PRODUCTIVITY OF MATURE AND OLDER WORKERS: EMPLOYERS' ATTITUDES AND EXPERIENCES

Richard Pickersgill, Chris Briggs, Jim Kitay, Shannon O'Keeffe and Alban Gillezeau
Productivity of Mature and Older Workers:
Employers' Attitudes and Experiences

Richard Pickersgill, Chris Briggs, Jim Kitay, Shannon O'Keeffe and Alban Gillezeau

ACIRRT Monograph No. 13
Published January 1996

by

Australian Centre for Industrial Relations Research and Teaching (ACIRRT)
Institute Building, HO3
University of Sydney  NSW  2006
Australia

Tel:    (02) 351 5626
Fax:    (02) 351 5615
Email:  acirrt@sue.econ.su.oz.au

Editor:    Merilyn Bryce
Formatting:  Michelle Spartalis
Printing:    University Printing Service

ISBN 1 86451 206 7
Contents

1. Introduction 1

2. Issues Raised in the Literature on the Mature and Older Workforce 4


4. Case Studies: Overview and Findings 38

5. Discussion and Policy Implications 49

References 55

Appendix
Case Study Reports 58
List of Tables and Figures

Table 3.1: Males and Females 45 Years and Over: Labour Force Status, August 1992 18

Table 3.2: Females 45 Years and Over: Labour Force Status, August 1992 19

Table 3.3: Males 45 years and Over: Labour Force Status, August 1992 20

Table 3.4: Females 45 to 64 Years: Labour Force Status by Age Group; August 1966 and August 1992 21

Table 3.5: Males 45 to 64 Years: Labour Force Status by Age Group; August 1966 and August 1992 22

Table 3.6: Females 45 - 64 years; Labour Force to Population Ratios, August 1966 and August 1992 23

Table 3.7: Males 45 - 64 years; Labour Force to Population Ratios, August 1966 and August 1992 24

Table 3.8: Success Rates of Labour Market Programs for Age Groups (1992-4) 34

Table 3.9: Reasons Stated for Continuing to Work (+50 years) 37

Figure 3.1: Employed Persons by Industry Persons 1966 and 1991 Proportion of Total Employment 25

Figure 3.2: Employed Females by Industry 1966 and 1991 Proportion of Total Employment 26

Figure 3.3: Employed Males by Industry 1966 and 1991 Proportion of Total Employment 27

Figures 3.4: Female Full Time Employment to Population Ratios 1966 and 1992 29
Figure 3.5: Male Full Time Employment to Population Ratios by Age 1966 and 1992 30

Figure 3.6: Female Part Time Employment to Population Ratios 1966 and 1992 31

Figure 3.7: Male Part Time Employment to Population Ratios by Age 1966 and 1992 32

Figure 3.8: Positive Outcomes from Labour Market Programs by Age and Sex 35

Figure 3.9: Labour Market Programs for Long Term Unemployed by Age Group 36
1. Introduction

1.1 BACKGROUND TO THE PROJECT

The Mature Workers Advisory Committee of the NSW Office of the Ageing commissioned ACIRRT to collect evidence regarding employers' attitudes and experiences in relation to older workers.

The research for this project built upon the work undertaken by REARK Research reported in July 1994. That report expressed reservations about the 'references to outstandingly successful members of the older work-force' suggesting that:

'... references to 'stars' (ie; Maggie Tabberer, Kerry Packer etc) may actually re-enforce negative stereotypes of the older workforce as such individuals would be perceived ... to be well outside the norm of the average worker approaching employers for a job.'

It therefore recommended that changing attitudes and practices of employers with respect to older workers may be facilitated by:

'... the use of concrete examples of situations in which business can be significantly impacted through the effective use of older workers or through discriminatory practices.' (REARK pp. 3-4)

1.2 THE AIMS OF THIS PROJECT

The results of the survey and focus groups undertaken for the above report did not investigate the social and organisational context in which policies and practices
about the employment, assignment of work tasks and the employment experience of mature or older workers operate. This project has sought to address these issues through:

- a short review of recent research;
- a description of the effect of demographic change on the labour market; and
- short case study investigations covering four industry sectors

1.3 METHODOLOGY

The research used a multi-method approach. The components were:

A short literature review of recent overseas and Australian research on the older worker - with a focus on studies that may have included references to productivity issues;

A review and synthesis of labour market data including ABS Census, the Retrenched Workers Survey and the Australian Workplace Industrial Relations Survey (AWIRS);

Case studies of five workplaces covering four different industry sectors and five occupational areas in order to identify issues of policy and practice in a range of contexts. The five case studies undertaken were:

The 'A' Bank

A service sector enterprise where the employment of older workers is part of the organisation's overall employment strategy.

Australian Industrial Relations Commission

A group of older managerial/professional employees who perform a range of specialised skills which are positively related to age and experience.
Chapter 1

The 'Long' Corporation

A construction employer undergoing a process of workplace reform.

The 'Premier' Group

A small-to-medium manufacturing enterprise with a relatively older workforce which has been rescued from collapse through the introduction of new technology and a transformed, flexible production system.

Grocery and Variety Retailer

A service sector organisation which is part of a large chain which employs casual and permanent part-time mature age workers.

1.4 STRUCTURE OF THE REPORT

The report is structured as follows:

Section 2 provides a definition of 'mature aged' and the 'older labour force' and summarises the approach to employment and productivity issues for mature aged and the older workforce as they have been presented in recent literature;

Section 3 provides a synthesis of the labour market experiences of the target age groups based on a 26 year time series (1966 - 1992).

Section 4 summarises the findings of the cases studies undertaken for this project, and

Section 5 presents conclusions and policy implications.
2. Issues Raised in the Literature on the Mature and Older Workforce

2.1 THE DEFINITION OF A 'MATURE' OR 'OLDER WORKER'

The Australian Bureau of Statistics defines older or mature workers in the labour force as 'those from the age of 45 to the age of eligibility for the aged pension'. With the growth of anti-age discrimination legislation and an apparent desire of many workers to continue in employment past the age of eligibility for the age pension this definition may become increasingly less relevant as a basis for analysis. As the case study of the Industrial Relations Commission in this report shows, this definition is, in practice, somewhat inadequate, particularly where persons in this age category operate relatively autonomously in a professional environment. The definition however is the one which is used for published labour force statistics.

This report therefore uses the definitions preferred by the Council of the Ageing for older or mature age workforce. The labour market statistics which follow therefore use the following break-downs:

- 15-19 years (teenagers);
- 20-24 years (young adults);
- 25-44 years (prime aged);
Chapter 2

- 45-64 years (mature aged);
- 65 years and over (older labour force).

This breakdown is more useful than a simple ‘over 45’ category as both previously published research and the case study research for this project indicate that the over 45 group is not homogeneous but is segmented by a range of characteristics. These include previous industry experience and sex, as well as age group.

This segmentation of the over 45 age group implies that the development of appropriate strategies and policies to meet the needs of mature age workers would also need to consider the specific characteristics of target groups. Any policies which assumed that the group was homogenous would be unlikely to achieve optimum effectiveness.

2.2 DEMOGRAPHIC CHANGES IN THE AUSTRALIAN POPULATION

Demographic changes in the Australian population and in the participation rates of various age groups in the labour market over the past 25 years indicate the increased importance to the economy of the contribution from the over 45 year old group.

The average age of the Australian population has increased from 27.5 years in 1971 to 29.6 years in 1991. This is projected to reach 32.5 by 2001. Reflecting this rise in average age of the population is the ABS prediction that the annual labour force growth rate will fall from 1.7% to 1.1% by 2005. (Patrickson & Hartmann)

This increase in the average age of the population combined with a predicted fall in labour force growth rates indicates the possibility of both labour shortages and increased socio-economic costs if employment practices do not respond to and encompass the actual and potential contributions to productivity which the group may offer.

2.3 THE IMPORTANCE OF PARTICIPATION OF MATURE AGED AND OLDER WORKERS IN THE LABOUR FORCE

The last decade has seen significant restructuring of the Australian economy with the intention of improving both productivity and quality of output in order to respond to global competitive pressures. Industry, skill formation and labour market
policies including the recent Working Nation programs have all been predicated on increased productivity through the greater acquisition and utilisation of skills.

As noted above, the average age of the working population in 2001 is predicted to be 32.5 years and, in addition, approximately 80% of the current workforce is predicted to remain in the workforce at that time. It is apparent that improvements to productivity required in all sectors of industry will depend upon the contributions of those currently described as mature aged as well as a substantial proportion of the workforce currently defined as 'prime aged' who will be moving into the mature aged group. In addition, the extension of anti-discrimination legislation to encompass age discrimination indicates that many persons currently defined as mature aged or part of the older workforce will be both available, desiring to remain in paid employment and have at least formal legal support to remain in paid work after reaching a pensionable age.

In these circumstances policy decisions which may be taken now are likely to have long term effects on our future capacity to improve productivity, while negative assessments by employers of the capacities of mature age and older workers, which are not soundly based, may have negative effects on the capacity of those enterprises and organisations in the future.

The coincidence of an aging population and slowing rates of labour force growth indicates that if there is no change in employment practices towards mature and older workers there will be a range of socio-economic costs. For example, the cost of social services will spiral placing steadily increasing burdens on an already stressed social welfare system while labour shortages, and skill shortages in particular, may grow while an ever-growing proportion of the population may be locked out of the labour market and the talents and skills of mature and older workers will be inefficiently utilised.

Current employment and recruitment practices suggest that the long term implications of these demographic changes have yet to be appreciated in strategic human resource planning by many companies. Employers still appear to be demonstrating a preference for younger workers.

A recent study by DEET shows that over 50% of job-seekers aged 45 and over identified their age as the main barrier to employment and only 15% mentioned 'no
vacancies in the line of work' or 'no vacancies at all' as the main barrier to employment.

These perceptions have been most recently reflected in the hearings of the Senate Employment, Education and Training Committee looking at long-term unemployment. For example, in evidence in May this year (1995) a placement officer in the Mature Workers program stressed 'the widespread nature of age discrimination'. When questioned as to his understanding of the level of awareness of age discrimination legislation he claimed that employers were generally unaware of the implications (in NSW) of the Anti-Discrimination Act, claiming that:

'... the New South Wales government did a survey last year and it really only confirmed what people at the grassroots have been aware of for some time and that is that the general attitude seems to be that older people are not up to speed, that indeed they cannot cope with the learning exercise that may be required to bring them up to speed. They (are perceived as) not able to cope with business pressures of the day and therefore they are not seen as valuable employees.' (Hansard, uncorrected proof, Senate Committee on Employment Education and Training; Long Term Unemployed; Campbelltown, 4 May 1995)

In the same report of hearings a range of witnesses expressed similar views about their own experiences with employers and with employment initiatives more generally. Clearly, from this evidence, there is a widespread experience of age discrimination and a perception that, whatever its legal status, age discrimination is seen as a more significant barrier to employment than is the availability of appropriate employment.

2.4 TRENDS IN THE CURRENT RESEARCH ON MATURE AND OLDER WORKERS

The demographic changes and the importance of sustained competitiveness in global markets are similar themes in all developed economies. Literature in the United States and Britain on the older worker asks similar questions, uses similar methodologies and - notwithstanding some differences attributable to variations in institutional and policy patterns, such as pension and health insurance schemes - reports similar findings. The Australian literature has taken its lead from the existing
body of United States and British literature. In aggregate, the findings based on measurements of individual difference suggest that, with the exception of work involving intense physical effort, there is little measurable difference in capacity as an employee ages.

The main areas of inquiry have been in the psychological and organisational behaviour areas and have therefore tended to concentrate on attitudinal factors such as those which impact on the practices of employers towards the hiring, deployment and promotion of older workers, the attitude of older workers towards employment and the retirement decision and quasi-medical measurements of psycho-motor capacity on the productivity of older workers. There is some more recent but limited work on the influence of legislation on the employment of older workers. Almost non-existent is any detailed research on the effect of changes in labour and product markets.

2.5 ATTITUDES AND PRACTICES OF EMPLOYERS TOWARDS OLDER WORKERS

The Australian, United States and British literature uniformly reports that there is significant discrimination against older workers by employers. Mature workers, for example, are less likely to be employed than younger workers because 'many companies have policies (stated or implicit) regarding maximum age on entry' (DEET, 1989)\(^1\). Falconer & Rothman in a recent large survey found one-third of respondents said they would 'rarely' hire employees over 45 and that employment agencies 'often screen out workers over 40' (Falconer & Rothman, 1994) while Steinberg et al. in a large Queensland study also found 'minimal interest in recruiting anyone over 45' (Steinberg et al., 1994).

Mature and older workers have also been found to receive unequal treatment on a range of work practices such as lower levels of training and retraining (Encel et al., 1992; Steinberg et al., 1994) and lower promotion rates.

Industry restructuring would also appear to have differentially affected industries where mature and older workers have also been retrenched in large numbers as part

\(^1\) Cited by Encel et al. (1992)
of restructuring exercises via early retirement packages. Such packages would appear to have been used frequently by managers as a relatively 'painless' mechanism for labour shedding, especially during recessions such as the 1982/82 and more recent recession (Maxwell, 1987; Patrickson & Hartmann, 1992). This process appears to have been rationalised by management as mature and older workers tend to be seen as being emotionally and economically better prepared for retrenchment. Retrenching older workers before younger workers - with the assistance of early retirement packages - is also seen by employers as an equitable way of managing a reduction in the labour force. (Maxwell, 1987; Patrickson & Hartmann, 1992).

The response by mature and older workers who have been made redundant by this process is that they often become discouraged job seekers, lose confidence in their abilities - particularly their capacity to cope with new technology and undergo retraining - and even leave work on the basis that they feel that is what management wants them to do (ABS Cat no 6222.0 cited by Office of the Ageing 1991).

2.6 PRODUCTIVITY AND ITS RELATION TO HUMAN RESOURCE PRACTICES

Discriminatory human resource practices which either explicitly or implicitly discriminate against mature or older workers appear to be founded on perceptions that they are less productive employees on a range of indicators. The themes in the literature both in Australia and overseas reveal a common pattern of managerial perceptions of older workers. A collection of stereotypes appear to be held where mature workers are commonly regarded as superior to younger workers on one set of criteria but inferior on another, more important set of criteria.

Differing Perceptions of Mature or Older Workers

Older workers are considered to have the advantages of greater experience and maturity; a more developed work ethic and higher job commitment and are regarded as more reliable and loyal and having lower rates of turnover and absenteeism (Encel et al., 1992; Falconer & Rothman, 1994; Hackett, 1990; Meier, 1988). However, these qualities are overwhelmed by
... the perceived disadvantages of older workers (which) ... appear to be critical success factors for business survival. (Falconer & Rothman, 1994:3)

Experience, which was rated as the greatest positive attribute of mature workers in the survey conducted by Falconer & Rothman (1994) could also be seen as problematic. Managers also volunteered 'unsolicited' opinions that mature workers were 'inflexible' and 'unable to change' because of an unstated perception that 'experience' was related to 'entrenched work habits'. In an environment that is attempting to introduce new work organisation and work practices and therefore equates employee 'flexibility' to labour productivity the perceptions of managers reported by Falconer & Rothman are significant.

