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Chartered Institute of
Personnel and Development

Survey report
May 2013

The value of mature workers to organisations in Singapore

insights from Asia

A decorative graphic at the bottom of the page consisting of several overlapping rounded rectangles in blue, orange, green, and purple, arranged in a horizontal line.

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Foreword by the CIPD

We are delighted to be working, once again, in collaboration with the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) in Singapore. Following on from the success of our joint 2010 research *The Fair and Inclusive Journey of Leading Employers*, exploring great diversity practice, we examine here the important issue of the value that mature workers bring to organisations.

This issue is of combined importance to both Singapore and the UK, which both have rapidly ageing populations. In 2050, it is projected that almost a quarter of people in the UK will be aged 65 or over and almost a third of people in Singapore. There is a clear need for both countries to recruit and retain talented older workers to increase their performance and sustainability. In this survey report we explore the attitudes of employers towards mature workers and the return on investment they bring to organisations. We make comparisons, where possible, with the situation in the UK from the CMI/CIPD joint 2010 research.

The findings of this research make for very positive reading – they are encouraging for both the ageing workforce and their employers. Older workers are seen to offer considerable value to organisations. In particular the experience, knowledge and skills of mature workers are regarded as highly valuable. Loyalty, commitment and work ethic are all seen to be strong in addition to the clear perceived cost savings from reduced turnover and absence.

Mature workers are also valued for their important role in mentoring and developing talent and transferring knowledge.

Areas to further improve the value already provided by mature workers include ongoing and tailored training and development, offering more flexible working options and training and support for line managers to improve the way they currently manage older workers.

Claire McCartney and **Dianah Worman**, OBE
CIPD Advisers



Foreword by the TAFEP

The Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) is delighted to partner the CIPD in extending previous research in the UK which explored employers' attitudes towards mature employees and the value they bring to organisations. Given the changing local employment landscape, tightening access of foreign manpower, ageing population and introduction of re-employment legislation, it is timely to enhance the knowledge and develop progressive measures that organisations in Singapore can adopt to better attract and develop mature employees.

Singaporeans are living longer than they have ever lived before. Many are staying fit, active and continue to be able to remain economically active far longer than the previous generations. Employers stand to benefit from reviewing the validity of any antiquated assumptions about age that hold organisations back from tapping into what mature employees can contribute.

This study of employers in Singapore is a helpful reminder that there are already employers who recognise the clear business case for hiring older workers. It is heartening to note that among the employers surveyed, the vast majority (98%) highly value the knowledge and skills of mature workers. More telling is also the realisation that mature workers bring benefits such as higher loyalty and commitment and a stronger work ethic – manifest in lower turnover and absenteeism.

The TAFEP wishes to thank the CIPD for its support in extending its research to Singapore. We also would like to thank the many individuals and organisations who have contributed their views and time.

Tripartite Alliance for Fair and Progressive Employment Practices



Background to the research

Singapore has one of the fastest ageing populations in Asia, which is compounded by a very low fertility rate. The changing age profile of its population together with a tight labour market means it makes business sense to recruit and retain older workers.

The Singaporean Government has introduced a range of initiatives which aim to enable workers to stay employed and work longer. In the end, however, employers also have a critical role to play in helping older workers stay employed. They may need to redesign jobs, adapt workplace practices and upgrade skills throughout employees' careers to enable older workers to remain productive and to fully harness their wealth of experience, skills and knowledge. In addition, prejudices, stereotypes and age discrimination can create barriers that prevent organisations from accessing and retaining the skills and talent they need.

In late 2012, the CIPD and the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) in Singapore collaborated to research employers' attitudes towards mature workers and the return on investment they bring to organisations. The research was conducted through an online survey which set out to examine attitudes towards older workers through questions concerning the characteristics, skills, requirements and cost-benefits of older workers; age-related recruitment preferences; attitudes towards training older workers; retirement policies; and the impact of the re-employment law.

In January to February 2013, HR professionals and senior decision-makers from a wide range of organisations in Singapore were invited to take part in an online survey. A total of 103 people responded. Their demographic and employment characteristics are described in Appendix 1.

This report sets out the findings of the survey, exploring employers' attitudes to mature workers and the value they bring to organisations. Where possible, the results are compared with a similar survey of 1,033 UK organisations, which was conducted by the Chartered Management Institute (CMI) and the Chartered Institute of Personnel and Development (CIPD) in April 2010.ⁱ



Summary of key findings

Attitudes to age

Who counts as 'mature'? – definitions of 'mature' are not limited to employees approaching or over retirement age. Most define 'mature' workers as those aged between 50 and 59 or older, although a substantial minority (of various ages) include younger age groups.

Most organisations are age-diverse – 69% describe their existing workforce as a mixture of ages, an improvement compared with the 2010 survey of UK organisations (59%). Smaller organisations are less likely to have a mix of ages among their employees.

Attitudes to mature workers are overwhelmingly positive – 98% highly value the knowledge and skills of mature workers and 71% disagree that mature workers cost organisations more money.

Managing mature workers presents distinct challenges – 79% agree mature workers expect a better balance between their work and personal life; 38% find managing their career expectations a challenge; 66% believe younger managers often find it difficult managing mature employees.

The value of age to organisations

Mature workers bring many benefits – most commonly greater experience (96%), higher loyalty and commitment (86%) and a stronger work ethic (84%).

Organisations benefit from the skills and competences of mature workers – including better mentoring, leading and coaching (75%), better knowledge of the business and ways of doing things (74%), good transferable skills (68%), better problem-solving abilities (69%), fewer mistakes (66%), a stronger skills base (65%) and better customer understanding (65%).

Younger workers have the edge on sales, flexibility and reduced salary costs – although a sizeable minority (31–41%) report mature workers bring these benefits to their organisations.

Reduced turnover and absence costs – 59% report that compared with a younger person in a similar role, mature employees in their organisation reduce turnover costs and 54% that they reduce absence costs. A quarter report substantial savings (50% or more) in these areas.

Few make the link between the ageing consumer and the ageing workforce – while two-thirds report mature workers have better customer understanding, when asked to provide their own examples of how older workers benefit their organisation, only one explicitly referred to the importance of reflecting ageing consumers in their workforce.



Recruitment preferences

The vast majority focus recruitment on a mixture of ages – most report that recruitment is based on merit or the requirements of the job. Some specifically sought a good balance of ages to benefit from a diverse range of experiences, skills and ideas.

A quarter did not hire any mature employees last year – although this reduced to 7% of those with more than 250 employees. The vast majority (97%) report they do recruit mature hires even if they hadn't last year.

Mature hires have advantages over school-leavers – in particular higher perceived loyalty and commitment (83%), better job-related skills (66%), lower turnover (77%), lower levels of absence (56%) and a higher work ethic (53%). Comments suggest they also require less training time and are more suited to supervisory positions and for handling disputes and conflicts.

