

A changing world: Adapting to an ageing population in the workplace

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With better health and longevity, lower birth rates, and the ageing of baby boomers, the world is seeing a major change in demographic trends. While most discussions about population ageing turn around the sustainability of pension systems, a recent ILO meeting focused on the impact of the greying of societies on labour supply in the retail commerce sector, an industry that has traditionally drawn a large proportion of its workers from people aged 30 and under. Tara S. Kerpelman, a Geneva-based journalist, reports from Switzerland and India.

By 2050, two billion people will be aged 60 or over, a proportion that brings with it many implications for society. The Organisation for Economic Co-operation and Development (OECD) estimates that over the next 50 years, its member countries will see a steep increase in the share of elderly persons in the population, as well as a steep decline in their prime working-age populations.

The impact of this transition means that there will also be a change in the labour supply. Many industries will have to adjust either by bringing more of the youth population into its workforce or by attracting more workers from the older population segment.

The concerns are especially critical for the retail industry, which is well-known for its high level of labour intensity and above-average labour turnover rate. In its report to the meeting on *Adapting work processes and working environments in retail commerce to older workers' needs*, the ILO suggests that the sector should review its employment practices, work processes and working environment to improve its ability to attract and retain more people aged 50 and over, especially in sales and customer service roles.

Last September, the ILO addressed this challenge in a forum with government, employers' and workers' representatives called *The Global Dialogue Forum on the Needs of Older Workers in relation to Changing Work Processes and the Working Environment in Retail Commerce*, held from 21 to 22 September 2011.

"We organized the Forum at the behest of the social partners, who confirmed that demographic trends make it difficult for them to continue to attract workers from their traditional labor pool of young workers," said John Sendanyoye, Executive Secretary of the meeting and ILO Commerce Sector Specialist. "The meeting was intended, among others, to help come up with measures and policies that allow them to increase their ability beyond that labour pool of young workers; to extend it to older workers."

According to Peter James Stark, Spokesperson for the workers at the Forum, there is an urgent need for such measures. "We have a sense that the commercial retail sector is not quite geared towards keeping the elderly workers in the workplace. And while we do have to focus on getting the younger workers in, we also have to be aware of the demographic changes that are happening and that we need to make extra efforts to tailor the workplace to elderly people, especially since in most places around the world, governments are trying to increase the retirement age," he said.

Good practices that could be implemented, such as training, development and promotion, flexible work practices, ergonomics and job design were suggested in the ILO report and were among the topics discussed.

"People will be working beyond traditional retirement ages"

"Retailers are just now coming to grips with the challenges of serving their customers in an ageing society," said Peter Woolford, Executive Director of the Canadian Employers Council and the employers' spokesperson at the ILO meeting in September. "All participants recognized that the world is getting older, and that for a variety of reasons people will be working beyond traditional retirement ages," he said. "This will require changes in the workplace, both to accommodate these workers and to take advantage this resource."

An entity that is not yet seeing the demographic change as an immediate problem is the Migros Cooperative, the leading private commercial retailer in Switzerland, employing more than 83,000 people. With more than 7,600,000 people in Switzerland, this means that about one person in every 100 works for this retailer.

"This gives our company an enormous socio-economic responsibility," said Jean-Charles Bruttomesso, Director of Human Resources and Culture at Migros Geneva. "And we are a company that lives and breathes diversity – our employees represent more than 90 countries, from every age group."

Almost 25 per cent of the Migros Geneva workforce is over 50 years old. "It's mostly because people stay with us long-term," Bruttomesso said. "We focus on recruiting a lot of young people for apprenticeships or students for part-time work, but we have a good number of older workers who stay with the company for years because they like it," he said.

But some older employees do join the company later in life. For example, Erna Jaccard, 58, has worked at Migros Geneva for almost a decade where she started as a cashier. "This wasn't my original career path; I was a telegraph operator for the state," she explained. "But once my pension closed, my situation became a bit difficult and at 49 years of age I decided to re-enter the workforce."

"I wanted to work part-time. By working at Migros, I can get out of the empty house and still spend time with my grandkids," Jaccard said. Furthermore, since joining, she has also worked as a customer service representative. "The company trained me to be a cashier when I first arrived, and later on I was retrained to help people with their queries at the desk," she explained.

Migros has approached the expected greying of the workforce in several ways, namely by heavily recruiting and training young workers. "So far we don't have a lack of them, and they seem to enjoy working here," Bruttomesso explained. "Geneva has many educational institutions with students looking for part-time work so we're lucky that way."

Gear training to workers' needs

"Training and human resource policies and programmes should be geared to workers' specific needs, with the employer recognizing that everyone, at every age, thinks and learns differently," Sendanyoye said. "It's not simply an issue of offering such things, but there is the implied responsibility that the employer delivers this in a satisfactory way."

And Migros Geneva already has this idea in mind: it believes in training its employees, young or old. "Your capacity to learn doesn't diminish with age: it's a question of tackling training differently at different stages in life," Bruttomesso said.

According to the ILO's John Sendanyoye, social dialogue among governments, employers and trade unions in the sector could greatly facilitate the adoption of effective measures to enhance the sector's ability to attract and retain workers of all ages in a highly competitive demographic context. "Such dialogue – a bedrock principle of the ILO – is crucial to ensuring that the measures adopted in this regard are well suited to the specific characteristics and needs of the retail industry," he concludes.

Migros Geneva retains its employees by using a three-pronged approach:

- Lifelong learning – the company encourages its employees to take advantage of training or classes, both for personal and professional learning, and even provides them with CHF 10,000 to do so.
- Flexibility – the company offers more than 300 types of full-time and part-time jobs throughout its structure and employees can apply for jobs in different sectors. Learning skills for a new career is encouraged. Since there are also many different Migros locations, employees can also request to be moved to another store if this fits in better with their needs.
- Health – the company is well aware of the unique concerns older workers may bring to the table but no matter the age of the employee, Migros encourages them to become more aware of and attentive to their health. The employees are also offered free screening services on-site at least once a year, as well as optional health checkups at a local private hospital. They are also offered one additional week of holidays once they reach the age of 50.

The situation in developing countries – India

“While developed countries have advanced the furthest in this demographic transition, most developing countries are expected to be similarly affected in the decades ahead, although it is difficult to predict how closely the effects will resemble those in the more developed countries.”

John Sendanyoye, ILO Commerce Sector Specialist

Challenges

Most of the Indian population doesn't have social security or any form of pension fund, said Mathew Cherian, HelpAge India's Chief Executive. As a result, when elderly people do not work past the retirement age of 60, they are likely to slip below the poverty line.

“Post-retirement opportunities in India are very few and far between,” Cherian explained. “And when you're poor the reality is you have to work until you fall dead.”

The Indira Gandhi National Old Age Pension Scheme is trying to help by delivering 200 rupees per month, or about US\$4, to elderly below the poverty line aged between 60 and 79, and 500 rupees per month, or about US\$10, to those aged 80 or over. “Unfortunately, the current food prices are so high that this is just not enough,” Cherian said.

Possible solutions

We need to have two kinds of policies for the long term:

- Post-retirement opportunities to retrain older workers so they can perform other jobs or have other careers. “Most older people like to work,” Cherian said. “Give them an occupation and it's a service to the community and it gives the older worker satisfaction: it keeps them happy and gives them value.”
- Planning for later life so people have a fund to live off of in retirement, and are also cared for properly. “Right now, children are migrating in large numbers to urban areas and joint families are being broken up,” Cherian said. “Once the children migrate, the older workers need to work their own land and take care of themselves, but sometimes they just can't and feel they've become a burden.”