In general, research reports that the common negative perception of employers of mature and older workers are that they:

- have 'deteriorating physical and mental abilities';
- are not receptive to new technology;
- are more resistant to organisational change;
- lack the appropriate skills and are difficult to retrain; and
- lack the drive, ambition, energy and creativity of their younger counterparts. (DEET, 1989; Falconer & Rothman, 1994; Meier, 1988; Steinberg, et al., 1994; Taylor & Walker, 1993; Taylor & Walker, 1994)

The consensus of the research is that although mature workers are regarded by employers as possessing 'more desirable psycho-social qualities', they possessed 'fewer productivity-related skills' (Steinberg et al., 1994)

2.7 THE PRODUCTIVITY OF OLDER WORKERS: CURRENT EVIDENCE

Most studies on the productivity of older workers challenge the validity of these perceptions and employer assessments that mature and older workers are less
productive than younger workers. This research ranges from quasi-scientific analyses of the relationship between physical capacities and age to statistical analyses of employment data and a small but growing body of qualitative case study research primarily conducted in the United States.

The evidence is far from comprehensive, but collectively it concludes that generalisations about age and productivity should be treated with considerable reservation and are extremely difficult to substantiate.

Quantitative Research

The consensus amongst researchers who have investigated the relationship between age and dimensions of work-related physical and mental capacities is that there are 'very small average age-related declines for workers 45 and over' (Office of Ageing, 1991)

Patrickson & Hartmann (1994) cite a study by Warr (1992) which investigated the relationship between age and four types of work performance. This showed:

- there were improvements in 'verbal comprehension';
- no relationship between age and 'immediate memory' or 'complex reasoning';

and

- a negative but remedial relationship between age and 'reaction time, working memory and fluid intelligence'

The World Health Organisation reported that:

"... only in 'the acquisition, storage and retrieval of information and in the performance of short term memory' were there 'age related difficulties'" (Patrickson & Hartmann, 1994);

and the Office of Ageing synthesised a body of research which determined that:

"... there were (only). small declines in 'reaction time and physical strength". (Office of Ageing, 1991)
However, these commentators also stressed that where there was an identified decline in some aspect of performance, such as physical strength, they were usually offset by a range of 'tacit skills' and experience related qualities. It was concluded that:

'. . . almost all research into the productivity of older workers has shown it to compare quite favourably with that of other workers from other age groups . . . precisely because of their seniority and experience'. (Office of Ageing, 1991)

Only in jobs which 'require constant physical effort' is there doubt about the relative productivity of older workers. On this question, Patrickson & Hartmann summarise scholarly opinion in the following manner:

'. . . although the weight of evidence indicates changes in the physical, physiological and psychomotor performance, these are generally not sufficient to preclude performing physical tasks efficiently, especially given recent technological developments which reduce dependence on physical human inputs and they can be compensated through appropriate job redesign practices.'

**Qualitative Research**

A small but growing body of overseas case studies are also challenging the widespread perception that as workers age they become increasingly inflexible, incapable of adapting to new technology or of being retrained.

Three detailed case studies conducted in the United States and Britain in three large corporations - a major hotel chain, a financial services corporation and a large retail chain - found that older workers were capable of adapting to new technology and change through retraining although they required longer periods of and different types of retraining. They were also just as 'productive' and 'cost-effective' as younger workers. All three corporations found older workers flexible, efficient and, in some instances such as sales occupations, clearly superior to younger workers (Barth & McNaught, 1991)
Similarly, two case studies which investigated the adaptation of mature and older workers to computer-based technology in offices found that their performance did not vary from younger workers although they did respond to a slower pace of retraining. Other studies, laboratory and work-based, have come to similar conclusions about older workers and retraining. (Meier, 1988)

Overseas case study research, as in the rest of the literature on mature and older workers, has reached the general conclusions that:

- there are considerable individual variations in performance within age categories;
- that generalisations about age and performance are suspect; and
- that the performance of employees should be judged on an individual basis rather than by external characteristic such as age. (Berkowitz, 1988; Barth & McNaught, 1991; McEvoy & Cascio, 1989; Office of Ageing, 1991; Patrickson & Hartmann, 1994; Steinberg et al., 1994; Waldman & Avolio, 1986)

2.8 GAPS IN THE LITERATURE

A weakness common to much of the literature - especially in Australia - is a failure to relate the attitudes and practices of employers towards older workers to the form of and variations in markets, organisations and employment strategies.

Whether differences are unacknowledged and employers are treated as an essentially homogenous group (implicitly assuming they operate within similar contexts and pursue similar objectives) or differences are acknowledged and used to select a 'representative' sample population (eg. public/private sector, large/small employers), analyses of attitudes and practices are collated and aggregated without regard to market context or organisational strategies.

To understand the attitudes and practices of employers towards older workers and develop appropriate mechanisms requires us to view employers' behaviour in the context of organisational responses to the demands of product and labour markets.
The value of disaggregating and contextualising the attitudes and practices of employers towards older workers for shaping existing data into a more meaningful form is demonstrated by a recent study conducted by two British academics (Taylor & Walker, 1994). They uncovered a similar general pattern of employer assessments and perceptions of mature and older workers to other researchers. That is, employers were found to regard qualities such as the loyalty and reliability of mature and older workers positively but viewed the same group negatively with respect to the possession of appropriate skills, the ability and willingness to adapt to new technology, to undertake retraining and with respect to their 'flexibility'.

However, when employers were grouped into broad industry sectors some important differences were found to exist. Service sector employers were more positive towards older workers and in particular were more likely to rate them 'very productive employees'. Manufacturing or construction employers on the other hand were more likely to consider that older workers were 'hard to train' and 'lacked creativity'. These findings appear to confirm other limited evidence from the United States and Britain which indicates that service sector employers appear to be employing older members of the workforce in increasing numbers. (Barth & McNaught, 1991; Hackett, 1990)

Taylor & Walker have interpreted these differences in assessments of the capacities of mature and older workers as reflecting the impact of uneven changes in sectoral labour markets. Contractions in the youth labour market appeared to have affected employers in the service sector more than other sectors and as a consequence employers had been forced to recruit workers from older age cohorts.

Service sector employers appear to have re-evaluated their recruitment policies when they discovered attributes popularly identified in older workers as positive (maturity, personality, reliability, lower turnover rates) were more important than popularly perceived negative attributes in service sector jobs requiring less training and skill. Another recent British survey cited by Taylor & Walker also found that retail and finance sector organisations were recruiting older workers but they felt that they were 'suitable for employment only in low skill, low responsibility jobs'.

It is noticeable from this research that, although mature and older workers were being targeted for recruitment, employment practices nonetheless were consistent with existing prejudices. The targeting of older workers revealed in this study,
Chapter 2

particularly for low skilled jobs requiring little or no training, was a response among service sector employers to labour shortages. Taylor & Walker suggest that this means that mature or older workers are still regarded as a category of employee distinct from, or irrelevant to, broader human resource management strategies.

2.9 CONCLUSIONS FROM THE EXISTING LITERATURE

By disaggregating findings into broad sectoral groupings and examining them in the context of market change and organisational strategies, a more accurate and comprehensible picture of employers attitudes and practices emerges. For example, the significance of the co-existence of positive assessments such as greater reliability and lower turnover with negative assessments related to adaptability to technological and organisational change and retraining becomes clearer.

If Taylor & Walker's findings and conclusions are placed in the context of observed trends in manufacturing such as the acceleration of technological change, the accelerated obsolescence of skills and the associated increase in the frequency and importance of retraining, the concerted drive for multi-skilling and workplace flexibility to meet changes in the dynamics of product markets, it becomes clear just how substantial a barrier to employment these attitudes represent for older workers in manufacturing. Despite increases in employment for mature and older workers, services sector employers do not seem to have substantially changed their assessments of the suitability of older workers for skilled work.

It would appear to be labour market changes, rather than changes in management perceptions, that have altered employment practices and that these have generally only occurred in the lower skill segments of the services labour markets.

These attitudes and market changes do not, of course, have uniform implications for older workers. Older workers, like the rest of the population, are far from being a homogeneous group. Patrickson & Hartmann (n.d.), for instance, divide them into 'self-employed, professionals and senior managers' who work with high levels of autonomy and pay, unskilled workers for whom low pay supplements pension benefits and women in low paid, unrewarding work with little financial independence.

On the basis of the trends identified in current research there is a real possibility that the outcome of employer adaptations to changes in product and labour markets may
have serious social and economic costs. Older workers with a range of valuable experience-related skills may be under-utilised, manufacturing employers may continue to chase an ever-diminishing pool of younger workers while older workers made redundant by changes in industry structure or with intermittent attachment to the labour market may become, over time, increasingly concentrated in low skill, low responsibility, poorly paid service sector jobs or face involuntary unemployment or early retirement from the labour force.
3. Labour Market Experience of Mature Age and Older Workers in Australia

3.1 Employment and Labour Force Status of Mature Workers

The employment rates and labour force status of mature workers have undergone significant changes in the last 25 years. Using 1992 as the base year, Table 3.1 below shows that, workers defined as 'mature age' (45-64 years) had an unemployment rate of 7.5% compared with the average rate for all age groups of 10.6%.

Aggregate unemployment rates for the 45 year and over age group can therefore be seen to be lower than the average rate for the labour force as a whole.

---

The figures in Section 3 have been kindly supplied by John Freeland and are taken from an unpublished paper (1994) produced for the Office of the Aging. 1992 has been used as a base year in tables for consistency. The interpretation of tables and figures are, however, the responsibility of the authors.
### Table 3.1 Males and Females 45 Years and Over: Labour Force Status, August 1992

<table>
<thead>
<tr>
<th>AGE PERSONS</th>
<th>employed (000)</th>
<th>unemployed (000)</th>
<th>labour force (000)</th>
<th>unemployment rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>45-54</td>
<td>1441.7</td>
<td>102.7</td>
<td>1544.4</td>
<td>6.6</td>
</tr>
<tr>
<td>55-59</td>
<td>383.5</td>
<td>33.3</td>
<td>416.8</td>
<td>8.0</td>
</tr>
<tr>
<td>60-64</td>
<td>191.4</td>
<td>26.9</td>
<td>218.3</td>
<td>12.3</td>
</tr>
<tr>
<td>TOTAL 45-64</td>
<td>2016.6</td>
<td>162.9</td>
<td>2179.5</td>
<td>7.5</td>
</tr>
<tr>
<td>65 +</td>
<td>104.2</td>
<td>1.9</td>
<td>106.1</td>
<td>1.8</td>
</tr>
<tr>
<td>55 +</td>
<td>679.1</td>
<td>62.1</td>
<td>741.2</td>
<td>8.4</td>
</tr>
<tr>
<td>45 +</td>
<td>2120.8</td>
<td>164.8</td>
<td>2285.6</td>
<td>7.2</td>
</tr>
<tr>
<td>TOTAL 15-65</td>
<td>7679.3</td>
<td>906.4</td>
<td>8585.7</td>
<td>10.6</td>
</tr>
</tbody>
</table>

*Source: ABS, The Labour Force, Australia, August 1992, Cat No 6203.0*

However, this aggregate data hides significant differences related to sex and age group. Substantial differences in various age strata, and between males and females, should caution against interpreting average results as indicative of the experiences of the total mature age cohort.
For example, as Tables 3.2 and 3.3 below indicate, female mature age unemployment rates were 5.1% compared with an overall female unemployment rate of 9.5% while males had rates of 8.9% and 11.3% respectively.

### Table 3.2   Females 45 Years and Over: Labour Force Status, August 1992

<table>
<thead>
<tr>
<th>AGE FEMALES</th>
<th>employed (000)</th>
<th>unemployed (000)</th>
<th>labour force (000)</th>
<th>unemployment rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>45-54</td>
<td>594.4</td>
<td>36.6</td>
<td>631.0</td>
<td>5.8</td>
</tr>
<tr>
<td>55-59</td>
<td>131.1</td>
<td>4.6</td>
<td>135.7</td>
<td>3.4</td>
</tr>
<tr>
<td>60-64</td>
<td>44.6</td>
<td>0.3</td>
<td>44.9</td>
<td>0.7</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1246.5</td>
<td>121.4</td>
<td>1367.9</td>
<td>5.1</td>
</tr>
<tr>
<td>45-64</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>65 +</td>
<td>24.9</td>
<td>0.6</td>
<td>25.5</td>
<td>2.4</td>
</tr>
<tr>
<td>55 +</td>
<td>200.6</td>
<td>5.5</td>
<td>206.1</td>
<td>2.3</td>
</tr>
<tr>
<td>45 +</td>
<td>795.0</td>
<td>42.1</td>
<td>837.1</td>
<td>5.1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>324.5</td>
<td>342.0</td>
<td>3587.8</td>
<td>9.5</td>
</tr>
</tbody>
</table>

Source: ABS, The Labour Force, Australia, August 1992, Cat.No. 6203.0
### Table 3.3  Males 45 years and Over: Labour Force Status, August 1992

<table>
<thead>
<tr>
<th>AGE MALES</th>
<th>employed (000's)</th>
<th>unemployed (000's)</th>
<th>labour force (000's)</th>
<th>unemployment rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>45-54</td>
<td>847.3</td>
<td>66.0</td>
<td>913.3</td>
<td>7.2</td>
</tr>
<tr>
<td>55-59</td>
<td>252.4</td>
<td>28.7</td>
<td>281.1</td>
<td>10.2</td>
</tr>
<tr>
<td>60-64</td>
<td>146.8</td>
<td>26.7</td>
<td>173.5</td>
<td>15.4</td>
</tr>
<tr>
<td>TOTAL 45-64</td>
<td>1246.5</td>
<td>121.4</td>
<td>1367.9</td>
<td>8.9</td>
</tr>
<tr>
<td>65 +</td>
<td>79.2</td>
<td>1.3</td>
<td>80.5</td>
<td>1.6</td>
</tr>
<tr>
<td>55 +</td>
<td>478.4</td>
<td>56.7</td>
<td>535.1</td>
<td>10.6</td>
</tr>
<tr>
<td>45 +</td>
<td>1325.7</td>
<td>122.7</td>
<td>1448.4</td>
<td>8.5</td>
</tr>
<tr>
<td>TOTAL 15-65</td>
<td>4433.4</td>
<td>564.4</td>
<td>4997.8</td>
<td>11.3</td>
</tr>
</tbody>
</table>

*Source: ABS, The Labour Force, Australia, August 1992, Cat.No. 6203.0*

However, unemployment rates for a single year do not adequately indicate the extensive changes in participation rates and the increase in unemployment rates which have occurred over time. This can be seen when the changes in labour force status for different age strata in the over 45 year age group is given over a period.