The majority report no age-related preference in recruiting – just one in ten prefer mature recruits, mostly due (at least in part) to lower turnover, and just 7% prefer younger employees for various reasons.

Training and developing mature employees

Training and skills development are essential – 72% report this is critical to ensure mature employees can work effectively up to age 62 and beyond.

Older workers need more encouragement to participate in training – 68% report they need more encouragement to take part and 48% that they do not put themselves forward for training.

Mature employees are less adaptable to technological changes – 61% agree and just 7% disagree, although several respondents gave examples of how productivity and efficiency had improved following training mature workers in new technologies. Views on the speed at which mature workers learn new things are more varied.

Organisations need to adapt and improve their training for older workers – 70% agree that mature employees engage better with training if the content and delivery is adapted to their needs. Forty per cent agree their organisation needs to improve its training for older workers.

Mixed views on the cost-benefits of training and development – nearly half agree return on investment is good because mature employees are less likely to leave the company, but most are neutral regarding whether the cost-benefits ratio for training mature employees is weak, possibly because it varies according to the individual involved and the quality and relevance of the training.

Varied benefits of training mature workers – respondents cite varied benefits, including improved productivity, efficiency, communications and customer interface, as well as enhanced motivation, commitment and adaptability of those involved.



Working later in life

Two-fifths report increased interest in wanting to work later in life – predominantly for financial reasons but also for social or personal motivations, including personal fulfilment (62%), contributing to society (56%) and enjoyment (56%).

Lack of interest in continuing to work is mainly due to personal motivations – organisations that had not noticed an increase in desire to continue working mostly put it down to lack of interest or a perception of retirement as a desirable goal. Only a minority cited lack of senior management support, higher healthcare and insurance costs or cultural reasons for people's lack of interest in staying at work, although nearly half cited 'other', unspecified reasons.

Retirement policies vary – most large organisations have the national retirement age of 62, with employees able to work longer subject to mutual agreement. Smaller organisations are more likely not to have a fixed retirement age.

Re-employment in same job for same salary – is offered by 81% of organisations. A quarter offer the same job for less money and a similar proportion offer a different role or re-employment on a part-time basis.

Singapore/UK comparison

Age diversity within organisations – 69% of Singapore organisations report they are age-diverse compared with 59% of the UK.

Attitudes to older workers – Singapore respondents classified workers as 'mature' at a younger age than their UK counterparts classified them as 'older'. Attitudes to mature/older workers were broadly similar where items were comparable.

Training and developing mature workers – encouraging mature employees to take part in training appears to be more of an issue for Singapore respondents than for those from the 2010 UK survey. UK respondents were also considerably more positive about the cost to benefits ratio of training mature employees.

Working later in life – UK organisations were more likely to report they had noticed increased interest in continuing to work later in life over the last five years than Singapore respondents had since the introduction of the re-employment law, possibly due to the smaller timeframe. In both samples one in ten reported a major increase in interest.

Motivations for continuing to work – in both Singapore and the UK the most common motivation for wanting to continue to work was to fund existing lifestyles. Singapore respondents were more likely to report workers were also motivated by a desire to contribute to society and fund elderly dependants, whereas UK respondents were more likely to cite topping up pension/retirement funds.



Attitudes to age

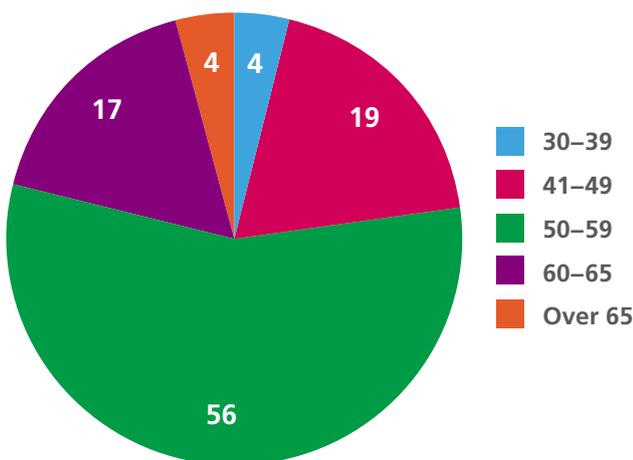
This section starts by exploring who is classified as a ‘mature’ employee and the existing levels of age diversity within organisations. It then examines attitudes towards older workers, including their value, costs and specific management issues.

Who counts as ‘mature’?

Most respondents define ‘mature’ workers as those aged between 50 and 59 or older (Figure 1). A fifth, however, include those aged 40–49, showing that definitions of ‘mature’ are not limited to those near or over retirement age. Moreover, Singapore respondents classified workers as ‘mature’ at a younger age than their UK counterparts classified workers as ‘older’. Four-fifths of Singapore respondents classified employees under 60 as mature, while (in the 2010 survey) three-fifths of UK respondents classified employees under 60 as ‘older’.ⁱⁱ

The age of the respondent had no significant impact on who they classified as mature, unlike in the UK survey where definitions of who counts as ‘older’ increased with the respondent’s age.

Figure 1: At what age would you classify someone as a mature employee? (%)



Base: 103

Age diversity within organisations

Two-thirds of respondents (69%) describe their existing workforce as a mixture of ages, an improvement on the 2010 UK survey findings (59% were age-diverse). Smaller proportions report their workforce is mostly mature (14%) or mostly young (17%).

Larger organisations were most likely to report they were age-diverse (58% of those with fewer than 50 employees were a mixture of ages compared with 65% of those with 50–249 employees and 87% of those with 250 or more employees). Smaller organisations were more likely to be mostly young (28% of organisations with fewer than 50 employees compared with 19% of those with 50–249 employees and 3% of those with more than 250 employees).



This is in direct opposition to the UK findings, where smaller organisations were most likely to characterise their workforce as mature. This may be a result of sampling differences in the industrial composition of the respondents' organisations.

Attitudes to mature workers

There was an overwhelming consensus among respondents that the knowledge and skills of mature employees are highly valuable. There was also general disagreement that mature employees cost organisations more money, debunking the myth that older workers are expensive (Table1).

Nevertheless, attitudes also suggest that managing mature workers can present distinct challenges. While views were evenly split regarding whether mature employees need to be treated differently from younger employees, nearly two-fifths find managing the career expectations of mature employees a challenge and nearly four-fifths agree that mature employees will expect to find a better balance between their work and personal lives. These views did not vary significantly across size of organisation, the age of the respondent or whether they managed mature workers.

Managing mature workers is a particular challenge for younger managers. Overall, two-thirds report that younger managers often find it difficult managing mature employees, but this rose to 82% of those under 40 who manage mature workers (compared with 58% of those over 40),¹ suggesting that older respondents may underestimate the challenges for younger managers.

Attitudes to older workers were broadly similar to those from the UK where the items were comparable. One exception was regarding managing the career expectations of mature workers. UK respondents were more likely to agree than disagree that managing the career expectations of mature employees is a challenge 'to organisations', while considerably more Singapore respondents disagreed than agreed that this was the case 'in my organisation'.

