant areas that needs realigning in order to deal with an increasingly age-diverse workforce (Bennington & Tharenou 1996). Given the increasing prevalence of ‘knowledge work’ in Australian business it is also argued that older workers need to be able to maintain their competence through ongoing training and development opportunities which update their skill portfolios (Patrickson & Hartmann 1995) and that employers need to provide the training and development resources to enable them to do so (Warr 1993). Indeed, the shift away from manual work towards service and knowledge work in industrialised economies is an advantage in that workers are likely to have more opportunities to continue employment in jobs that are less physically demanding (McCallum & Parsons 2002). Further, whereas once mid and late career stages were considered periods of maintenance when new learning was unimportant, today most workers need to learn on an ongoing basis in order to adapt to new technologies and business strategies (Maurer & Rafuse 2001).

The issue of training also relates to the retention of older workers – for example, a study in a large UK retail organization showed that older workers who participated in training were significantly more likely to be retained in an organization that their
younger counterparts (Kern 1993). This concurs with Johnson and Neumark’s (Johnson & Neumark 1997) findings that workers who report having been subject to age discrimination are more likely to separate from their employer. The challenge for organizations is to promote a culture of continual training and development (Arrowsmith & McGoldrick 1997; West & Berman 1996).

The issue of providing training for older workers also relates to problems in how careers in organizations have traditionally been understood. In a time characterised by increased pace of job and skills change coupled with an ageing workforce, the notion of employment stability and linear career progression are no longer as valid as they once where. In place, what is required are opportunities for job re-training for second career and post-career employment (Arrowsmith & McGoldrick 1997; West & Berman 1996) and for using older, more experienced, workers as mentors and coaches for younger employees (Patrickson & Hartmann 1995; West & Berman 1996). In providing such opportunities a key issue is ensuring that older workers have equal access to training (Patrickson & Hartmann 1995).

In addressing the training challenge, the research and literature indicates that training for older workers is not just a matter of redirecting existing programs and method to a different demographic group. Instead, what is required are adaptations to training methods to better suit ageing adult workers (Schabracq 1994; West & Berman 1996). A significant implication of the ageing workforce for training is that older workers respond better (in terms of learning outcomes) to different approaches to training than do their younger counterparts (Sterns et al. 1994). It has thus been shown that older workers can be retrained as easily as younger workers provided that the training methods are suitable to them (Paul & Townsend 1993). In reviewing a broad range of research into learning and older workers, Sullivan and Duplaga (1997) report that learning styles differ with age and that thus, different training methods are likely to more effective with older workers. The types of methods that they report as being more suitable for older workers can be summarised as follows:

Organisation of training materials
- The use of clearly written instructions
- Organising learning materials to facilitate recall
- Ordering of educational materials into small units

Timing and pace
- Varying the amount of time to complete tasks so as to accommodate individual needs
- The use of self-paced training methods such as computer assisted instruction
- Longer training sessions and study periods

Learner involvement
- The use of active learning methods that allow people to learn how things work for themselves
- Providing opportunities to practice skills as they are taught
- Training which older employees were involved in designing

Relevance to work
- Using work-relevant tasks with prompt feedback on performance
- Ensuring that training is directly applicable to work
- Incorporation of on-the-job coaching
- Building new skills on existing knowledge

Support
- Linking successful completion of training programs to valued rewards and incentives
- Provision of clear support for training by management
- Provision of expert support
- Avoidance of competition as a component of training

(Based on: Rosen and Jerdee (1989); Cremer (1994); Sullivan and Duplaga (1997); Greller and Simpson (1999))

Other pedagogical issues involve providing non-threatening environments which do not create competition between younger and older workers, and the provision of
adequate learning time and privacy (Paul & Townsend 1993). Further, the training of older workers has been found more successful when it is openly encouraged by management and is linked to appropriate incentives for completion (Patrickson & Hartmann 1995). As part of this it is also important to acknowledge the valuable experience that older workers bring with them when they participate in training (West & Berman 1996).

Evidence suggests that despite the stereotype of ‘you can’t teach an old dog new tricks’, the facts of the matter are that ‘learning capacities are not reduced as people grow older as long as they are motivated or interested in the subject matter and believe that they are receiving value from the training provided’ (Patterson and Wolffs (1996), citing research by Johnson (1983)). In addition to equality in learning capacity, it is also worth noting that older workers are equally motivated to learn new skills as their younger counterparts, especially if those skills are important for maintaining their employment or improving their circumstances (Patrickson & Hartmann 1995).

Although implementing new pedagogies is an important aspect of adjusting training and development practice for older workers, broader organisational practices are also required to combat age discrimination in training. Maurer and Rafuse (Maurer & Rafuse 2001) classify these into four categories as follows:

<table>
<thead>
<tr>
<th>Culture and policies</th>
<th>Ensure age neutrality in human resources policies and monitor their compliance.</th>
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<tr>
<td>Decision about training and development opportunities</td>
<td>Use job-relevant criteria on an individual basis to make decisions about training and monitor decisions to ensure that older workers have equal opportunities.</td>
</tr>
<tr>
<td>Supervision and developmental relationships</td>
<td>Make managers formally accountable for ensuring equitable access to training through jointly prepared individual development plans for each employee.</td>
</tr>
<tr>
<td>Training managers in legal aspects of discrimination</td>
<td>Offer training to teach managers about age stereotypes and the legal ramifications of age discrimination.</td>
</tr>
</tbody>
</table>

Conclusion

Clearly, the ageing workforce is a key strategic issue for work organisations of all kinds. In facing this issue, organisations have a double challenge – first there is the need to implement policies and practices that are better suited to older workers, and second they need to overcome entrenched practices and cultures of age discrimination. As we have described above, organisations are increasing becoming aware of these challenges. Evidence suggests however, that on a practical level workplace change to adapt to the ageing workforce is still in its infancy with only a minority of employers developing good practice in relation to the management of older workers (Fusaro 2001; Walker 1997). In the United States for example a survey of 773 Chief Executive Officers revealed that only 10% acknowledged demographic changes as a serious management issue (McEvoy and Blahna (2001), citing Powell (1998)). Another US study of 392 human resource professionals found that 82% of employers had not taken steps to address the issue (McEvoy & Blahna 2001). At a line manager level, a survey of line managers at the UK food retailer J. Sainsbury plc showed that there was evidence of confusion in respect to the effects of demographic change on the labour market – often this resulted in the perpetuation of the preference for younger workers (Arrowsmith & McGoldrick 1996). The current situation is one
where although calls to address issues related to older workers have been heard and discussed by organisations, this has not yet resulted in much direct action in many workplaces (Greller & Simpson 1999).

In respect to training, the challenge to adjust instructional methods, the organization of training and the curriculum to the needs of older workers in organisations is clear. What is less clear, however, is the extent to which organisations are rising to this challenge. A study involving 249 human resource managers in US municipal government revealed little evidence to suggest that training programs were being adapted to meet the needs of older workers: only 35% had adopted training to seek the active participation of trainees, only 19% had had made allowances for older workers by providing more time to complete work and only 23% had sought to better organise training materials (West & Berman 1996). In Australia, recent surveys of employers have also shown that older workers are perceived to be difficult to re-train, unwilling to be re-trained and unable to cope with new technology (Schmidt 1999).

In summary, the research suggests that the organizational challenges of the older workforce, especially in relation to training, are significant.

What the research also shows, however, is that these challenges are yet to be fully addressed by organizational practice.
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