Tables 3.4 and 3.5 (below) indicate some of these changes of over a 26 year period from 1966 to 1992.
Table 3.4  Females 45 to 64 Years: Labour Force Status by Age Group; August 1966 and August 1992

<table>
<thead>
<tr>
<th>AGE GROUPS</th>
<th>FEMALES</th>
<th>employed full-time (000's)</th>
<th>employed part-time (000's)</th>
<th>total employed (000's)</th>
<th>unemployed (000's)</th>
<th>not in the labour force (000's)</th>
<th>population (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>45-54</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>161.1</td>
<td>77.6</td>
<td>239.7</td>
<td>5.6</td>
<td>409.9</td>
<td>655.2</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>340.5</td>
<td>253.8</td>
<td>594.4</td>
<td>36.6</td>
<td>328.8</td>
<td>959.8</td>
<td></td>
</tr>
<tr>
<td>55-59</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>45.1</td>
<td>22.7</td>
<td>67.8</td>
<td>1.0</td>
<td>198.4</td>
<td>267.2</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>61.5</td>
<td>69.6</td>
<td>131.1</td>
<td>4.6</td>
<td>229.5</td>
<td>365.2</td>
<td></td>
</tr>
<tr>
<td>60-64</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>21.4</td>
<td>11.7</td>
<td>33.1</td>
<td>0.3</td>
<td>184.4</td>
<td>217.8</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>19.1</td>
<td>25.5</td>
<td>44.6</td>
<td>0.3</td>
<td>315.1</td>
<td>360.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.5  Males 45 to 64 Years: Labour Force Status by Age Group; August 1966 and August 1992

<table>
<thead>
<tr>
<th>AGE GROUPS MALES</th>
<th>employed full-time (000's)</th>
<th>employed part-time (000's)</th>
<th>total employed (000's)</th>
<th>un-employed (000's)</th>
<th>not in the labour force (000's)</th>
<th>population (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>45-54</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>616.3</td>
<td>15.4</td>
<td>631.7</td>
<td>6.7</td>
<td>28.8</td>
<td>667.2</td>
</tr>
<tr>
<td>1992</td>
<td>804.1</td>
<td>43.2</td>
<td>847.3</td>
<td>66.0</td>
<td>94.9</td>
<td>1008.0</td>
</tr>
<tr>
<td>55-59</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>240.1</td>
<td>9.4</td>
<td>249.5</td>
<td>3.3</td>
<td>23.7</td>
<td>276.5</td>
</tr>
<tr>
<td>1992</td>
<td>224.9</td>
<td>27.5</td>
<td>252.4</td>
<td>28.7</td>
<td>98.1</td>
<td>379.2</td>
</tr>
<tr>
<td>60-64</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>161.7</td>
<td>10.5</td>
<td>172.2</td>
<td>1.7</td>
<td>41.5</td>
<td>215.7</td>
</tr>
<tr>
<td>1992</td>
<td>120.9</td>
<td>25.9</td>
<td>146.8</td>
<td>26.7</td>
<td>187.5</td>
<td>361.0</td>
</tr>
</tbody>
</table>


When labour force status to population ratios of various age groups are considered, a number of trends become apparent. In Tables 3.6 and 3.7 it can be seen that unemployment as a proportion of the population for both males and females have risen over the period, with males suffering the largest percentage increases.

Female employment patterns however have shown the greatest change. The most significant has been the large increase in participation rates for all age strata. In 1966 for example, 36.5% of the female population in the age group 45-54 years was employed with 62.6% defined as not in the labour force. By 1992 these figures had reversed with 61.9% in employment and 34.3% defined as not in the labour force.
(Table 3.6 below). The age group of 55-59 showed a similar, if not quite as dramatic a change.

Part-time employment for both males and females also increased in the period. The part-time employment to population ratio however increased significantly faster for females, rising from 11.8% in 1966 to 26.4% in 1992 for females in the 45-54 age group and from 8.5% to 19.1% in the 55-59 age group. The only area in which female employment to population remained static was in full-time employment in the 55-59 age group which declined very slightly from 16.9% in 1966 to 16.8% in 1992 (Table 3.6). For males, the part-time employment to population ratios rose from 2.3% in 1966 to 4.3% in 1992 in the 45-54 year age group; from 3.4% to 7.3% for the 55-59 year age group and from 4.9% to 7.2% for the 60-64 year age group (Table 3.7).

Table 3.6 Females 45 - 64 years; Labour Force to Population Ratios, August 1966 and August 1992

<table>
<thead>
<tr>
<th>AGE FEMALES</th>
<th>full-time employment to pop ratio %</th>
<th>part-time employment to pop ratio %</th>
<th>total employment to pop ratio %</th>
<th>unemployment to pop ratio %</th>
<th>not in the labour force %</th>
</tr>
</thead>
<tbody>
<tr>
<td>45-54</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>24.7</td>
<td>11.8</td>
<td>36.5</td>
<td>0.9</td>
<td>62.6</td>
</tr>
<tr>
<td>1992</td>
<td>35.5</td>
<td>26.4</td>
<td>61.9</td>
<td>3.8</td>
<td>34.3</td>
</tr>
<tr>
<td>55-59</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>16.9</td>
<td>8.5</td>
<td>25.4</td>
<td>0.4</td>
<td>74.3</td>
</tr>
<tr>
<td>1992</td>
<td>16.8</td>
<td>19.1</td>
<td>35.9</td>
<td>1.3</td>
<td>62.8</td>
</tr>
</tbody>
</table>

Table 3.7  Males 45 - 64 years; Labour Force to Population Ratios, August 1966 and August 1992

<table>
<thead>
<tr>
<th>AGE GROUPS</th>
<th>MALES</th>
<th>full-time employment to pop ratio</th>
<th>part-time employment to pop ratio</th>
<th>total employment to pop ratio</th>
<th>un-employment to pop ratio</th>
<th>not in the labour force</th>
</tr>
</thead>
<tbody>
<tr>
<td>45-54</td>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>1966</td>
<td>92.4</td>
<td>2.3</td>
<td>94.7</td>
<td>1.0</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>79.8</td>
<td>4.3</td>
<td>84.1</td>
<td>6.6</td>
<td>9.4</td>
<td></td>
</tr>
<tr>
<td>55-59</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>86.8</td>
<td>3.4</td>
<td>90.2</td>
<td>1.2</td>
<td>8.6</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>59.3</td>
<td>7.3</td>
<td>66.6</td>
<td>7.6</td>
<td>25.9</td>
<td></td>
</tr>
<tr>
<td>60-64</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>75.0</td>
<td>4.9</td>
<td>79.8</td>
<td>0.8</td>
<td>19.4</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>33.5</td>
<td>7.2</td>
<td>40.7</td>
<td>7.4</td>
<td>51.9</td>
<td></td>
</tr>
</tbody>
</table>


3.2  CHANGES IN THE INDUSTRY DISTRIBUTION OF EMPLOYMENT

Changes in employment patterns have not been restricted to changes in unemployment and participation rates. As Figures 3.1, 3.2 and 3.3 below show, changes in participation rates have also been accompanied by changes in the distribution of employment in various industry sectors.
Figure 3.1  Employed Persons by Industry Persons 1966 and 1991
Proportion of Total Employment

Source: Figure supplied by John Freeland based on ABS (1978) Labour Force Australia, Cat.No. 6204.0 and ABS (1992) Labour Force Australia, Cat.No. 6203.0

Although the period since the mid 1980s is generally understood to have been one of major restructuring, Figure 3.1 shows the changes in the distribution of employment can be seen as part of a long term process. Figures 3.2 and 3.3 show the differential effect these changes have had on male and female workers by age group and industry.
Figure 3.2: Employed Females by Industry 1966 and 1991 Proportion of Total Employment

Source: Figure supplied by John Freeland based on ABS (1978) Labour Force Australia, Cat.No. 6204.0 and ABS (1992) Labour Force Australia, Cat.No. 6203.0
Figure 3.3: Employed Males by Industry 1966 and 1991
Proportion of Total Employment

Source: Figure supplied by John Freeland based on ABS (1978) Labour Force Australia, Cat.No. 6204.0 and ABS (1992) Labour Force Australia, Cat.No. 6203.0

These overall changes in the industry distribution of employment which have accompanied long term structural change in the Australian economy have resulted in a lowering of employment opportunities in those industries traditionally dominated by male workers and a rise in employment opportunities in industries in which female employment is more common and an increase in part-time employment for all groups.
3.3 FUTURE TRENDS

There has been, and in all probability will continue to be, a move towards less sex inequality in the distribution of employment with the employment to population ratio for all male age groups falling and that for all female age groups rising\(^3\). There has been an increase in part-time employment for all sex/age groups combined with a concentration of available full-time employment among 25-44 year old males and 25-54 year old females.

There have also been major changes in the industry distribution of employment with falls in the manufacturing, agriculture, electricity gas and water, construction and communication industries and increases in the wholesale and retail, financial services, public administration community services and recreation industries. These changes have been concomitant with the full-time/part-time and sex/age group distributional changes in employment access and participation patterns.

\(^3\) Except for the female 15-19 age group which reflects higher female participation in full-time education and training, and higher year 12 participation rates than for males.
Figure 3.4    Female Full Time Employment to Population Ratios 1966 and 1992

Source: Figure supplied by John Freeland based on ABS (1978) Labour Force Australia, Cat.No. 6204.0 and ABS (1992) Labour Force Australia, Cat.No. 6203.0
Figure 3.5  Male Full Time Employment to Population Ratios by Age 1966 and 1992

Source: Figure supplied by John Freeland based on ABS (1978) Labour Force Australia, Cat.No. 6204.0 and ABS (1992) Labour Force Australia, Cat.No. 6203.0
Figure 3.6: Female Part Time Employment to Population Ratios 1966 and 1992

Source: Figure supplied by John Freeland based on ABS (1978) Labour Force Australia, Cat.No. 6204.0 and ABS (1992) Labour Force Australia, Cat.No. 6203.0
Figure 3.7: Male Part Time Employment to Population Ratios by Age 1966 and 1992

Source: Figure supplied by John Freeland based on ABS (1978) Labour Force Australia, Cat.No. 6204.0 and ABS (1992) Labour Force Australia, Cat.No. 6203.0

The most likely labour market outcome at the turn of the century is for these broad trends to continue with some possible variations in the growth rates for particular industries. For example, lower growth in financial services may be expected following the rapid changes introduced with deregulation and continual cyclical and technological changes effecting sectors such as the construction industry.

3.4 THE EXPERIENCE OF MATURE AGE WORKERS IN LABOUR MARKET PROGRAMS

A crucial policy issue is to what extent we want to actively intervene to secure different labour market outcomes in aggregate and for particular population groups. This question needs to be decided in the context of the government's commitments
to develop an internationally competitive economy and its sometimes conflicting commitment to social justice.

The experience to date of mature and older aged workers in the labour market programs and other areas of active labour market intervention has been somewhat mixed. Although on average the 45 plus age group has a lower unemployment rate than the population as a whole, those facing unemployment (generally a higher proportion of the long-term unemployed) have received proportionally less assistance in Labour Market program areas.

Mature aged and older workers accounted for 14% of labour market programs in the years 1993-4. (Job Report, Volume 3(6), August/September 1994). This is an under-representation of the 45 plus age group which makes up 20% of the CES register. However, the proportion of mature aged commencements in labour market programs does, according to DEET, seem to have been increasing.

When length of unemployment is considered the differential impact of sex and age strata are even more apparent. Of those aged 45 years and over who had been unemployed for between 60 and 72 months (ie; five and six years) males accounted for 74% of CES registrations compared with 26% for females, while for those unemployed for more than 72 months the figure for males rose to 81% while for females it dropped to 19%.

**Program Outcomes**

Positive outcomes from labour market programs for the 45 year and over group increased by 3% in the period (1993-4) cited. However, this remains below the success rates of all other age groups. In addition, as Figures 3.8 and 3.9 show, the outcomes vary significantly by age and sex.

---

4 Positive outcomes are defined as persons finding unsubsidised employment or entering non-DEET funded further education and training within three months of completing a course.
Table 3.8  Success Rates of Labour Market Programs for Age Groups (1992-4)

<table>
<thead>
<tr>
<th>AGE GROUPS</th>
<th>POSITIVE OUTCOMES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1992-93</td>
</tr>
<tr>
<td>15-17 years</td>
<td>46%</td>
</tr>
<tr>
<td>18-19 years</td>
<td>49%</td>
</tr>
<tr>
<td>20-24 years</td>
<td>46%</td>
</tr>
<tr>
<td>24-44 years</td>
<td>47%</td>
</tr>
<tr>
<td>45+ years</td>
<td>41%</td>
</tr>
<tr>
<td>TOTALS</td>
<td>46%</td>
</tr>
</tbody>
</table>

Source: The Job Report, Volume 3(6), August/September 1994
Figure 3.8: Positive Outcomes from Labour Market Programs by Age and Sex

Source: The Job Report, Volume 3(6), August/September 1994
Figure 3.9  Labour Market Programs for Long Term Unemployed by Age Group

Source: The Job Report, Volume 3(6), August/September 1994

Figure 3.10 above shows that overall, positive outcomes were higher overall for females than for males and higher for mature aged females (46%) than for mature aged males (42%). This has been attributed (DEET, 1992) to mature aged females being more motivated and more receptive to the idea of training and less selective in the type of work being sought than males.

However, this explanation would appear simplistic. The major structural changes in the Australian economy have eliminated many jobs in male dominated occupations while expanding opportunities in the service sector and in other occupations in which female employment is either dominant or extensive. It is currently an unresearched area but it would appear to be at least a tenable hypothesis that the training and retraining issues for mature age retrenched workers (mainly male blue collar workers) who have to move to a new occupation may be qualitatively
different than for those seeking employment, or re-employment, in related occupations

There would also appear to be major differences in attitude towards labour market participation amongst age strata and between males and females. As Table 3.11 below shows the stated motivation of males and females in the mature aged category towards continued participation in paid employment are significantly different.

**Table 3.9  Reasons Stated for Continuing to Work (+50 years)**

<table>
<thead>
<tr>
<th>Reasons for working over 50 years of age</th>
<th>MALES</th>
<th>FEMALES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>full-time</td>
<td>part-time</td>
</tr>
<tr>
<td>Money</td>
<td>94%</td>
<td>unavailable</td>
</tr>
<tr>
<td>Purpose in life</td>
<td>3%</td>
<td>unavailable</td>
</tr>
<tr>
<td>Satisfaction and challenge</td>
<td>3%</td>
<td>unavailable</td>
</tr>
<tr>
<td>Contact with people</td>
<td>0%</td>
<td>unavailable</td>
</tr>
</tbody>
</table>

*Source: Patrickson and Hartmann*

Again, this re-enforces the view that mature age workers are not homogenous. The experiences and expectations of the group varies depending on age strata, industry of employment and sex.