Because the item was rephrased slightly in the Singapore survey, it is difficult to ascertain whether the difference reflects a contrast between organisational realities ('my organisation') rather than general assumptions or stereotypes ('organisations' generally) or a real difference in the level of challenge organisations in Singapore versus the UK face in managing the career expectations of mature employees. With either interpretation, the shift is a positive one.

Table 1: Attitudes towards mature workers (%)

	Agree	Disagree
The knowledge and skills of mature employees are highly valuable.	98	2
Younger managers often find it difficult managing mature employees.	66	34
Mature employees will expect to find a better balance between their work and personal lives.	79	21
Managing the career expectations of mature employees is a challenge to my organisation.	38	62
Mature employees need to be treated differently from younger employees.	51	49
Mature employees cost organisations more money.	29	71

Base: 103



The value of age to organisations

This section compares the benefits mature and younger employees bring to organisations and explores the impact of productivity and cost differences on the bottom line. Finally, it reports on organisations' own examples of how mature employees have or could benefit their business.

Benefits of age

Mature workers were reported to bring many benefits to respondents' organisations (Figure 2). The most common advantages, reported by the vast majority of organisations, include greater experience, previous experience of working in a recession, higher loyalty and commitment and a stronger work ethic. More than three-quarters also reported mature employees benefited their organisations through reduced turnover and associated costs and reduced absence.

These benefits were not related to age classifications of who is 'mature'. The common association of age and health issues clearly does not translate into increased absence in the experience of these organisations. It seems likely that the high levels of commitment and work ethic associated with older workers are linked with lower levels of absence.

Mature employees were also seen to be beneficial in terms of the skills and competences they bring, including better mentoring, leading and coaching, better knowledge of the business and ways of doing things, good transferable skills, better problem-solving abilities and fewer mistakes. Considerably fewer organisations reported younger workers brought these benefits.

Nearly two-thirds reported that mature employees benefited their organisations through better customer understanding and being good organisational ambassadors, while approximately two-fifths reported younger workers brought these benefits.

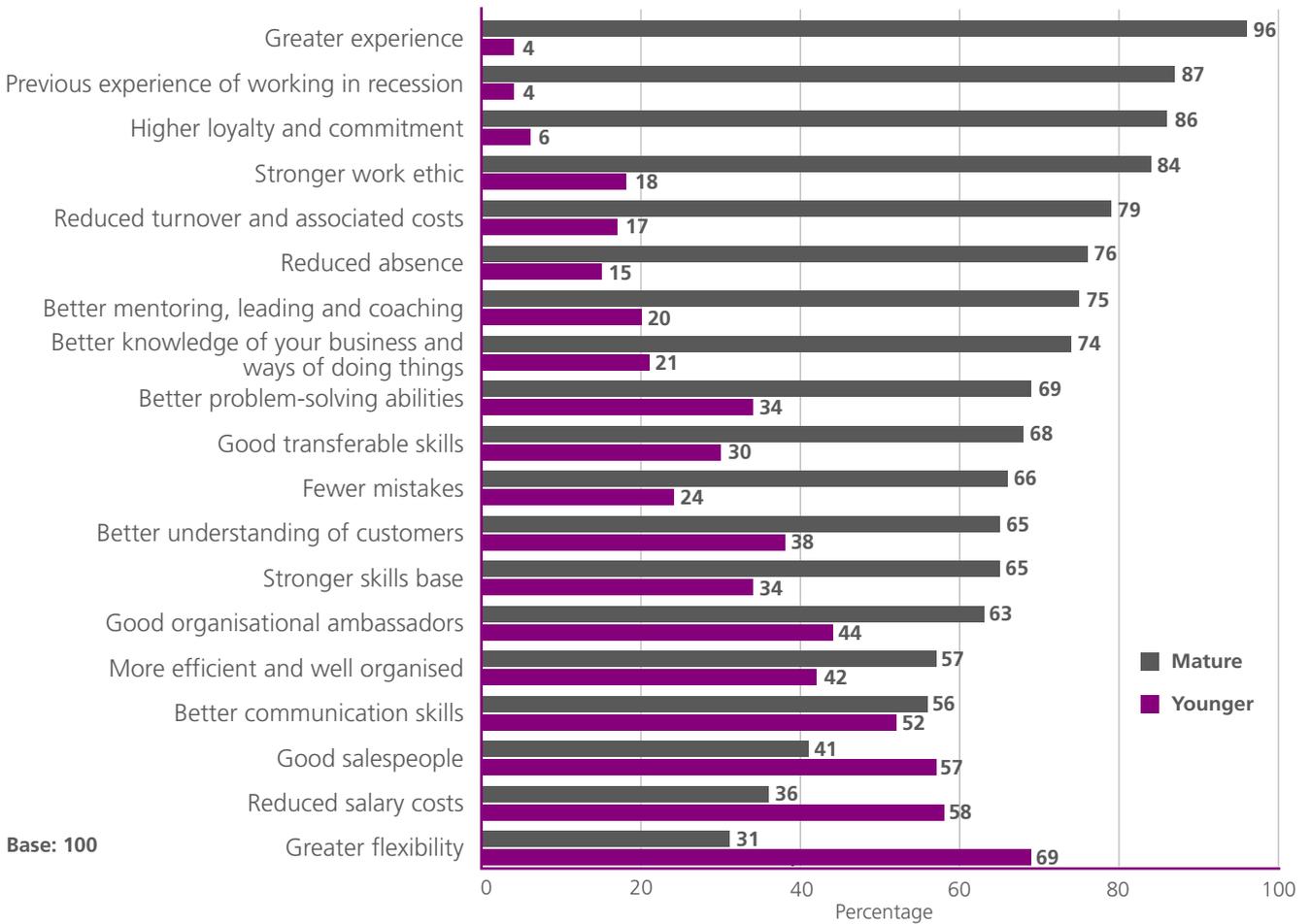
Younger workers were more commonly seen to have the edge when it came to sales and flexibility, although two-fifths reported mature workers benefited their organisation through good sales and nearly a third through flexibility.

Reduced salary costs were also more commonly associated with younger people, although over a third consider them a benefit of older workers. Some organisations may associate older workers with higher health insurance costs, or with higher role levels and consequently higher salaried positions, although they also benefit from reduced CPF (Central Provident Fund) contributions for older workers. Moreover, as seen in Table 1, less than three in ten agree that mature employees cost organisations more money. While only a minority of organisations benefit from reduced salary costs with mature workers, our findings below (Figure 4) suggest that they reduce turnover and absence costs more widely. The findings in Figure 2 and the qualitative comments below also suggest that costs associated with mistakes, supervision and training may be reduced by employing mature workers.