The labour market evidence supports the available research evidence and suggests that policies which may be developed for the group should reflect this segmentation.
4. Case Studies - Overview and Findings

Case studies provide an opportunity to investigate specific aspects of an issue or problem. In general, the literature as indicated, points to five common perceptions held by employers about the capacities of mature and older workers. These are that they:

1. have 'deteriorating physical and mental abilities';
2. are not receptive to new technology;
3. are more resistant to organisational change;
4. lack the appropriate skills and are difficult to retrain; and
5. lack the drive, ambition, energy and creativity of their younger counterparts.

The consensus of the literature is that although mature workers are regarded by employers as possessing 'more desirable psychosocial qualities', they are also viewed as possessing 'fewer productivity-related skills'.

The case studies conducted as part of this project were of limited duration and hence were not able to treat all areas in equal depth. However, as the following
descriptions of each study show\textsuperscript{5} the perceptions of employers as reported in the literature on mature workers and productivity are rarely justified by experience.

In fact, those organisations studied which have adopted strategic approaches to human resource development appear to have enhanced their productivity or their service provision by the incorporation of appropriate measures which utilise the skills and experience - and also for some categories of mature aged worker - the flexibility of mature age workers, into the organisation's policies.

4.1 THE 'A' BANK

The Bank pursues a competitive strategy based on high quality, personalised service in an industry which has been changing towards a model in which transactions are increasingly conducted via impersonal technology rather than interaction between customers and staff in a local branch. Although the Bank employs older workers in a range of positions, the site visits focussed on the Bank's approach to employment in branches and the experiences of branch employees.

The Bank employs significant numbers of older workers, who provide a considerable amount of its front line service to customers. A high proportion of these are mature aged females who work part-time. Older workers are valued as employees because they typically bring qualities to jobs in local branches that fit in well with the bank's strategy. The personalised style of service encouraged by the Bank is supported by the experience, patience and desire for personal contact which characterises many older workers. The lack of previous skills, experience or training in the area is overcome by the Bank's intensive training which provides a good foundation for staff development.

The main negative feature identified in this study is that older workers entering employment in branches are unlikely to achieve promotion beyond branch management, which does not carry the authority or salary of traditional management positions in the major banks. However, the number of 'genuine' management positions is declining in the larger banks, and there does not appear to be a

\textsuperscript{5} The full reports on each site are included in Appendix A.
significant demand for promotion to senior positions among the older workers employed by the Bank.

The Bank has no policies specifically designed for older staff. Rather, its strategy, structure and personnel practices make it an attractive employer for older workers, particularly those who are able, or wish, to work on a part-time basis which complements the Bank's requirements for flexibility.

Lessons

Mature aged workers, and in particular female part-time workers, have contributed to productivity through the Bank's ability to use this sector of the labour force to introduce numerical flexibility. The ability of mature workers to adapt to new technology has not been an issue due to the use of extensive in-house training. Although part-time employment which provides the Bank with a flexible labour supply during peak periods would be a problem for workers seeking long-term careers with promotional prospects, it does appear to provide a satisfactory employment relationship for the majority of those currently employed.

4.2 THE AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

The work of an industrial commissioner demands a range of managerial and professional skills that are often positively related to the age and experience of the individual. The duties of a Commissioner demand a high degree of adaptability, capacity for continual learning and intellectual agility but also experience in dealing with crisis situations, the complex and arcane processes of industrial relations, conflict resolution and the law.

The advantage of age and experience for Commissioners has been underlined by the return of retired Commissioners in their 60s and 70s to deal with the surfeit of work created by the amendments to the Unfair Dismissal provisions in the 1994 Industrial Relations Act. The Commissioners brought out of retirement have been highly successful and productive, so much so that they have highlighted the relative advantages of age and experience in the conciliation process.
The job of a Commissioner is highly demanding, requiring a range of advanced interpersonal, analytical and technical skills which are substantially related to the accumulation of experience.

The job is very different from the positions occupied by Commissioners earlier in their working lives. The job carries an unusual and very high degree of autonomy and responsibility. After working periods of 20 or more years for a union, employer association or company and pursuing the distinctive aims and objectives of those organisations, the newly appointed Commissioner has to adapt to conciliating, and if necessary arbitrating, between union and employer. The task of conciliation and dispute resolution not only requires transcending past allegiances but adopting a different style of decision making:

Being over 40 to 45 years of age are not obstacles to appointment to an industrial tribunal or the performance of the duties of a Commissioner. The preference is for people with at least 20-25 years experience in the area of industrial relations. Performing the work of a Commissioner requires a set of quite specialised skills and knowledge. Age and experience often appear to be an advantage, almost necessary for the full development of the relevant skills, as demonstrated by the performance of the retired Commissioners re-engaged for the unfair dismissal cases.

Lessons

The Industrial Relations Commission case study is an example of a professional occupation where the experience of mature workers is a positive attribute. Indeed, for professional workers, operating in the autonomous environment of the commission experience, combined with the flexibility of approach that such experience brings is a prerequisite for success. As demonstrated by the performance of retired Commissioners, older workers who bring with them specialist skills, can be highly valued in specialist professional areas.

4.3 'LONG' CORPORATION

Since its inception as a property group, 'Long' Corporation has diversified and expanded enormously but the property group remains an important and well-performed division. Since 1990, the property group has been re-orienting its growth
strategy by gradually expanding into international markets and restructuring its work processes through the enterprise bargaining process.

'Long' Corporation has a very youthful age profile but older workers have adapted just as comfortably as younger workers to workplace change and perform important, enhanced roles within the newly created work area teams and in facilitating the skill acquisition necessary for continued workplace reform.

The opinion expressed in all interviews was that no meaningful generalisation about the relationship between age and quality or productivity could be made. Both positive and negative examples of the productivity and work quality of older and younger workers could be found.

The EEO Manager summarised the consensus of opinion on generalisations about the relationship between age and quality or productivity well:

'... it's an individual thing ... we acknowledge the diversity in our workforce and we try and manage it for what it is, on very much an individual basis.'

'Long' Corporation is a very 'young' organisation but the roles performed by mature workers have been important in the process of workplace reform. These workers have adapted to the introduction of new technology, retraining and change in job design just as effectively as younger workers and actually perform an enhanced role under the system of work area teams.

Lessons

A strategic approach to human resource development by the company has allowed mature aged workers to share their knowledge and experience through site consultative committees, and training. With the transfer of their skills to younger workers, mature workers are performing roles which the organisation believes are essential for continued reform of work processes to enhance flexibility and productivity.
4.4 'PREMIER' GROUP

'Premier' Group Australia Pty Ltd is a small to medium manufacturing firm in Sydney's western suburbs. After being on the brink of collapse in 1988, 'Premier' Group has been revived by a thoroughgoing change program encompassing the marketing/sales strategy, product range, managerial style/practices and production processes. Central to the survival plan of 'Premier' Group management was a new production system based upon a multi-skilled, flexible and more autonomous workforce.

The 'Premier' Group is the embodiment of the type of enterprise and work context in which the stereotype of the mature worker is considered ill-suited by managers. 'Premier' is an enterprise that has transformed its performance through technological change and an innovative, highly flexible production system created through organisational restructuring, job redesign and retraining.

'Premier' also has a relatively large group of mature workers who have not only successfully adapted, but also been found to often exhibit work attributes such as superior quality which are especially valuable in the context of the new production strategy. 'Premier' Group has transformed itself from an enterprise on the verge of collapse to a thriving exporter whose system of flexible production and process of workplace change is used as a model for other enterprises in the industry. The Operations Manager suggested that most departments in the organisation would have a 'blend' between older and younger workers and he thought that was the 'optimum' situation.

Lessons

The older workers at 'Premier' have not only adapted to these changes but the special roles they perform, the quality of their work and the blend of experienced, older workers with younger workers is essential to the success of the new production system.
4.5 GROCERY AND VARIETY RETAILER (GVR)

The GVR group is an Australian owned retailer of grocery and variety products. Employment in this industry is highly casualised and female dominated and the levels of training and access to career paths are generally poor.

GVR has no specific policies to either encourage or discourage the employment of mature aged workers. The industry has a large number of mature aged workers because of the flexibility in hours that the retail industry provides and because of the easy entry to jobs that do not require high levels of specific skills. Mature aged workers have been attracted to the retail industry because of the flexibility in working hours that they can receive there.

The introduction of longer trading hours has also attracted a new group of mature aged workers seeking flexibility in their employment. With the introduction of late night trading to suburban supermarkets GVR had to adjust its management style. Previously these stores had only one manager who managed the whole store and often worked 6 days a week. Longer trading hours required more management over wider spans of hours. The result was that new positions of day and evening managers were created.

The new positions of night manager have often been filled by people from a professional background who are in semi-retirement. These employees state that the flexible hours (ie late nights and weekend work) suited them because it allowed them to enjoy their retirement and still earn income.

GVR believes that the introduction of this new managerial system has allowed the company to attract highly skilled employees who are able to transfer the managerial skills learnt in other jobs to GVR.

Mature aged workers in this store accepted the nature of the retail industry as problematic for many workers. However, these conditions were not a real issue for them because they valued the flexibility available from working in the retail industry more than securing long term employment with a career path.
Lessons

While the retail industry is characterised by poor levels of training, a highly casualised workforce and poor career prospects, these are not issues that concern most mature workers who have chosen employment in the industry. Numerical flexibility, which this sector of the workforce provides, has allowed GVR, in a similar way to the finance sector, to improve productivity through part-time employment which covers peak trading periods. The position of 'night manager' which has been created due to the extension of trading hours has provided opportunities for retired, or semi-retired professionals, to obtain employment which utilises previously obtained skills.

4.6 CONCLUSIONS FROM THE CASE STUDIES

The findings of the case study site visits support the general conclusions about mature workers reached by other quantitative and qualitative research that: there are considerable variations within age categories; that generalisations about age and performance are suspect; and that the performance of employees should be judged on an individual basis rather than by external characteristic such as age.

The case study site visits allow the following conclusions to be drawn about the common perceptions of the capacities of mature workers and older age workers.

Perceptions That They Have 'Deteriorating Physical and Mental Abilities'

Some evidence from construction and manufacturing suggest that declines in physical strength have reduced some workers capacity. In general however, this is compensated by undertaking tasks in a different way. This issue is similar in principle to the weight lifting requirements which previously restricted female access to certain occupations. It should, in any case, have limited validity as good OH &S practice should ensure all workers, whatever their age, undertake duties in a safe and healthy environment.

The evidence from the service sectors and the professional/semi-professional occupations studied (the IRC and night managers at GVR) indicate that it is in fact
the experience and mental abilities of mature workers which make them attractive to employers in certain occupations.

**Perceptions that Mature and Older Workers are not Receptive to New Technology**

Some case study evidence from manufacturing and from re-entrants to the labour force in the finance and retail sectors suggests that new technology may be somewhat intimidating for those with no previous experience of it. However, this was overcome by appropriate teaching and learning techniques and structured training programs. When these are used there does not appear to be any difference in performance among various age sectors. In the construction industry study the mature workers were able to adapt quickly and combine new technology with their previous skills and experience to perform valuable mentoring and training roles for the organisation.

**Perceptions that Mature and Older Workers are More Resistant to Organisational Change**

In the two sites (manufacturing and construction) in which major organisational change had or was occurring there did not appear to be any evidence which would support this perception. Mature workers were able to adapt to change provided this was introduced with appropriate human resource strategies by management. A strategic approach by management in these situations, which targets individual needs is, in any case a pre-requisite for successful implementation of organisational change regardless of the age strata of a workforce. Where service sector organisations have restructured and employ an increased number of part-time workers to produce productivity through numerical flexibility, mature workers are not only able to adapt but may also find the conditions of employment more appealing than younger workers. The trade-off for these workers is the lack of a comprehensive career structure.
Perceptions that Mature and Older Workers Lack the Appropriate Skills and are Difficult to Retrain

For the professional workers studied this was not an issue as it was these workers' experience and skill which allowed them to quickly adapt to new situations. For mature workers in the finance, retail, manufacturing and construction sectors the availability of appropriate training strategies which built on previous skills and knowledge appeared to be the key to success. Although this may appear to require, in some instances, training programs developed especially for this target group, good training practice should in any case be developed around the particular learning needs and styles of individual students. There is not, therefore, anything unusual in developing training specifically for sub-groups within an organisation. The manufacturing and construction organisations visited, which had adopted a strategic approach to restructuring and skills development had benefited from the approach.

Perceptions that Mature and Older Workers May Lack the Drive, Ambition, Energy and Creativity of their Younger Counterparts

This did not appear to be the case for the professional and semi-professional workers in any of the sites visited. Nor did it appear to be the case in manufacturing and construction where mature workers not only adapted to new organisational structures but appreciated being given special roles which drew on their skills and expertise. Such workers responded positively when management provided outlets for these workers' abilities to the benefit of the organisation.

For workers in the retail and service areas, a process of self selection appears to have occurred where the majority of the workers at the sites visited did not wish to progress along a career path. For the organisations involved this was in fact a positive attribute of the mature workers who had been recruited. For both employers and employees in these organisations the restriction to low skill jobs was not an issue and the flexibility involved was attractive to both.

Although as a general rule increased part-time and casualisation of the workforce limits career options and skill acquisition by employees it must nonetheless be recognised that for some workers these are not issues of major importance.
Flexibility of hours and local employment may be highly attractive features of a job. In circumstances in which numerical flexibility is more important than functional flexibility for productivity gains, sections of the mature aged labour force may be ideal targets for recruitment.

4.7 THE IMPORTANCE OF A STRATEGIC HR APPROACH BY MANAGEMENT

The findings from the case studies support the conclusion that no generalisations about the mature and older labour force should be made. In general, it is in organisations in which management has adopted strategic approaches to human resource development that most use is made of the experiences and talents of this section of the labour force.

Ultimately it is management decisions on work organisation and skill development which reflect the productivity outputs of mature and older age workers, not any innate abilities of the workers themselves.
5. Discussion and Policy Implications

The available evidence in the research literature suggests that employers perceive that mature age workers have both positive and negative attributes but that the positive attributes, which tend to relate to experience and interpersonal skills are outweighed by negative perceptions, frequently relating to productivity issues. These negative perceptions are seen to be disadvantaging mature age workers in the labour market. However, the findings in Section 3 show that the unemployment rate for workers aged 45 years and over was less than the rates for younger workers.

This general fact has been used to argue (eg DEET, 1992) that as older workers have lower unemployment rates than other groups they would therefore appear to be more attractive as employees, and that while outdated skills may have resulted in some older (45+) workers losing their jobs in the recession it would appear that their greater experience and attachment to jobs has meant that they are more, not less, likely to retain their jobs.

5.1 THE NEED TO RECOGNISE THE SEGMENTED NATURE OF THE MATURE AGE LABOUR MARKET

The above argument appears to run counter to the research evidence presented in Section 2. The first point which should be made is that while the broad statistical picture used to make generalisations about the target age group is accurate it fails to capture the detail. When the experiences of the target group is looked at over time, as in Section 3, a more complex understanding is provided with variable rates of full-time and part-time employment growth and declines at different times for the
different sex and age segments in conjunction with structural change in the economy. From this it can be confidently concluded that for policy development it is useful to disaggregate the over 45 group into more analytically useful groups according to age bands, gender and ethnicity.

5.2 EXPLANATION FOR DIFFERING EMPLOYER STRATEGIES IN DIFFERENT SECTORS

A possible solution to the apparent conflict between the below average unemployment rates for the 45 years old and over age group and the reported negative perceptions of the contribution of older workers to productivity growth is revealed by a combination of the case study evidence of this report and the labour market analysis of Taylor and Walker (1994). Taylor and Walker (1994) suggest that although the perceptions of employers of the attributes of older workers were fairly constant across industry sectors, recruitment and retention policies varied to reflect uneven changes in the sectoral labour markets.

Retail and finance sector employers in particular were seen to be actively recruiting older workers, although this was mainly in low skill, part-time/casual jobs in which little initial training was required. In these occupations perceived positive attributes of mature workers can be seen to be complementing overall changes in industry to greater part-time and casual employment combined with an overall growth in lower skill jobs.

The employment patterns identified in the UK by Taylor and Walker appear similar to those identified for the Australian labour market in Section 3 (above) and in the case study visits which were part of this project. These showed that the retail and finance sectors were recruiting from the mature aged labour force in a similar way and for apparently similar reasons as their counterparts in the UK. That is, that changes in sectoral labour markets and in the structure of employment patterns in the industries to an increased use of part-time and casual labour made mature age workers - who were either able or who desired the flexible hours involved - an attractive target for recruitment.
Chapter 5

5.3 WORKERS IN 'HIGH SKILL' AND 'LOW SKILL' JOBS

In their recent paper Patrickson and Hartmann (n.d.) commented on the differential experiences of the age groups, noting that the experiences of the self-employed, professionals and senior managers who are, or have previously, worked with high degrees of autonomy (and pay) are different from that of workers from low skill/low pay occupations. The evidence from the site visits conducted supports this conclusion.

The case study of the Australian Industrial Relations Commission is a clear example of professionals with skills not generally available in the labour market whose expertise is valued. Age and experience were not only positive attributes for commissioners, but, as a direct result of the nature of the work, can be seen as essential pre-requisites for the job. This applies to initial appointment as well as subsequent reinvolve-ment.

There were, however, different reasons and different experiences in the pattern of mature age recruitment into low skill jobs, particularly in those sectors where productivity is heavily dependent on labour flexibility such as retail and finance. Management strategies in these sectors emphasise productivity enhancement based almost exclusively on labour productivity. In these circumstances the capacity of employees to work flexible hours is the primary concern of management and the attributes of the target group coincided with management strategies. Other attributes such as perceived reliability and low turnover of mature workers more than outweigh any perceived lack of previous skills which could be quickly addressed by structured, although limited, in-house training.

In the manufacturing and construction case study sites, organisational change and multi-skilling was directed towards multi-factor productivity improvements. In these cases, a strategic approach to human resource development allowed the two organisations to build on the skills of the mature aged and skilled sectors of their workforce to enhance productivity.

However, it must be stressed that this strategic approach was limited to those mature age workers currently employed. It did not extend to recruitment of new workers. For those who have been displaced from this sector a declining
employment base strongly suggests that future employment prospects in these industries are limited.

5.4 THE DEPENDENCE ON MANAGERIAL DECISION MAKING

Overall, the combined results of this research suggest that decisions about employment and utilisation of the mature age and older workforce is dependent on management decisions. However, the basis on which management makes decisions is not solely based on perceptions of the relative capacity of different age groups.

Different industry sectors emphasise different methods to maximise productivity and these are significant for decisions about the employment of mature aged workers. In those industries which emphasise labour productivity, labour flexibility is paramount. In service and retail sectors it can be seen that management has, and presumably will continue, to target sections of the mature age labour force. Self selection processes operating amongst potential employees would appear to ensure that those employees with jobs in the sector - but not all sections of the mature aged labour force - will find the conditions of employment attractive.

Industry sectors which are looking for multi-factor productivity improvements however would seem to make their decisions for different reasons. The two case studies in this project revealed a multi-factor approach to productivity supported by a strategic approach to human resource development which both provided training programs suited to the needs of existing mature age employees, and also, through mentoring programs, incorporated the skills and experiences held by mature aged employees into overall skills enhancement programs.

In summary, the conclusion of the investigations of this project are that while it may be true that employers hold general perceptions about mature aged and older workers that tend to be generally negative about their capacity to contribute to productivity, these perceptions are mediated by a range of factors including the structure of the industry and the industry labour market.

Policy development will therefore need to reflect not only the identified segments of the mature and older age labour market but also the realities of different patterns of management and different business objectives in different industry sectors.
5.5 POLICY IMPLICATIONS

A Segmented Mature Age and Older Worker Labour Market

As the target labour force is segmented by age strata, sex and ethnicity it is unlikely that policies for one segment can be applied equally to all.

The Unemployed

Unemployment affects different segments differently. Among the long term unemployed, particularly long-term male unemployed in the blue collar sector, training and retraining strategies will have to address the fact that future employment for this group in their original industry is unlikely. This requires a major adjustment of expectations among this group which would appear to be qualitatively different to the expectations of re-entrants to the labour force (mainly mature age females) seeking work in the expanding service sectors of the economy.

The Currently Employed

The security of mature aged employees currently employed will be enhanced by management strategies which recognise the contributions this section of the workforce can make to productivity. A strategic approach to management which incorporates the specific training needs and learning styles of different sections of the workforce need not be restricted to the mature age target group but should in fact be part of efficient and effective management practice.

Information for Management

Policies and programs developed for mature age and older workers must accept the reality that it is management decision making and management style which decides employment outcomes.

At a general level, management would benefit from information which demonstrates that commonly held negative perceptions and prejudice regarding the performance of mature and older workers are not substantiated in practice.
On the contrary, experience suggests that where management itself adopts a strategic approach to business then the skills and experiences of the mature age workforce can be effectively harnessed for productivity growth.
References

ABS (1978) Labour Force Australia, Cat.No. 6204.0

ABS (1992) Labour Force Australia, Cat.No. 6203.0


Berkowitz, M (1988) 'Functioning Ability and Job Performance as Workers Age', in M Borus, H Parnes, S Sandell & B Seidman (eds) The Older Worker, IRRA Series


Freeland, J (1995) 'Long Term Structural Change in the Labour Market: What is Going on Under the Aggregates', Paper presented to the Commission for the
Future of Work Seminar on the Future of Work and Access to Incomes, (Draft typescript and tables), September

Hackett, R (1990) 'Age, Tenure and Employee Absenteeism', Human Relations, 43(7), November

Hansard, uncorrected proof, Senate Committee on Employment Education and Training; Long Term Unemployed; Campbelltown, 4 May 1995


Patrickson, M & Hartmann, L (1992) 'Workforce Participation Choices of Older Males', Asia Pacific HRM, 30 (3)

Patrickson, M & Hartmann, L (1994) Gender Differences in the Work Values of Mature Workers, Implications for Early Retirement (unpublished)


Steinberg, M Najman, J Donald, K McChesney-Clark, G and Mahon, C (July 1994) Attitudes and Practices of Employers and Employees Towards Older Workers in a Climate of Anti-discrimination, Department of Social and Preventative Medicine, University of Queensland

The Job Report (1994) 3(6), August/September


*Working Nation, Policy and Programmes* (1994) AGPS: Canberra
Appendix
Case Studies

The 'A' Bank

The Australian Industrial Relations Commission

'Long' Corporation

'Premier' Group

Grocery and Variety Retailer
'A' BANK

Jim Kitay

Introduction

The 'A' Bank employs significant numbers of older workers, who provide a considerable amount of the bank's front line service to customers. The bank pursues a competitive strategy based on high quality and personalised service in an industry which has been moving towards a model in which transactions are increasingly conducted via technology rather than contact between customers and bank staff. Older workers are valued as employees by the bank because they typically bring qualities to jobs, in local branches, that fit in well with the bank's strategy. Although the bank employs older workers in a range of positions, this discussion will focus on the bank's approach to employment in branches and the experiences of branch employees.

Organizational Context and Job Design

The 'A' Bank is one of a number of former building societies that converted to banks following the deregulation of the finance sector by the federal Labor government in the early 1980s. The building society, which had its origins in the 1930s, became 'A' Bank in 1985.

The bank is considered to be a regional bank, with its head office in Sydney. Most of its more than 200 branches are in New South Wales and the ACT. However, the bank is seeking to expand its base in the rapidly growing region of southeast Queensland, and into Victoria. 'A' Bank is relatively small in comparison with the Big Four banks that dominate the industry (the ANZ, Commonwealth, National Australia and Westpac), but is one of the largest in the next echelon of banks measured in terms of total assets. Unlike some of its larger competitors, 'A' Bank has enjoyed regular growth and has been consistently profitable in recent years.

Branches are small in comparison with those of the four major banks. Suburban branches typically have four or five staff including the manager, while larger
branches usually have no more than seven or eight employees. This is a continuation of the model developed when 'A' Bank was a building society, which management has sought to turn into a strength. Branch employees are called Customer Service Officers (CSO), a term which has recently come into more widespread use in the industry. Branch managers are termed Customer Service Managers (CSM).

The bank makes extensive use of modern technology, with data entry performed directly by CSOs. The bank seeks to make transactions as 'paperless' as possible. There are no 'back office' processing positions in branches, and there is a relatively small data processing operation centralised at head office.

The bank's job design objective is for all CSOs to be able to deal with most queries or transactions that might arise. As the bank has developed from its building society origins, the tasks performed by branch staff have grown considerably, such that the job is now quite complex. As a building society, CSOs dealt with little more than a few simple transactions in a small number of accounts. Since becoming a bank, the range of products and transactions has grown considerably. There are now approximately thirty different types of deposit accounts that CSOs must deal with directly. In addition, they must have enough knowledge of lending, treasury and financial planning products to answer basic questions and direct customers to the appropriate specialist.

The tasks that are performed include cash handling, cheque transactions, opening and closing the wide range of accounts offered by the bank, and a range of additional applications and transactions such as credit card applications, travellers cheques and overseas currency, drafts and transfers. Not only has the number of tasks grown, but the requirements for tasks have also grown. For example, there are now strict identification regulations for opening accounts that must be followed, and the CSO must exercise discretion in what is acceptable. Another example is the extended requirements for disclosing to customers a range of information on fees, interest and conditions on bank products.

The bank is an industry leader in introducing new technology, and CSOs must adjust to ongoing technological changes of a major and minor nature, ranging from new hardware to minor system upgrades such as a new screen for transactions.
All this is to be done in a setting in that stresses good customer service. This theme will be developed below, but in interviews branch employees asserted that in their view, the bank offers the best quality customer service in the industry, and market surveys reveal that customer satisfaction with the 'A' Bank is higher than any other bank in Australia (*Sydney Morning Herald*, 3 May 1995).

The job of CSOs can therefore be viewed as demanding and complex, and contrary to developments in the major banks, the work of branch staff in the 'A' Bank is becoming more rather than less demanding and complex in almost every respect. Although much of the work is routine, the jobs could not be described as deskillled. They require discretion, responsibility, a willingness to accept change and an ability to deal with the public. Employees who can fulfil these requirements are clearly valuable to the employer.

**Branch Work and the Older Employee**

Many older workers are employed in 'A' Bank branches, and management believes that they are particularly well suited to working in this environment. A member of the bank's personnel staff said that in branches, employees

"have to deal with a wide range of products and services, and they have to deal with a variety of customers. And 'A' Bank feels that older people are better able to deal with a broad range of customers, because they have had more 'life experience'"

In this officer's view, the most important advantage of employing older workers in branches is:

'bascially the ability to deal with people. And with a range of functions, because the branch positions have become more complex than they used to be. They have to be able to cope with people, they have to have cross selling skills, they have to have cash handling skills etc. And also the patience to work in a branch environment that comes with older people'.
Appendix

Interviews with older branch staff revealed that this belief on the part of management was mirrored by CSOs. An older employee who works as a relief CSO said:

'I just love going around [to different branches] and meeting different people. And as far as customers go, you really get to know them all anyway, in all the different branches. And I really do enjoy it, it's my thing'.

This CSO added:

'most customers are so happy with what you do, that it's a pleasure to serve them'.

One older worker employed as a CSO outlined how important customer service was for the bank. Banks have recently introduced the concept of staff calling on customers in their home or place of business, and this CSO explained that it was not uncommon for her to go to customers' homes to meet a need for service. For example, if the computer was down, she might suggest that the customer complete any necessary documentation and leave his or her passbook at the branch, and she would enter the transaction in the book and return it to the customer on her way home. She said:

'Things like that, where they're not the norm as far as banking is concerned, but as far as I'm concerned, if it suffices with the customer's needs, it takes very little effort on my part to do these things, and we end up with retention of customers. Because I think it's these little things that go over and above the expected basis of banking, that are actually your best advertisement. Definitely.'

Older workers are particularly good at dealing with elderly customers, or customers with difficulty in dealing with basic transactions. A CSO related how someone who was not a customer with the bank came in and wished to pay a telephone bill, which is a transaction with which the bank is not involved. However, for this non-customer's non-transaction, the CSO rang Optus and tried to sort out a problem with the account. It is also common for 'A' Bank CSOs to try to untangle Social Security problems which do not involve bank transactions. These CSOs believe that
it is in the bank's interest to 'go the extra mile' where possible, as these non-customers are viewed as potential customers, or at least as individuals who might tell their friends about the helpful service they received.

An older CSO who had worked for another, larger bank said that she considered it unlikely that this level of service would be provided in her previous bank. She concluded:

'We really are customer orientated. We really are the best. I'm not just saying that, because we really are the best as far as customer service goes, because it's drummed into us all the time. And we do it naturally.'

Thus older workers fit in well with the bank's competitive strategy of providing good customer service. While not all older workers have the characteristics necessary to be a good CSO, those that do enjoy dealing with customers and are effective at meeting their needs.

**Technology and Training**

If being an effective CSO requires patience and good interpersonal skills, it also involves a facility with working with computers. Some bank employees in the mature age group find working with bank technology more of a challenge than their younger colleagues.

Both management and employees are aware of the difficulties that sometimes arise. A personnel manager noted that:

'One of the things with a lot of the mature workers coming back in, especially after having time to raise a family, is that a lot of them aren't up to speed on their PC or computer skills.'

A mature age CSO gave a colourful account of her experience of confronting computers in the bank.

"I had never even touched a computer except [in the public service], which is entirely different to this. And I nearly died when I went to
[the bank's training centre in] Meadowbank. I thought 'oh, my God, what have I done? I just can't'. All my figures have always been done on paper, in my head."