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Figure 2: What benefits do (a) mature and (b) younger workers bring to your organisation (% of respondents)





Mature workers reduce turnover and absence costs

When directly comparing mature employees with younger workers in similar roles, nearly three-fifths of respondents report that mature employees reduce turnover costs in their organisation and more than half that they reduce absenteeism costs. Approximately a quarter report substantial savings (50% or more) in these areas.

A quarter believe that mature workers save salary costs compared with a younger person in the same role, although the extent of the savings varies considerably. This is likely to be at least partly attributable to the reduction in CPF (Central Provident Fund) contributions for older workers. A quarter also report that mature employees have higher productivity/sales compared with younger people in similar roles, although again, the extent varies considerably.

Examples of how mature employees benefit organisations

Fifty-nine people provided their own examples of how mature employees have benefited or could benefit their business.

Experience equates to better quality, results and strategic thinking

More than three-fifths referred in some way to the additional experience, knowledge and skills older workers have accrued. They provided examples of how this has benefited their organisations through the provision of high-quality work, results, goods and services as well as through bringing additional business contacts.

'A pastry chef who is turning 62 this month has been a good chef for [our company] for the past 10 years and he has ... improved food quality in our company.'

'Their wealth of work experience and communication skills – tend to look further and wider ahead.'

Crisis management and problem-solving

Some respondents reported that mature workers' experience increased their ability to solve problems quickly and deal with crises.

'Mature workers bring with them their experience and expertise in their field of work and have more exposure, thus can deal with crises in a more methodical manner.'

'One of the mature sales staff managed to handle and solve the issues of a regular customer after several attempts to persuade and agree on the compensation issues. The young [employee] was unable to handle the nasty customer and was given a "cold shoulder" even with a persistent mind and heart to solving the issue. With the help from a mature employee, the company has managed to salvage the hefty cost [that would have resulted] if the issue was not resolved.'

Coaching, transfer and retention of knowledge

In addition, approximately two-fifths reported that more mature workers benefited their organisations because they were able to transfer their knowledge and experience to others, acting as mentors, coaches and trainers. Retaining older workers was seen to enable 'retention of rich company knowledge'.

'Mature employees ... impart skills and knowledge to younger employees effectively. In this manner, there will be no disruption in continuity and transition...'

'Our SRO manager [62 years old] coaches this team of youngsters with wisdom and patience.'

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Reduced costs

Echoing the findings above, several organisations reported that mature workers benefited their organisations through reducing costs. Several reported that mature workers have lower levels of turnover and absenteeism and (because they tend to be more experienced) need less training, resulting in reduced recruitment, absence and training costs. Others commented that older workers have lower CPF (Central Provident Fund) costs. Some people also commented that older workers require less supervision than younger people, which can further reduce costs.

Strong work ethic and commitment

Mature employees were associated with a strong work ethic, were reported to be committed, 'have strong bonding with the organisation', reliable and 'always on time'.

'Mature employees are intrinsically motivated to work for their living. They have been through several economic cycles, thus are less inclined to quit when they face obstacles in their way. They are also willing to go an extra mile to perform well and take it as part of their job. Mature workers tend to value their jobs.'

Improved customer understanding

The growth in the number of older people with disposable income (the 'silver economy') highlights the value of mature employees in understanding customers through reflecting changing markets. Yet, while a couple of respondents gave examples of how mature workers benefited their organisation through their 'wealth of knowledge and experience in the arena of customer service' (also see Figure 3), just one explicitly referred to the importance of reflecting older consumers in their workforce.

'The ability to understand mature customers' needs and relate better with them are vital.'

These findings echo previous CIPD research (2008) that asked focus groups to think about the business benefits of employing older workers. There, none of the Singapore employers made the link between the ageing workforce and the ageing consumer. In the UK and elsewhere, recognising this link has been a key driver in encouraging employers to change policy and practice.ⁱⁱⁱ



Recruitment preferences

This section explores age-related recruitment tendencies, preferences and perceptions. The majority of respondents report that mature hires have a range of advantages over school-leavers. Most, however, focus recruitment efforts on a mixture of ages and report they have no age-related preference in recruiting.

Most focus recruitment on a mixture of ages

The vast majority of respondents (92%) focus recruitment efforts on a mixture of age groups. The reasons they gave for doing so varied considerably:

Based on merit

Approximately two-fifths of those that focus on a mixture of ages described their approach as based on competency or merit, focusing on the job requirements and the candidates' skills, experience and qualifications rather than age.

Dependent on job requirements

Nearly half, however, implied that age was relevant, mostly because it was associated with experience, but that they focused on a mix of ages according to the position and job requirements.

Based on age-related characteristics

Approximately one in ten referred to particular traits that they associate with mature and younger workers that may influence their recruitment focus depending on the position to be filled. As well as greater experience and skills, mature workers were reported to have several advantages in that they require less training time, are more stable, reliable and loyal ('unlikely to job hop for a few dollars more'). Mature workers were also seen to be better suited than younger ones for supervisory positions and for handling disputes and conflicts. A very small minority expressed a view that some positions may not be suitable for older workers due to physical demands.

Younger people were seen to have different advantages. Faster and 'more efficient' with greater enthusiasm, 'vigour and energy', 'power, agility, speed and accuracy'; they were also seen to be more adaptable, 'more robust and savvy with technology', 'have good ideas', and 'make the working environment more lively'.

Younger workers were also seen to have disadvantages, however, that benefited from more mature supervision.

Pursuit of age diversity

One in seven reported they specifically sought to recruit 'a good balance' of ages, to benefit from the increased creativity, ideas, experience, expertise, skills and attributes that age diversity can bring.

'We are looking for the best people and the best people will of course be a mixture of ages.'

'Hiring is mostly dictated by the type of candidates available who meet our job specs of relevant experience, pay range, qualification, technical competency, ... a whole range of factors.'

'Older workers are welcome as skill comes with experience.'

'Mature employees bring maturity, reliability, knowledge and experience to the table and are a stable and loyal workforce.'

'Sales is fine with younger people who are more daring and aggressive and hungry for orders.'

'Younger workers ... may not have the patience and maturity to handle sticky situations, for example disputes and handling of conflicts, etc, this would require a more mature person with experience who can counsel, mediate and handle such sensitive and critical issues.'



A minority focus recruitment mainly on mature or younger people

Just one in twenty (5%) report they focus mainly on mature people and fewer focus mostly on young people (3%).

Those that focus mainly on mature people report they do so to benefit from their ‘work exposure and experience’ or because they are believed to have advantages over younger workers: they ‘better understand responsibilities and sensibilities’; ‘they care for employers too’; they are ‘more hardworking’ and they ‘last longer...are more serious and diligent in their work’. One respondent reported that they target mature workers because they find it difficult to attract younger people.