Training staff with the bank explain that older workers have problems not only adapting to technology, but also to the procedures that must be followed executing transactions. These problems are addressed by means of lengthy induction training, followed by monthly training sessions for all branch staff. There is also a range of in house training courses that can be undertaken by CSOs and CSMs. In addition, the bank goes to considerable lengths to make the software used by branch staff as user friendly as possible. This approach is taken not to meet the specific needs of older staff, but in the belief that in order to provide a high level of customer service across the full range of tasks, an intensive period of training is necessary for all new recruits to branch banking, plus frequent refresher training. Thus the problems experienced by many older staff are generally overcome through the bank's policies designed to assist all staff.

The 'A' Bank invests considerable resources in training. Every new CSO spends three weeks at the bank's Meadowbank training facility, a long period by industry standards. They are taught by full-time trainers who have worked in the bank's branches. Induction training provides an introduction to a basic range of tasks, as well as to the bank's approach to customer service. New CSOs are then placed in a branch for a week under supervision before taking up full duties. Some weeks after this four week induction, new CSOs return to Meadowbank for further in house training in more advanced skills, such as dealing with business accounts.

The bank employs a separate group of field training staff, who also have branch experience. Each branch employee meets in small groups with a field trainer for three hours every month. These sessions cover practical matters such as new products, procedures or software. In addition, field trainers visit branches to work with individual employees on tasks with which they are experiencing difficulties.

This intensive training effort has very positive outcomes in terms of skill development. One older CSO gave the following account of her encounters with technology:
'Computers to me now, I love it. I mean to me, I feel that I could go anywhere and learn anything, whereas when I first started, I used to hit a button and go 'oh no'! If it beeped, it was like . . . somebody was going to jump out and sort of hit me over the head!. I was terrified. Because I'm not of a computer age, I'm just not. But now, I'm so confident. And there's nothing that goes wrong that I can't fix.'

If many older workers have difficulties dealing with technology, the training provided by the 'A' Bank enables most new CSOs to overcome them. In addition, older workers bring other skills from a pre-computer age. As one CSO related,

'Being older, I feel that I'm not as quick on the computers as a lot of the younger girls are . . . The advantage I feel I have over them, is the fact that if the computers go down, I know how to balance the branch the old way. So we all have our little fields of expertise, if you want to put it that way.'

This ability to do things 'the old way', and the advantages it could sometimes have, was noted by more than one older CSO. They believe that some of the younger CSOs have become overly reliant on technology to perform basic calculations and procedures

'Now I find that if I'm adding up a deposit for a customer, I'll just add the numbers in my head. . . And I find that some of the younger girls will go away and get an adding machine to add three cheques. Now to me, that's a skill lost there.'

The training provided by the bank enables older workers to become competent users of technology, and even if they view their younger colleagues as more adept with computers, they see themselves as bringing skills to the job that younger CSOs do not have.

**Productivity**

The variety of tasks undertaken by CSOs and the vagaries of daily branch activities make it very difficult to measure individual productivity in branches, and the 'A'
Bank does not attempt to do so. The bank has no formal view on the relative productivity of older and younger workers. A personnel manager interviewed for this study was not aware of a difference, but suggested that if anything, managers on balance had a more favourable view of older workers' productivity. This manager added that older workers did not appear have any particular problems of a personnel nature in comparison with younger workers, and that they were generally easy to deal with. The bank clearly does not consider older workers to be less productive than younger employees.

**Careers and Expectations**

Some employees seek to move on from their CSO position, while others are content to rise no further in the organisation or industry. A personnel manager suggested that most older CSOs fall into the latter category. This manager observed that compared with some of the larger enterprises in the finance industry, there were fewer employees in the 'A' Bank who joined at a young age and stayed with the organisation throughout their career. While promotion from CSO to CSM is not difficult, and some employees become CSMs within 2-3 years of joining the bank, the management structure is quite flat above CSM level and further promotion opportunities are limited for branch staff. It is therefore in the bank's interests to have staff who find branch work rewarding and are content to remain in branches. Many older workers fit this criterion.

Most older workers in branches are women, many of whom joined the bank after starting a family. While many older women work full-time in the bank as CSOs and CSMs, for others part-time work is more congenial. For the bank, older part-time employees provide a flexible workforce who can meet the peaks and troughs of demand through the day. For female employees, particularly those whose children have not left home, part-time work enables them to combine the difficult tasks of paid employment and domestic responsibilities. Part-time CSOs generally work in branches close to home, and tend to stay in their branches for a long time. This creates a stable workforce who can get to know customers individually, providing the type of personalised service that is at the core of the bank's strategy. The employees, on the other hand, have stable employment which is conveniently located. An older CSO summarised some of the key themes outlined in this study the following way:
'I joined banking because it was an industry that I knew, that I felt confident in. I like people, I like the customer contact, it supplied all those sorts of things for me. I could work part-time so I could devote time to my family. I was not interested in progressing any further along the lines than that.'

As she grew older and more experienced this CSO was offered full-time employment and promotion to CSM, but she was not interested in a change on either account. Her roster at present provides her with a flexible schedule of work and time off, which:

'. . . fits into my lifestyle. I'm able to do it, I don't have the responsibility of children. I'm a widow so I don't have the responsibility of a husband either. So it suits me. And it's great.'

She believes that her job with the bank is secure and takes the view that this applies to other branch jobs as well.

Bank management is aware of the family responsibilities of many of its branch employees. For example, for older workers, a personnel manager suggested that:

'People know that if they're sick in a long term way, or their partner is sick, that it's OK to have time off. . In the culture of 'A' Bank it's OK to ask for it, [whereas] in some other [corporate] cultures the policies might be there, but it's not OK.'

This manager suggested that flexibility in dealing with the personal situations of staff is not a deliberate policy, rather it is an unstated assumption. 'It's just all part of the culture, and when you go to other organisations you realise how flexible [we are].'

Conclusion

The 'A' Bank has no policies specifically designed for older staff. Rather, its strategy, structure and personnel practices make it an attractive employer for older workers, who in turn are recognised by the bank for their contribution. The main negative feature identified in this study is that older workers entering employment in branches are unlikely to achieve promotion beyond branch management, which does
not carry the authority or salary of traditional management positions in the major banks. However, in any event the number of 'genuine' management positions is declining in the larger banks, and there does not appear to be a significant demand for promotion to senior positions among the older workers employed by the 'A' Bank.

The personalised style of service encouraged by the bank is matched by the experience, patience and desire for personal contact which characterises many older workers. If older workers do not come to the bank with computer skills or knowledge of products and procedures, the bank's intensive training provides a good foundation for staff development. The bank does not offer a career for most older branch employees in the sense of a long ladder of increasingly senior positions, but many older workers do not aspire to this, and find work in branches secure and satisfying.
THE AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

Alban Gillezeau

Introduction

The work of an Industrial Commissioner demands a range of managerial and professional skills that are often positively related to the age and experience of the individual. Discharging the duties of a Commissioner demands a high degree of adaptability, capacity for continual learning and intellectual agility but also experience in dealing with crisis situations, the complex and arcane processes of industrial relations, conflict resolution and the law.

The advantage of age and experience for Commissioners has been recently been underlined by amendments to the Unfair Dismissal provisions in the 1994 Industrial Relations Reform Act. These amendments have led to a significant rise in claims to the Commission in the area and, in an attempt to meet this increased demand, former Commissioners have been brought out of retirement. Their work has been highly productive and the experiment has highlighted the distinct advantage of age and concomitant experience in the successful conduct of conciliation processes in the industrial arena.

Organisational Context

Commissioners operate within an organisation which has had many structural and functional changes since it was first established in 1904 under the Conciliation and Arbitration Act. The Commonwealth Court of Conciliation and Arbitration had one High Court Judge who had both arbitral and judicial powers. The judge was entitled to make awards for wages and conditions of employment, interpret these awards and enforce compliance if necessary.

By 1926 the Court was reconstituted to increase the number of judges and provide for Conciliation Commissioners whose job was to help the parties reach agreements. This job was enlarged to include the making of awards after another amendment to the Act in 1947
Less than 10 years later, a more fundamental change took place. In the *Boilermakers Case*, the High Court ruled that the judges could not exercise both arbitral and judicial functions, so the Act was again amended this time to split the organisation into two bodies - a Commonwealth Conciliation and Arbitration Commission which exercised conciliation and arbitral powers and a Commonwealth Industrial Court which retained judicial functions. After this change, the role of the Commissioner was further enhanced. Full benches settle major cases concerning hours of work, national wages, annual leave, test cases such as family leave, appeal matters, and other matters ‘in the public interest’. Commissioners handle most of the day-to-day activities of the Commission such as settling disputes, making and varying awards and - where conciliation fails - arbitrating.

Since the 1970s the profiles and functions of Commissioners have again been substantially recast. The President now needs to have legal qualifications, but whereas previously presidential members used to be appointed from the bench or the legal profession, they are now drawn from industry, commerce, the public sector, universities, unions and employer organisations. Commission members were previously assigned to disputes and industries by the President. Recently a panel system has been created which has been designed to give members specialised knowledge of different industries. Industries and employment sectors are allocated by the President to these panels which are headed by a Presidential member and comprise at least one, with more usually three and sometimes up to five Commissioners.

A Commissioner usually stays on a panel for two years before moving on to another panel. Where there is more than one Commissioner on a panel, they are likely to range from the more recently appointed to the more experienced.

The more senior Commissioners, with at least three to four years experience, are placed on sensitive cases, or cases of national significance where experience is considered a necessary ingredient in the resolution of major issues.

In 1988, the *Industrial Relations Act* replaced the 1904 Act and the Commission, by that time, had begun to initiate fundamental changes in the workplace by requiring the parties to bargain at industry and/or enterprise level. The 1993 *Industrial Relations Reform Act 1993* established a Bargaining Division which was intended to speed up moves towards enterprise agreements.
Members of the Commission have always had to operate within an organisation in which they continually initiate change and upon which change is imposed. These changes may occur as a result of High Court interpretations of the Constitution, new legislation, political or industrial pressure or from the volatile and unpredictable development of the industrial relations system itself. In recent times this has included a change in the political environment from the view that an expansion of the tribunals' power and functions could resolve industrial conflict to an assumption that labour market deregulation will accelerate structural change and economic growth.

The Work of a Commissioner

Method of Appointment

The Commission is relatively unusual in that being a mature aged person is not an impediment to appointment. The route to the Australian Industrial Relations Commission is via the recommendations of others. Commissioners are recruited from three main sources - the union movement, employer organisations or large companies and the public sector. In the case of candidates from union or employer backgrounds, they must be acceptable to the ACTU or the Australian Confederation of Commerce and Industry (ACCI). These peak industrial bodies also assist in the selection of suitable candidates. Commissioners are selected on the basis of experience, demonstrated ability in the field of industrial relations and political considerations. Since the necessary experience is normally gained over at least a 20-25 year period, appointees less than 40 years of age were rare.

During the 1970s and 80s it was unusual for a Commissioner under 40 years of age to be appointed, but a recent trend has been for appointments of persons in their late 30s and early 40s (the average age of the 15 Commissioners appointed since 1994 is 43.7 years).

The Commissioners interviewed for this study were in their 50s when first appointed. The retired Commissioners temporarily re-employed to deal with the surge of work associated with the unlawful dismissal provisions in the 1993 Act were 67 and 70 years of age.
**Job Requirements**

The job of a Commissioner is highly demanding, requiring a range of advanced interpersonal, analytical and technical skills which are substantially related to the accumulation of experience.

The job is very different from the positions Commissioners held earlier in their working lives. The job carries an unusual and very high degree of autonomy and responsibility as one commissioner emphasised in describing his initial adjustment:

'Suddenly there was no direct reporting function. Although previously I was a director I was reporting to a managing director. I now had this autonomy and no one to report to. It was like running a small business. You were given a job and no one told you what you should do, and no one would even dare to tell you. That took a bit of adjusting.'

After working periods of 20 or more years for a union, employer association or company and pursuing the distinctive aims and objectives of those organisations, the newly appointed Commissioner has to adapt to conciliating, and if necessary arbitrating, between union and employer. The task of conciliation and dispute resolution not only requires transcending past allegiances but adopting a different style of decision making:

'Coming from a senior management role I had to be a bit more patient. In the normal process of management once you think you had the facts and there is a need to act, then you acted. I had to learn to be more patient on the job. In the Commission people have to be given a full opportunity to be heard. That takes a bit more time. You have to give people your complete attention all the time.'

Commissioners have to change from situations structured by clearly defined roles and hierarchical relations to dealing with situations which require gaining the trust of independent parties, engaging with the different perspectives and interests of people. The Commissioners perform a range of specialised skills which require considerable adaptation from past roles.
The functions of the Commission have taken on a new dimension in recent years. The Commission initiated widespread changes in industries and its members are involved in managing that change. Under the Structural Efficiency Principle, the Commission presided over restructuring processes across the breadth of industry, monitoring and attempting to facilitate rapid organisational change. Managing change of this magnitude, involving ‘winners’ and ‘losers’ and the attendant difficulties and conflicts of interests, is a demanding task.

Under the panel system where Commissioners are rotated among the different industries and occupational sectors, they have to be continually adapting and learning; establishing and building trusts with new people and quickly developing a knowledge of and feel for the features of different industries and organisations. ‘It's a job in which you are learning everyday’ as one Commissioner said. Commissioners need to adapt to different contexts and find solutions which are both practical and satisfy legal requirements. As another Commissioner remarked, “you not only have to learn to write decisions but write those which are not going to be appealed against”. A Commissioner is likely to come to the position with only a limited knowledge of Statutes and Case law. Thus, knowledge and skill acquired through their own investigations by questioning, individual research and in the course of exposure to arguments is very important. Moreover, the Commissioner has a duty to keep him or herself informed on the judgements of other commissioners and their ramifications so that broad areas of uniformity is achieved. The Commissioners’ work requires flexibility, intellectual agility and continual learning.

The Commissioners must bring their knowledge of industry conditions and the law to bear on a multitude of situations: As one Commissioner commented:

‘To do the job you have to know about the industry you are dealing with, which includes its politics, economics, and whatever forces shaping that industry (and) Listening skills become sharper so that you can separate stated positions from the underlying interests.’

Commissioners have to sift through a range of often conflicting submissions, delivered by advocates of varying competence attempting to persuade Commissioners of the ‘rightness’ of their cases supported by ‘experts’ and lay witnesses, to get to the real positions and issues.
Knowledge and experience are critical to acquiring the full range of skills for the performance of a commissioner’s duties. The first Commissioner interviewed saw the Commission as:

'an industry dealing with people, and what was required of a Commissioner was an understanding of management, the politics of the day, the politics of unions and employer organisations. That Commissioner must also have a demonstrated skill of analyses and putting an argument. Ideally the Commissioner must also be someone who has been in crisis situations and capable of sustaining pressure without falling apart. That is not necessarily age related, though length of time on the job will give you more opportunities to learn. If you accept that most industrial disputes coming before the Commission are finally settled by negotiation, then the skill of the Commissioner is knowing when that point in the negotiation process has arisen where the Commissioner can use his or her skills to bring the parties to a settlement. That requires experience.'