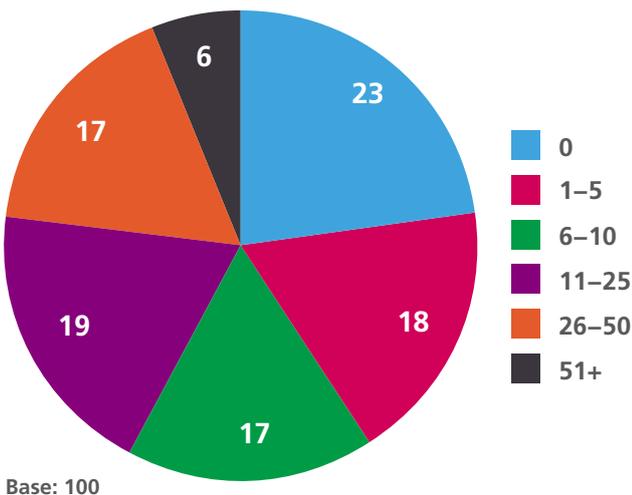
Three people reported that they mostly target younger people. Their current workforce composition was a mixture of ages or mostly mature. Their reasons for targeting younger recruits were related to a belief that they are more ‘dynamic’ or can add ‘fresh ideas’ to a mainly mature workforce.

Almost all recruit mature hires

The vast majority of respondents (97%) report they recruit mature hires. Nevertheless, when looking at actual hires for last year, one in four overall reported that none of their hires were mature recruits (Figure 3). Larger organisations were most likely to have hired mature recruits last year (just 7% of those with more than 250 employees had not recruited any compared with 32% of those with fewer than 50 employees and 28% of those with 50–249 employees).²

Overall, one-third reported that 1–10% of their hires last year were mature recruits while 23% reported that more than a quarter of their new hires were mature. The proportion of mature hires recruited was not related to size.

Figure 3: Approximately what percentage of your new hires last year were mature recruits? (%)





Advantages of mature hires

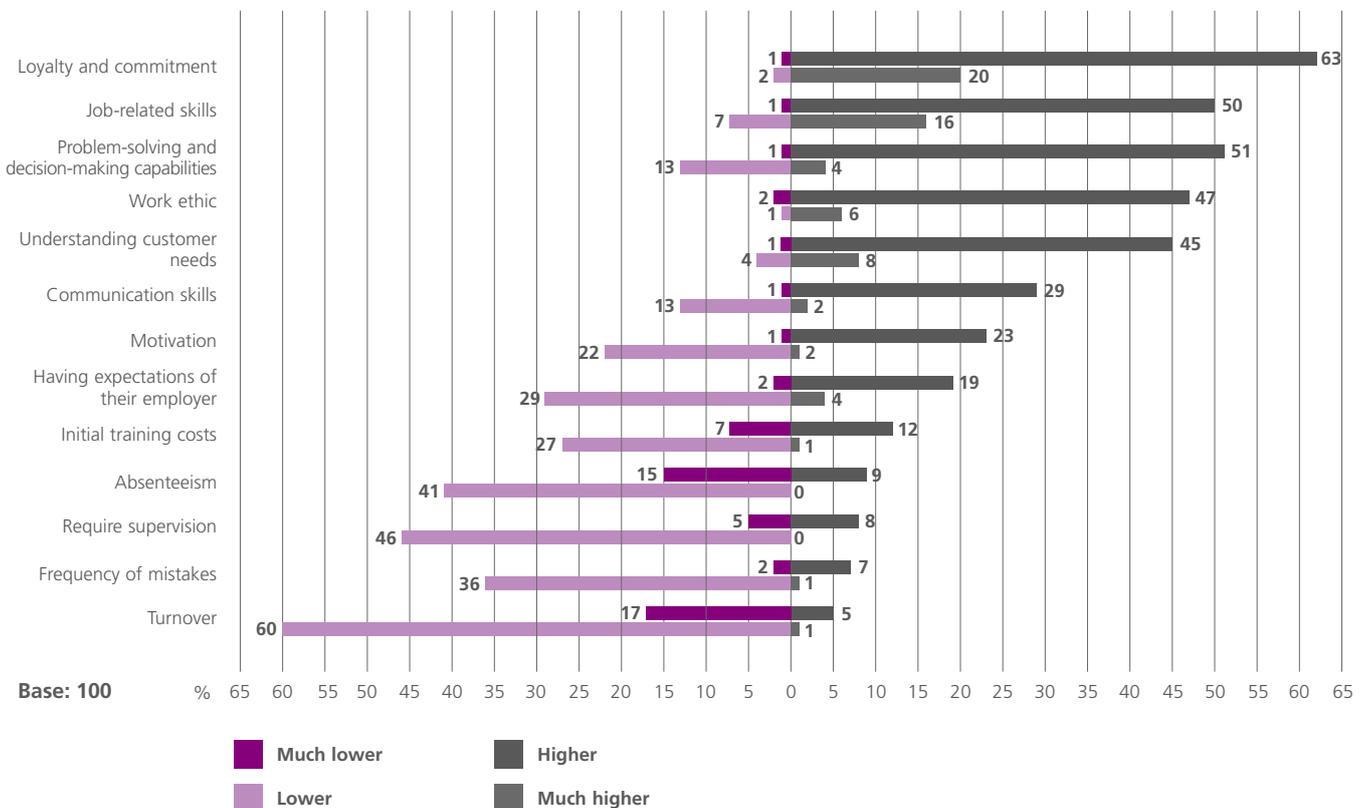
Many respondents associate mature hires with several advantages over school-leavers (Figure 4). In particular, over four-fifths report that mature hires have higher loyalty and commitment and nearly as many report that their turnover is lower compared with school-leavers. Nearly three-fifths also report levels of absence are lower in mature hires. Half believe they have a higher work ethic.

The experience of age brings further benefits to the workplace. Two-thirds believe that mature hires bring better job-related skills than school-leavers and more than half report they are better at problem-solving, decision-making and understanding customers. A similar proportion report they require less supervision.

In other areas, including training costs, motivation, communication skills, frequency of mistakes and expectations of their employer, about half report that mature hires compare equally with school-leavers. The vast majority of those that report a difference, however, generally do so in favour of mature hires, with the exception of motivation, where views are more evenly split; just under a quarter report that mature workers have higher motivation and a similar proportion report they have lower motivation than school-leavers.

Older respondents were somewhat more likely to report that turnover, levels of supervision and initial training costs were lower with mature hires and that their problem-solving and decision-making capabilities were higher, but otherwise there were no significant differences by age, gender or the number of mature hires people managed.³

Figure 4: How mature hires compare with school-leavers (%)





Recruitment preferences

Despite the advantages associated with mature hires (Figure 6), the majority of respondents report they have no age-related preference for employing workers. Just one in ten (10%) report they prefer mature employees and 7% younger employees.

Of the seven respondents who preferred younger recruits, two (29%) reported it was due to lower cost, four (57%) due to higher productivity and three (43%) for other reasons.^{iv} Five (71%) reported that their preference for older employees could be improved through interventions, incentives and/or training.

Of the ten who preferred mature recruits, most reported it was due to lower turnover (90%), four (40%) reported it was due to higher productivity, one due to lower cost and two for other reasons. Three-fifths (60%) reported that their preference for younger employees could be improved through interventions, incentives and/or training.



Training and developing mature employees

Updating and developing skills can increase employees' contributions throughout their careers. Here we look at attitudes to training older workers, the challenges involved and the return on investment.

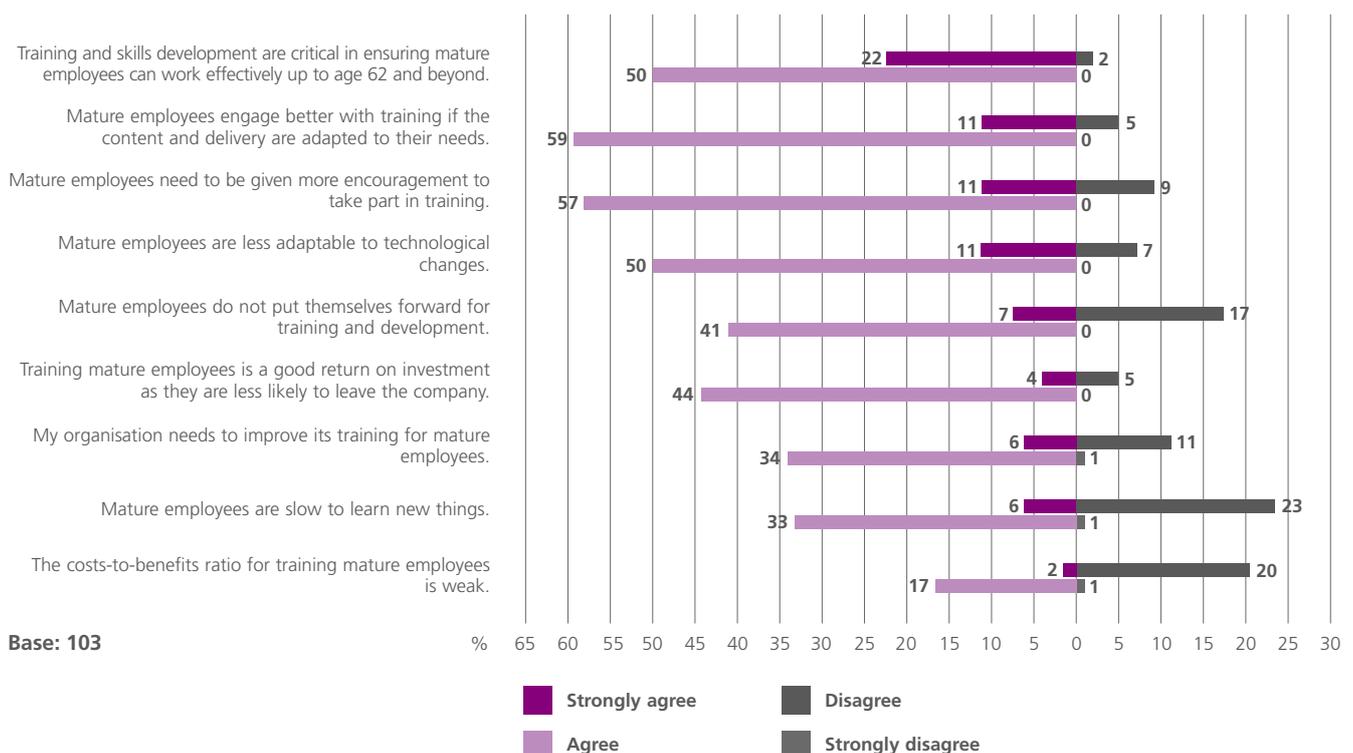
Attitudes to training and developing mature employees

Three-quarters of respondents believe that training and skills development are critical in ensuring mature employees can work effectively up to age 62 and beyond (Figure 5). Nevertheless, two-fifths agree or strongly agree that their organisation needs to improve its training for mature employees. Smaller organisations were particularly likely to report that their organisation needs to improve its training.⁴

Encouraging mature employees to take part in training appears to be more of an issue for Singapore respondents than for those from the 2010 UK survey. More than two-thirds of Singapore respondents agree that mature employees need to be given more encouragement to take part in training compared with less than half of those from the UK. Similarly, nearly half of Singapore respondents agree that mature employees do not put themselves forward for training and development compared with a third of UK respondents.

It is possible that older workers who already feel competent in their job feel that further training is of little benefit to them. This may be particularly apparent where a blanket approach to training is taken and courses offered to groups of employees regardless of their level of experience. Organisations need to ensure they communicate the purpose of training and its benefits in relation to their business needs. Adapting the content and delivery of training is also important as most (70%) feel that this results in better engagement of mature employees with the training.

Figure 5: What are your experiences of training and developing mature employees? (%)



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Three-fifths agree that mature employees are less adaptable to technological changes and few actively disagree with this. Views regarding the speed with which mature employees learn new things are more varied. Two-fifths agree or strongly agree that they are slow to learn new things while a quarter disagree with this.

Views on the cost-benefits of training mature employees are mixed. Nearly half agree that training mature employees is a good return on investment as they are less likely to leave the company. At the same time, however, most are neutral regarding whether the cost to benefits ratio for training mature employees is weak, with about a fifth neither agreeing nor disagreeing with this.

It is possible that most respondents gave neutral responses because they believe the cost-benefits vary according to the individual and/or the training. One person commented: *'For the higher educated and qualified level, return on training investment is negligible.'* UK respondents, however, were considerably more positive about the cost to benefits ratio. They were nearly three times as likely to disagree that the cost-benefits ratio was weak and half as likely to agree.

The Singapore findings suggest that views on cost-benefits are related to views regarding mature workers' motivation to develop and their ability to learn new things. There were significant relationships between views on the cost-benefits ratio and views on how slow mature employees are to learn new things, whether they put themselves forward for training, whether they need more encouragement and whether their organisation needs to improve training.⁵ Given that most agree training and skills development are critical in ensuring mature workers can work effectively in later years, this again emphasises the need for organisations to tailor training to individual and organisational requirements and communicate effectively regarding its purpose.

The organisational benefits of training mature workers

Respondents were asked to provide examples of how investing in training for mature employees has benefited their business. Several reported that training is offered to all employees regardless of age or is based on organisational need.

'All our employees, regardless of age, are sent for competency, skill-gap-based training. Our mature workers are usually enthusiastic in signing up for such programmes and do exhibit new skills acquired.'

Thirty-three respondents provided examples of how investing in training for mature employees has benefited their business:

Increased productivity, efficiency and communications

Most of those who gave examples referred to increased productivity or efficiency as a consequence of training.

'We have invested in training for our cleaners and they are [now] providing good cleaning services that are 100% better than one year ago. This projects a good image for our school.'

Several organisations referred to the increased efficiencies and improved communications obtained through training mature workers in new technologies.