An understanding of the dynamic and complex processes of industrial relations and conflict resolution, knowledge of the characteristics and idiosyncrasies of different industries and organisations and a calm temperament are essential - all qualities which tend to come with age and experience.

The Productivity of a Commissioner

It is difficult to assess the productivity of Commissioners, particularly in relation to age. An attempt to measure productivity in conventional input-output terms could be done by measuring the time required per case, dispute hearing and other aspects of a Commissioners work. However, a quantitative measure would be grossly misleading because there are so many mediating factors which reduce the control of the Commissioner over the duration of cases. One of the Commissioners cited a case in the mining industry which went for 9 months with 2-3 sitting days most weeks of the period. This would certainly not have helped his averages. Nor is a comparison of the number of appeals against decisions a suitable measure for it may simply indicate that a Commissioner is more prone to risk-taking through innovative judgements or that the issue is of such significance to the parties that they seek to
delay the implementation of a decision through an exhaustive appeal processes which may end in the High Court.

Another measure might be whether the industrial parties who appear before the Commission complain about a Commissioner's competence or other attributes to the Presidential members or the President - and whether any complaints have been adjudged to be justified. Due to the nature of Commission work any such complaints are unlikely to be publicised. Advocates who regularly appear in both the Federal and NSW jurisdictions were interviewed about their perceptions of the competence of mature or older Commissioners. One advocate noted that:

'. . . the range of abilities vary a lot in the Commissions, and that includes all positions, not just Commissioners . . . (but) . . . their abilities had nothing to do with age . . .' 

This seemed to be the consensus amongst advocates interviewed. 

There was no evidence to suggest that Commissioners could not carry out their duties as their ages advanced - quite the contrary in fact. One advocate commented that some Commissioners, as they aged and became more experienced, "seem to be a lot more inventive in suggesting options in the conciliation process." A full-time Commissioner said:

'I am still scrambling over building sites in my sixties as I was forty odd years ago when I represented an employer organisation.'

Some of the mature or older Commissioners were renowned for their output - as a current Commissioner recalled of a former Commissioner he used to appear before as a union official.

'He lived out of hotels and motels in various cities. He was highly productive, and decisions just poured out from him. He was handing down decisions up to his last day on the job.'

The re-engagement of Commissioners in their late 60s and early 70s to conciliate dismissal cases underlines the point that age is not an impediment to performance and if anything is an advantage.
The Return of former Commissioners

With the introduction of amendments to the unlawful dismissals provisions in the Industrial Relations Act in 1994, the workload of the Commission escalated enormously. For the first time in its history, individuals - not just registered organisations - had access to the industrial courts and legal remedies if they considered that they were illegally or unfairly sacked. The Commission does not have the authority to reinstate an individual but the Court can. Before this amendment, Commissioners had always dealt with dismissal cases through the conciliation process but had could only recommend and had no authority to arbitrate.

In the 12 months of operation to April 1995, there had been 5,195 dismissal cases sent for conciliation to the Commission from the Court. Given the resources available to the Commission it would have been impossible for them to deal with those cases and their normal workload at the same time. The retired Commissioners were an ideal pool of highly skilled workers to draw upon who could rejoin the Commission and perform the conciliation of unfair dismissal cases without any resources having to be allocated to retrain them. Commissioners from other jurisdictions were also brought in to assist.

These dismissal cases are distributed between the permanent and retired Commissioners. The permanent Commissioners take 3-4 cases a week in addition of course to their other duties. The retired Commissioners are given 3-4 per day. The Commissioners interviewed settle about 15 cases per week when they work a full week.

Of the cases dealt with by the Commission, 58% were settled through the conciliation process, and 37.4% returned to the judicial registrars of the Court for decisions. Just over 4% were withdrawn (The data is not disaggregated so it is not possible to make comparisons on the differences in "success" rate of Commissioners which would in any case be quite misleading).

One of the Commissioners pointed out that before they were brought back to work the solution rate for dismissal cases was around 47%. At present this rate is running at approximately 70%. A "solution" to a dismissal case occurs where the parties have reached agreement not to proceed any further. This could mean that the
dismissed person was reinstated, accepted compensation, or decided not to pursue the case any further.

There is a general consensus that the work standard and output of former Commissioners has been high. As one current Commissioner explained:

"... I put that down to the fact that most of the work previously done by the Commissioners was conciliation and returning to do these cases was not a problem. From experience you are able to ask the questions which bring out the real issues the parties are concerned with and then go on to conciliate. There's nothing new about the conciliation process. People are still getting sacked for trivial matters, and the procedures for terminating employment ignored, and employers continue to underpay their workers... all the sort of things we dealt with before."

Another Commissioner said:

"I usually introduce myself and say I am one of the retired Commissioners who have been handling these matters for the past 9-10 months, and before my retirement I was a member of the Industrial Relations Commission for a period of 15 years. That tends to set the scene and the people understand that the Conciliator is a person of some experience and involvement in these matters. That seems to stand everybody in good stead. If the matter then comes to an impasse they would tend to rely on the recommendations of the Conciliator."

Far from being viewed as a drawback, seniority and experience is seen as a virtue in a Commissioner by industrial parties, reassuring the parties and enhancing the authority of the Commissioner.

There has traditionally been no training for appointees who were expected to immediately settle into the job. That may be changing with the new President of the Commission who has initiated a workshop on conciliation for newly appointed Commissioners. The introduction of a workshop may be related to the fact that the President was appointed from outside the area of industrial relations and wishes to
introduce a different style of administration. It may partly also be a comment on the relative lack of experience in conciliation of the newly appointed Commissioners relative to the mature or older Commissioners appointed during the 1970s and early 80s when industrial conflict was much higher than it has been since the mid-1980s.

**Conclusion**

Being over 40 to 45 years of age was not an obstacle to appointment to an industrial tribunal or the performance of the duties of a Commissioner. The preference was for people with at least 20-25 years experience in the area of industrial relations. Performing the work of a Commissioner requires a set of quite specialised skills and knowledge. Age and experience often appear to be an advantage, almost necessary for the full development of the relevant skills, as demonstrated by the performance of the retired commissioners re-engaged for the unfair dismissal cases.
'LONG' CORPORATION

Chris Briggs

Introduction

Since its inception as a property group, 'Long' Corporation has diversified and expanded enormously but property remains an important and well-performed division. Since 1990, the property group has been reorienting its growth strategy by gradually expanding into international markets and restructuring its work processes through the enterprise bargaining process. 'Long' Corporation has a very youthful age profile but mature workers have adapted just as comfortably as younger workers to workplace change and perform important, enhanced roles within the newly created work area teams and in facilitating the skill acquisition necessary for continued workplace reform.

Organisational Context

Originally based solely in the property market, 'Long' Corporation has changed enormously in size and structure since its inception during the 1950s. Twenty consecutive years of profit growth have made it one of Australia's biggest public companies. During the 1980's 'Long' Corporation moved into financial services and is now positioning itself to move into information technology markets. During 1991, the financial services operations overtook the property group (containing two divisions - property services and property investment services) as the main source of profit but property remains a base or core activity for 'Long' Corporation. 'Long' Corporation concentrates on project design and management as opposed to more specialised tender or contract building so that it is involved right throughout the process from preparatory stages to managing and performing elements of the construction work and even managing the property after construction is completed.

The growth strategy of 'Long' Corporation in property rests upon international expansion. Domestically, 'Long' Corporation is relying on joint ventures to secure a share of an expanding infrastructure market (underwritten by privitisation) and other areas of non-residential construction such as retail shopping centres. However,
based upon projections that they are approaching the outer limits of growth in the domestic market, 'Long' Corporation is looking to gradually expand the share of their operations in international markets during the 1990s - especially in South-East Asia. 'Long' Corporation has already been involved in joint ventures in the UK, Thailand and Indonesia.

**Workplace Change at 'Long' Corporation**

As with most of the major interests in the building and construction industry, 'Long' Corporation has committed itself to a program of substantial workplace reform. External pressures such as the shift to enterprise bargaining within the industrial relations system and the establishment of public bodies (such as the Construction Industry Development Authority by the Commonwealth government, the Royal Commission and the Building Industry Taskforce in NSW) designed to encourage and push reform in the building and construction industry created a climate in which a broad-based movement for change in work practices and culture was formed. 'Long' Corporation has been in the forefront of workplace change and was one of the first employers to sign an enterprise agreement.

A Joint Development Agreement (JDA) was negotiated with the Construction, Forestry, Mining, Employees Union (CFMEU) for non-residential construction in 1992. The agreement set out a range of objectives such as:

- increasing domestic and international competitiveness through continuously improving the efficiency, productivity, safety and quality of production;

- developing a shared vision and joint decision-making processes through consultation and participation. Consultative committees at various levels such as a national monitoring committee, business unit/monitoring committees and project consultative/monitoring committees;

- developing adaptable, committed, highly skilled employees. To this end, work processes were to be reorganised and 'self managing broadly skilled work area teams' established. Work area teams were defined as 'groups of employees who have the responsibility for completing elements of work. The team was given the task of completing the whole job cycle of planning,
doing, checking, re-planning etc. and must take on the safety, quality, cost, timing and environmental issues of getting the job done. The ultimate aim is for the teams to be self-directing'. To facilitate this transition, guidelines were to be 'established to develop systems to facilitate continuous learning and up skilling' and demarcation barriers eliminated to 'increase the versatility and adaptability of labour'.

Using a survey of 'Long' Corporation's construction workers and sub-contractors conducted by Coopers & Lybrand, the JDA was successfully renegotiated during 1994.

The changes to work practices and processes which have occurred at 'Long' Corporation have been substantial. Changes in work organisation to devolve responsibility and tasks to self-managing work area teams have occurred on many projects. The function of the work area teams is:

'not purely to just look at a group of people doing the tasks . . . originally done by a group of labourers . . . the work area team has to encompass that supervisor and also that site engineer that may have been allocated to that package. The reality is that a true tradesman, a good tradesman is quite capable of programming work, doing budgets, ordering, doing all those things that were in the past seen as being the managers job or the bosses job.'

Elements of the jobs of supervisors and site engineers such as computerised data entry, administrative functions and the 'soft' skills such as supervision have been incorporated into jobs further down the classification structure. Construction Worker 2's, for instance, 'are now able to express and demonstrate tasks that traditionally were done by wages foreman, Construction Worker 6's'. These workers are now performing more holistic and comprehensible tasks: 'he's better able to do his job because he better understands why he's there, what it costs, the potential for him to make money for the project, he's quite aware of his contribution to profit'. Construction workers have not only been undertaking 'multi-skilling' or 'upskilling' but also 'multi-tasking' (that is, workers are performing tasks of other jobs 'across' as well from 'up' the skill-based classification structure).
Underpinning these shifts in job design and work organisation is the creation of clearly defined career paths within a skill-based classification structure and increased skill acquisition. A 9-level classification structure (Construction worker 1 - 9) with competencies specific to 'Long' Corporation has been constructed (level 4 being equivalent to a tradesperson under the old system). Redrafting competencies in a fashion consistent with the Australian Skills Framework and the needs of 'Long' Corporation has been a difficult process. The original skills matrix was too rigid. For instance, it required workers to acquire the full range of skills in a stream which was unrealistic and created resentment among workers who felt their skills were not being properly recognised. However, there is confidence that most such problems have now been ironed out and workers can now be recognised both as 'specialists' and as 'broadly skilled'.

Substantial opportunities for training and learning have opened up. 60% of respondents on the internal survey conducted for the renegotiation of the JDA said that 'workplace reform increased their opportunities to learn new skills' and three-quarters of respondents had attended one or more training courses in the last year. However, training usually takes place on the job through agreements with supervisors to allow individuals to pick up skills by performing the actual work. One example used was that of an employee wanting to learn computer skills. Instead of sending him to a course they would be delegated the input of safety statistics by the supervisor or site manager for the next three months. Past experience at 'Long' Corporation had shown that without the application of newly acquired skills on-the-job, training is worthless. Multi-skilling and skill development, then, rests very much on the reorganisation of work and they are inter-dependent processes: increased training and skill acquisition is necessary to facilitate more flexible forms of work organisation, but work must be simultaneously reorganised for effective skill acquisition to occur.

The rate of change is uneven and the process has not been entirely smooth. Some middle managers have been reluctant to relinquish some of their roles and to change their style in a manner consistent with the work area team concept. In the internal survey, some foremen said they were unhappy with elements of decision-making which had been devolved to construction workers, and there were complaints among construction workers that managers were becoming 'bullish' in their approach to work'. There was also concern among construction workers about the
failure of increases in direct labour to materialise, fears over job security (36% of construction workers said that job security was worse and just over 50% said that the level of direct labour in the company was worse) and 'a significant level of dissatisfaction with change and/or the way it has been handled'. Workplace reform has not always been able to meet the expectations it has generated and there is fear among certain sections of the workforce that the process could be against their interests.

Notwithstanding these difficulties, there is clear majority support for the reform process. The internal survey found broad-based agreement that there were improvements in skill development and application, increased productivity, better quality of service to customers and a large degree of agreement that workplace reform is producing positive results for all parties.

*Mature Workers at 'Long' Corporation*

'Long' Corporation is a very youthful organisation, both in the context of these case studies and indeed industry at large. The average age right across the enterprise (Financial Services and the Property Group) is just 32 years. The average age in the construction workforce was thought to be a few years mature than across the rest of the corporation and the Skills Development Manager said that there were two main age groupings among construction workers - a group of younger workers who were in their 20s and a group of mature workers who were in their late 40s and early 50s - and something of a 'gulf' between these two age groupings. Despite the youthful profile of the 'Long' Corporation workforce, management did not appear to see age as a factor in recruitment or a barrier to continued employment.

*Adaptation to Change*

As with most of the other enterprises in the case studies in this report, mature workers were reported as having initial difficulties in coping with the introduction of computerised technology. Most of these difficulties were psychological and easily overcome:

'For the younger guys, it's just not an issue. The older guys, initially you might get some guys who resist it... A lot of them have a
perception that to operate a computer you gotta be pretty smart. They see their kids use them and to some degree feel there's a gulf between them but when they can go home and tell them they're using a computer too they feel they're on equal footing with their kids . . . then they tell their mates it's a piece of piss. It's not so hard. It's easier than using a drill . . . New building technology they quite quickly adapt to.'

The adaptation of mature workers to new technology was not a significant problem at 'Long' Corporation.

Nor had 'Long' Corporation had any problems with retraining. Older workers - especially those with Non-English Speaking Backgrounds - sometimes initially lacked confidence and they felt that they were too old to start again with training. Once they commenced training, these fears generally evaporated and there were no problems with retraining mature workers. Older workers, in fact, were considered more efficient learners if anything (especially those who possessed significant levels of formal skills).

As far as adapting to more flexible work organisation is concerned, mature workers were again regarded as being superior. Mature workers usually have substantial experience with flexible forms of work organisation:

'We were really only heavily demarcated on major projects in the CBD . . . most of these guys (the mature workers) have worked for themselves, or in small companies and know what flexible production really is. They were just never allowed to do it in the CBD. So to make those changes was really remarkably easy.'