'Sending mature workers for soft skills training, for example on Microsoft Excel, Word etc, has enabled these workers to be more efficient and effective in their work where they used to do everything manually. They are also more likely to interact/communicate better with the younger generation in emails, etc.'

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Improved customer interface

Examples of benefits also included improved customer understanding and service and company image.

'The knowledge and skills acquired give mature employees greater confidence in their customer service and sales approach.'

'It has helped us present more mature, stable and at the same time software-savvy personnel in the provision of services to our clients.'

Increased motivation and commitment to the organisation

Several people also inferred that training mature workers has increased confidence, motivation and commitment.

'Certain hi-tech equipment training has made the mature employees feel important and useful to the company and they work happily.'

'Likely to stay and contribute longer with greater work or self-confidence.'

Increased adaptability

Some organisations reported that training mature workers had provided additional benefits in increasing their adaptability and suitability for alternative job roles and functions.

'They are more adaptable and willing to take up multi-role or multi-tasking.'

'They pick up new skills and we are able to cross-train them for other job functions.'



Working later in life

In January 2012 the Retirement and Re-employment Act (RRA) came into effect in Singapore, requiring employers to offer eligible workers who retire at 62 the option to continue working up to the age of 65. This section examines whether it has resulted in an increase in people wanting to continue to work later in life and their perceived motivations for doing so. It surveys current retirement policies and the re-employment options organisations offer.

Interest in working later in life

Many organisations are already experiencing the impact of the Retirement and Re-employment Act (RRA). More than two-fifths (42%) report they have noticed an increased interest among mature employees in continuing to work later in life since the introduction of the law, although for most (31%) this is a small increase, suggestive of a gradual rather than rapid change. Nevertheless, one in ten (11%) report their organisation has experienced a major increase. A further fifth do not know if their organisation has experienced increased interest. There was a small but significant relationship between size of organisation and increase in interest, with larger organisations reporting more interest.⁶

The UK survey, conducted in April 2010 before the phased introduction of the abolition of the UK Default Retirement Age was announced, asked a similar question but incorporated a longer timeframe, asking whether organisations had experienced an increased interest among older workers in continuing to work later in life *over the last five years*. Three-fifths reported they had. As with Singapore respondents, most organisations reported the increase was small but 11% reported a major increase. Singapore respondents were twice as likely to report they had not experienced an increase (39% compared with 21% of the UK), although this may be due to the longer timeframe in the UK question.⁵

Motivations for extending working life

Most of those who had noticed an increase cited multiple motivations for employees' desire to work later in life (Figure 8). Most encompassed financial reasons, including: to continue funding their existing lifestyle (87%); to top up their pensions/retirement fund (49%); to support dependent children (33%) or elderly dependants (33%). In addition, approximately three-fifths felt people wanted to continue to work for the personal fulfilment it gave them (62%), in order to contribute to society (56%) or for enjoyment of the social aspects of work (56%). Work clearly plays an important and multifaceted role in people's lives.

Motivations varied somewhat compared with the 2010 UK survey. While the most common reason for continuing to work was funding existing lifestyles, Singapore respondents were more likely to cite ability to contribute to society and to be able to fund elderly dependants as motivations, whereas UK respondents were more likely to cite topping up pension/retirement funds, many of which were very negatively affected by the 2008 banking crisis and subsequent recession.⁷

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Table 2: Motivations for working later in life
(% of those who have seen an increase in interest to continue working since the RRA came into effect)

	Singapore (base: 45)	UK 2010 (base: 709)
To be able to continue funding their existing lifestyle	87	89
Personal fulfilment from work	62	68
Ability to make a contribution to society	56	33
Enjoyment of the social aspects of work	56	62
To top up their pensions/retirement fund	49	72
To be able to support dependent children	33	34
To be able to fund elderly dependants	33	20

Of those who had not seen an increase among mature workers in continuing to work, a quarter reported it was because older workers aren't interested in staying on and just over a fifth that retirement is perceived as a desirable goal. Only a minority felt it was because continuing to work was culturally undesirable, because there was a lack of senior management support or higher healthcare and insurance costs (Table 3). Nearly half felt it was due to other reasons not listed.

Table 3: Reasons older workers do not continue to work later in life
(% of those who have not noticed an increase in interest to continue working since the RRA came into effect)

	Base (n)	%
Older workers aren't interested in staying on	9	24
Retirement is perceived as a desirable goal	8	21
There is a lack of senior management support	3	8
Higher healthcare and insurance costs	3	8
It is culturally undesirable	2	5
Other	18	47

Base: 43 (this question was not asked in the UK survey)



Retirement policy

Retirement policies varied according to organisational size. Nearly three-fifths overall report they have the national retirement age of 62, with employees able to work longer subject to mutual agreement, although this was more common in larger organisations (Table 4). Overall, a third of organisations, rising to nearly three-fifths of small organisations (fewer than 50 employees) had no fixed retirement age. Only a very small minority have a normal retirement age below or above the National Retirement Age.

The Singapore sample was more likely than the UK to report they had no fixed retirement age (UK: 16%), even when sample differences in the size of organisations were taken into account. A higher proportion of UK organisations (19%) had a normal retirement age below the UK Default Retirement Age of 65, which has subsequently been abolished.

Since the introduction of the Retirement and Re-employment Act (RRA) 2012, most respondents report their organisation offers re-employment in the same job for the same salary (Table 5). A quarter report they offer re-employment in the same job for less salary (42% of these also offer re-employment on a part-time basis). Just one in ten report they offer re-employment with reduced benefits and fewer offer re-employment with enhanced benefits. Size of organisation did not have a significant impact on re-employment options.

Table 4: What is your organisation's current retirement policy? (%)

	All (base: 103)	Size (number of employees)		
		<50 (base: 36)	50–249 (base: 37)	250+ (base: 30)
The National Retirement Age of 62, with employees able to work longer subject to mutual agreement	57	44	51	80
No fixed retirement age	34	56	32	10
A normal retirement age below the National Retirement Age of 62	6	–	14	3
A normal retirement age above the National Retirement Age of 62	3	–	3	7

Base: 103

Table 5: Since the introduction of the RRA does your organisation offer...? (%)

Re-employment in the same job for the same salary	81
Re-employment in the same job for less salary	24
Re-employment in a different job/role	26
Re-employment on a part-time basis	24
Re-employment with reduced benefits	10
Re-employment with enhanced benefits	5

Base: 80 (23 respondents reported they didn't know; they are excluded here)



Conclusions

The findings of this research are extremely encouraging for the ageing workforce and their employers. There is a general consensus that older workers offer considerable advantages to organisations. In particular, the experience, knowledge and skills of mature workers are regarded as highly valuable.

Mature workers are also seen to have high levels of loyalty and commitment coupled with a strong work ethic, with many organisations benefiting as a consequence from reduced turnover and absence costs. Mature employees also play an important role in developing talent and transferring knowledge, through mentoring, leading and coaching.

The research found no evidence for some of the negative stereotypes that are associated with age. For example, as noted above, rather than having higher absence as a consequence of deteriorating health, most believe mature workers have lower absence than younger workers, probably a consequence of their strong work ethic and commitment. There was also general disagreement that mature employees cost organisations more money, debunking the myth that older workers are more expensive.

Most employers report they do not have age-related preferences when it comes to recruitment, focusing primarily on merit or the requirements of the job. Nevertheless, comments suggest that age is relevant when it is associated with experience, particular competences and attributes, or for organisations who specifically seek a good balance of ages to benefit from the advantages of diversity.

While mature employees are seen as extremely valuable to organisations, the findings here suggest that customised approaches may be needed to engage and motivate them and maximise their productivity in later years. The findings highlight the following areas for attention:

- *Training and development for mature workers* – most believe that training and skills development are critical in ensuring mature employees can work effectively up to age 62 and beyond. The findings also suggest that mature workers may need additional encouragement to take part in training. To engage them, organisations need to tailor training to individual and organisational requirements and communicate effectively regarding its purpose and benefits.
- *Train and support line managers* – managing the career expectations of mature workers can be a challenge for organisations and younger managers in particular find it difficult managing mature employees. Clear policies, training and support can help ensure line managers are up to date on re-employment options and age-related management issues. Managers need to avoid making assumptions about individuals' career ambitions. They need to implement timely communications regarding individual needs and how they align with those of the organisation to help retain mature employees in ways that add value, ease transitions and allow for succession planning.
- *Flexible working options* – the majority of organisations report that mature workers expect a better balance between their work and personal life. Flexible working options can help them achieve this and consequently can be beneficial for recruiting and retaining talent.



Appendix 1: Sample characteristics

Organisation profile

Most respondents worked for small and medium-sized organisations with between 10 and 249 employees, although very small and larger organisations were also represented (Table A1).

They came from a range of industries (Table A2), with the vast majority in the private sector (private: 81%; public: 11%; voluntary, community and not-for-profit: 9%). Two-thirds (67%) described their organisations as local, while 12% reported they were international and 21% multinational.

Respondent profile

Most respondents worked in HR (83%) and two-thirds (68%) were female. Nearly half were in senior or director-level roles, while just 15% did not have managerial roles (Table A3). All junior and non-managers worked in HR.

Respondents represented a range of age groups, although only 7% were over 60 (Table A4). Just under half managed 1–10 mature employees while a quarter managed more than 20 mature employees (Table A5). Just a fifth report they do not manage any mature employees.

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Table A1: Profile of respondents, by size of organisation (%)

Number of employees	%
Fewer than 10	7
10–49	28
50–249	36
250–499	13
500–999	8
1,000–4,999	7
More than 5,000	2

Base: 103

Table A3: Position in organisation (%)

Director and above	25
Senior manager	22
Middle manager	29
Junior manager	9
Non-manager	15

Base: 103

Table A4: Age of respondent (%)

Under 30	10
30–39	27
40–49	26
50–59	30
60–65	6
Over 65	1

Base: 103

Table A2: Distribution of responses, by sector (%)

Manufacturing	19
Electricity, gas and air-conditioning supply	3
Construction	9
Wholesale and retail trade	5
Transportation and storage	9
Hotels, restaurants and food and beverages	9
Information and communications	6
Financial and insurance activities	2
Professional, scientific and technical activities	7
Administrative and support service activities	4
Public administration and defence	5
Education	9
Health and social services	3
Other	12

Base: 102

Table A5: Number of mature employees managed by respondent (%)

0	19
1–5	36
6–10	13
11–20	8
21–50	16
50–100	3
101+	5

Base: 103



Note on abbreviations, statistics and figures used

Some respondents did not answer all questions, so where percentages are reported in tables or figures, the respondent 'base' for that question is given.

All figures have been rounded to the nearest percentage point. Due to rounding, multiple response options or 'don't know' responses, percentages may not always total 100.

Different statistical tests have been used (depending on the type of analysis and the measures used in the questionnaire) to examine whether differences between groups are significantly different than could be expected by chance and to examine associations between measures. Tests used include Chi-Square (χ^2), Spearman's rho (ρ) and Kendall's tau-c. We report on statistics at the generally accepted level of significance, $p < 0.05$.

¹ $\chi^2 = 3.7$ with continuity correction, $df = 1$, $p < 0.05$, $n = 83$ (respondents who manage mature workers).

² $\chi^2 = 6.7$, $df = 2$, $p < 0.05$, $n = 100$.

³ Age and turnover: $\rho = -0.21$, $p < 0.05$, $n = 100$; Age and require supervision: $\rho = -0.26$, $p < 0.05$, $n = 100$; and initial training costs: $\rho = -0.25$, $p < 0.05$, $n = 100$; Age and problem-solving and decision-making: $\rho = 0.21$, $p < 0.05$, $n = 100$.

⁴ Kendall's tau-c = 0.23, $p < 0.01$, $n = 103$.

⁵ Cost-benefits ratio and how slow mature employees are to learn new things: $\rho = 0.36$, $p < 0.001$, $n = 103$; Cost-benefits ratio and whether mature employees put themselves forward for training: $\rho = 0.54$, $p < 0.001$, $n = 103$; Cost-benefits ratio and whether mature employees need more encouragement: $\rho = 0.30$, $p < 0.01$, $n = 103$; Cost-benefits ratio and whether their organisation needs to improve training for mature employees: $\rho = 0.23$, $p < 0.05$, $n = 103$.

⁶ Kendall's tau-c = -0.27 , $p < 0.01$, $n = 83$ ('don't know' responses excluded).

⁷ In 2010 the Office for National Statistics (ONS) reported that the recession wiped more than 400 billion sterling off the combined value of the country's pensions in a single year. Companies also reduced the amount they were putting into workers' pension schemes.

Notes

ⁱ CMI and CIPD. (2010) *Managing an ageing workforce: how employers are adapting to an older labour market*. London: Chartered Institute of Personnel and Development.

ⁱⁱ This was not due to age differences between the samples.

ⁱⁱⁱ CIPD. (2008) *The ageing world: exploring the response of employers*. Research Insight. London: Chartered Institute of Personnel and Development.

^{iv} More than one reason could be given.

^v In both surveys a further fifth (19%) reported they didn't know.

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sustainable organisation performance

Insights from Asia is one of the four themes in our Sustainable Organisation Performance research programme. The other three themes are future-fit organisations, stewardship, leadership and governance, and building HR capability. Within each of these themes we will research a range of topics and draw on a variety of perspectives to enable us to provide insight-led thought leadership that can be used to drive organisation performance for the long term.

insights from Asia

building
HR capability

stewardship,
leadership
and governance

future-fit
organisations



Chartered Institute of Personnel and Development
151 The Broadway London SW19 1JQ UK
Tel: +44 (0)20 8612 6200 Fax: +44 (0)20 8612 6201
Email: cipd@cipd.co.uk Website: cipd.co.uk

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