Younger workers, of course, had little or no experience of the mature work systems. Younger workers were sometimes resistant because they had completed an apprenticeship in a particular 'ticket' such as carpentry, expected to perform skills exclusively in this ticket and did not always have the range of skills but in general, 'Long' Corporation had found little resistance or serious difficulty among workers of all ages operating under more flexible systems of work.
Special Roles for Mature Workers

Mature workers are used informally in a number of special roles. There is no formal policy for the deployment of mature workers as 'mentors', but it occurs on an ad-hoc basis according to the talents and aptitude of the individual. In practice, it appears to be quite widespread because of the structure of performance appraisal:

'... mentoring is something I guess I would be hard pressed to find a single person in the construction workforce that doesn't have one. Virtually everyone does because everyone has performance appraisal done by someone else and that person is charged with the responsibility that they can meet their action plans.'

Mentors tend to be older, more experienced workers but are not exclusively so and are used as a source of career guidance or sometimes as mentors in particular skills such as construction planning.

The work area teams have also placed greater emphasis upon mature workers as natural leaders and in transferring skills and knowledge to younger workers. As Eric Hensley said:

'The older blokes, the more experienced guys have got the knowledge, and also the maturity, they become very good coaches, very good trainers. They've got the smarts of the various jobs. So again via the work area team concept they become natural coaches in the sense they've got the most to contribute.'

'Long' Corporation was currently performing work that they would normally delegate to sub-contractors to maintain the level of construction workers and for training purposes. Where possible, mature workers are placed with younger workers within the work area teams:

'So we'll put a couple of guns in the team with a whole bunch of people who don't have the skill or only partially have the skill ... I can't think of an example where it didn't work well. The older guys, irrespective of their background, are very keen to teach the young blokes ... many of them haven't taught an apprentice or a young
person for years and some of these skills . . . (such as) the wet trades . . . no young people seem interested in that and there was a lot of fear that they were dying and I'm sure they are actually, broadly, the skills are being lost. These older guys we're talking about are into their late 40s, most of them into their 50s, the ones that know how to do it.'

Mature workers become even more valuable in the context of skill shortages which are currently emerging in the industry. 'Long' Corporation has attempted to build a skills base and pre-empt skill shortages in the past by training people 'just-in-case as opposed to just-in-time', but if there was a lag between learning and performing these skills they found they were pretty much 'back to scratch'. 'You're better off when you've got the job, try to find a couple who know how to do it, a couple of people who want to know how to do it, put them together and train them just in time'. In this context, having mature workers with the experience and skills to perform these roles is essential.

**Teamwork and Consultative Forums**

Teamwork and the use of consultative forums (formal and informal) has enhanced the role of mature workers. Aside from the roles of mature workers in teamwork which have been discussed, the contribution of mature workers within consultative committees tends to be more extensive because ' . . they've had the experience to understand that there are certain ways or there could be ways to do things in a more efficient, effective manner'. The consultative committees has allowed 'Long' Corporation to tap into the extensive knowledge and experience of mature workers more effectively. Importantly, though, the mature workers of a non-English speaking background do not make the same contribution:

' . . they get extremely nervous in groups as opposed to the mature groups with Anglo backgrounds . . . who tend to be the opposite . . . They come from that industrial background . . . They're very good in a team atmosphere.'

Lack of language and literacy skills remain an important impediment to the full participation of mature workers of ethnic origin but mature workers generally have
more to contribute in consultative forums because of their greater experience and knowledge.

**Quality and Productivity**

The opinion expressed in all interviews conducted was that no meaningful generalisation about the relationship between age and quality or productivity could be made. Both positive and negative examples of the productivity and work quality of mature and younger workers could be found. The EEO Manager summarised the relationship between age and quality or productivity well: ‘... it's an individual thing ... we acknowledge the diversity in our workforce and we try and manage it for what it is on very much an individual basis'.

**Conclusion**

'Long' Corporation is a very young organisation but the roles performed by mature workers have been important in the process of workplace reform. Mature workers have adapted to the introduction of new technology, retraining and change in job design just as effectively as younger workers and actually perform an enhanced role under the system of work area teams. By sharing their knowledge through site consultative committees, training and transferring skills to younger workers, mature workers are performing roles which are essential for the continued reform of work processes to enhance flexibility and productivity.
'PREMIER' GROUP

Chris Briggs

Introduction

'Premier' Group Australia Pty Ltd is a small to medium manufacturing firm in Sydney's western suburbs. From the brink of collapse in 1988, 'Premier' Group has been revived by a thoroughgoing change program encompassing marketing/sales strategy, product range, managerial style/practices and production processes. Central to the survival plan of 'Premier' Group management was a new production system based upon a multi-skilled, flexible and more autonomous workforce6.

The 'Premier' Group is the embodiment of the type of enterprise and work context in which mature workers are stereotypically considered ill-suited by managers. An enterprise that has transformed its performance through technological change and an innovative, highly flexible production system created through organisational restructuring, job redesign and retraining. 'Premier' also has a relatively large group of mature workers who have not only successfully adapted but also been found often to exhibit work attributes - such as superior quality - which are especially valuable in the context of the new production strategy.

Organisational Context

'Premier' Group is a subsidiary of a British enterprise although it is financially self-sufficient and self-funding. They manufacture a broad range of products from knobs and handles to kitchen products (bakeware, cutlery, kitchen gadgets etc) to diecast security locks and other industrial products. Such product diversity means they compete in a multitude of different markets against many different firms. This is reflected in production lines that are capable of producing hundreds of different

---

6 Much of the information on 'Premier' Group and the change program is drawn from an earlier case study conducted by John Buchanan & Ron Callus (ACIRRT) in John Buchanan & Ron Callus and Malcolm Rimmer & Debora Campbell (National Key Centre in Industrial Relations) in Facing Retrenchments: Strategies and Alternatives for Enterprises which was published in 1992.
types of output. The organisational structure contains three divisions (manufacturing, marketing/sales and finance) but this study concentrates upon manufacturing production.

After 'steady growth' in the 1960s and 1970s, 'Premier' slumped during the mid-1980s and the workforce had been reduced by two-thirds by 1988. A new management team entered the workplace in 1988 under instructions from head office either to reverse the slide if possible or to close the factory. The UK head office would have been happy with either outcome, and a sister plant in New Zealand had just been closed down.

The essential problem which the restructuring exercise had to solve was how to reconcile the production of customised goods for domestic and international markets with cost containment. The new management team commenced during 1989 by rationalising product lines. From 1989 to 1992, 60% of product lines were discontinued to reposition the enterprise in the mid-to-high segments of markets with a coordinated core of product ranges. Communication links between the production and marketing departments were improved so that production was now driven by the Marketing Division's research on customer requirements. An intensive nine month consultation process during 1990 preceded the introduction of value-added manufacturing structures and processes: multi-skilling, job rotation and extended involvement and autonomy of production workers. The organisational structure was flattened and recast by reducing the size of middle management, reorganising two separate production units into four production cells and introducing value-added manufacturing groups for each production area. Each group monitors the production cell's performance (by measuring quality, raw materials, occupational health and safety costs and labour utilisation), develops their own action plans and discusses ideas for improvements. The skills base of production workers was broadened to facilitate job rotation. Workers are rotated within departments on a daily basis and across departments in response to changes in work schedules. Equipment was updated throughout the recession as funds became available and during 1993 MRPII (Manufacturing Resources Planning - Computer Software) was introduced. MRPII devolved computerised production processes and data entry to shopfloor workers which complemented other organisational changes to devolve responsibility for quality (building quality in at source) as part of the development of systems for quality accreditation which
occurred during 1994. The focus of restructuring has now shifted up the organisation from production to staff areas, and to the reorganisation of the sales structure to place greater emphasis upon larger accounts.

Quality and productive efficiency have increased dramatically. 'Premier' Group now exports 11% of total output. So much so that 'Premier' Group has been selected as a participant in the Australian Best Practice Demonstration Program (ABPDP). The ABPDP allocates funds to firms with export potential who introduce continuous improvement change programs with a view to facilitating further workplace change and spreading reform throughout an industry by using the enterprise as a demonstration model. A flexible, skilled and highly productive workforce and production system is clearly one of foundations of the turnaround at 'Premier' Group.

*Mature Workers in the Context of Restructuring at 'Premier'.*

The characteristics of the workforce at 'Premier' Group are quite distinctive. The size of the workforce is relatively small (139 employees), over half of the workforce is female, a clear majority come from a non-English speaking background and the age profile of the workforce is relatively old. Just under two-thirds of workers at 'Premier' are over 40 and just under 30% of the workforce is over 50 years of age. A small number of workers were continuing to work past retirement age. 'Premier' has no explicit policies on mature workers and it was quite clear that, for senior management, age was not an issue or a factor in their thinking.

*Adaptation to Change*

The introduction of change was generally received very positively and entered into enthusiastically by union representatives and company employees. The change in managerial style (from aloof and paternalistic to actively consultative), and the guarantees and proven track record of employment security laid the foundations for the restructuring program. The content of change (such as job rotation, increased worker participation and autonomy) was welcomed by the employees and the union delegates.
The restructuring exercise has progressed extraordinarily smoothly but inevitably there have been some adjustment problems. Whenever difficulties did emerge in the process of restructuring production operations they were able to be overcome without much trouble. Mature workers, for instance, did have initial problems in adapting to the use of computer-based technology. Without the prior exposure to computers of the younger workers, the mature workers were sometimes confused, more tentative and slower to adapt. However, their stronger work ethic and job commitment meant that they were generally more determined to learn and adapt. One supervisor explained:

'The mature person will really have a go even if it means thinking about it a lot more and more explanation towards it as long as they get it drummed into them. They want to stick with it, they really want to know.'

No differences were reported in the adaptation to other forms of new technology. Retraining and some patience to allow mature workers to familiarise themselves and get comfortable with foreign technology was all that was required. Mature workers were slower to adapt but their determination to learn and more positive response to retraining enabled them to adapt just as effectively as younger workers.

Indeed, the mature workers not only adapted just as effectively as younger workers but once they had overcome whatever initial problems they encountered, they proved invaluable to the operation of the new production system. Mature workers are used in a number of special roles by supervisors and, notwithstanding the variations within and peculiar attributes of all age groups, tend to have superior levels of quality and make an essential contribution in consultative forums based upon their experience. Whatever difficulties were encountered by mature workers in the early phases of the transition to systems of continuous improvement and flexible production have been overshadowed by their performance when they successfully adapted.
Special Roles of Mature Workers

'Premier' has no formal policies on the employment or deployment of mature workers but the Operations Manager, supervisors and production workers indicated that they are generally used in a couple of special roles.

'Premier' hires new employees as casuals for a probationary period. During this induction period, mature workers can be used as role models or to provide guidance for new employees. They are always used to train new employees on the different machines as they are rotated from job to job. One supervisor said he would use an experienced worker in this manner with a new employee every day - usually for about a month - and then again if a job which hasn't been run for a couple of months comes up again. Once they have learnt the particular skills of each job they are encouraged to 'adapt their own ways and . . . develop your own style' but using the mature workers as on-the-job trainers was important in ensuring that 'everybody can do everything' which is critical to multi-skilling and flexible production.

Supervisors and workers in both production areas where interviews were conducted mentioned that mature workers were relied upon by supervisors to perform certain tasks. Especially during periods when they are under pressure to meet deadlines, mature workers are placed in certain key jobs and not rotated with the same frequency as younger workers because their greater experience, reliability, skill and quality is required for these tasks.

Quality and Productivity

Perhaps the most striking feature to emerge from interviewing managers and workers at 'Premier' was the unanimity with which they described the process of adaptation to the new work systems by mature workers; that mature workers did have their problems to begin with, but that once they had adapted to the new system their skills and the quality of their work was superior. Even in using the computer-controlled machinery, the quality of mature workers was regarded as higher. The Operations Manager commented that:

'they (mature workers) actually responded extremely favourably to picking up quality at source. . . we usually find they're a little more fastidious than the younger person would tend to be who might
readily accept a lower level of quality and just push it through. the quality aspects of mature workers is certainly much higher in our experience. There's much more attention to detail and I guess there's not that much of a significant difference between output if at all.'

One supervisor commented in similar terms that:

'the mature workers you find are more quality conscious and the younger ones are faster. But where speed comes in you don't always get the quality you want. Because I got a couple of girls here who I got to keep chasing on quality . . . the mature people . . . they might be a little slower but they get there . . . the percentage you're losing is not worth talking about anyway. Because over a period of time they're still keeping ahead of the young one who's made the rejects . . . So it's swings and roundabouts really.'

Not only were the quality standards of mature workers better but they were also more reliable.

The supervisor in the other section where interviews were conducted said she really could find no appreciable differences between mature and younger workers. But there appeared to be a clear perception that if younger workers are faster and more efficient to some degree - 'Premier' does not measure the individual productivity of workers - the mature workers have more fully developed skills and greater commitment to quality. This is obviously of critical importance under the current production system where responsibility for quality has been devolved and built in at source.

Underpinning the superior quality of work of mature workers was often a stronger work ethic, job commitment and experience. Such judgements are necessarily impressionistic and as limited as any generalisation. However, comments were made that mature workers are more focussed, younger workers were sometimes only there for the money and in the 'market for change' whereas mature workers were more accommodating and committed to their work. Mature workers placed greater emphasis on a quality job and from experience had a greater depth of skill to do so.
Appendix

The one aspect where the performance of younger workers was considered superior to mature workers was in the system of job rotation. Younger workers were more or less infinitely flexible in the sense that they didn't mind where they were placed but the length of time some of the mature workers had been in certain types of work meant they were less enthusiastic about job rotation. One supervisor commented that:

'They tend to feel I've worked here for so long, why have I got to go and do this . . . the mature ones have worked in this moulding section for so long that they feel that it is their section.'

Such attitudes were of course not uniform and less prevalent than they once were. The other supervisor had heard that in some sections mature workers were less willing to rotate jobs but said there was no difference in her section. One mature worker interviewed, who was used on particular tasks because of her skill and experience, said she would like to be rotated more than she was. A new roster system ensuring that all the jobs (popular and less popular) were equally shared out had ended much of the reluctance of some workers according to supervisors. It was also mentioned that there were a couple of workers who had physical limitations (for instance, they had difficulty with fiddly jobs) which restricted the degree to which they could be rotated. However, physical problems had been largely overcome through changes such as better lighting on machines, were accommodated within the system and were considered to be a very minor issue. In any case, it was also expected to be less and less of a problem because multi-skilling reduces the stress placed on particular body functions. Managers were adamant that the reluctance of some mature workers to participate in job rotation was a marginal problem (to the point of defensiveness) and in the context of the integral role mature workers play in the operation of a quality-oriented, flexible production system they were of little significance.

Teamwork and Consultative Forums

Assessments of the adaptation and involvement of younger and mature workers in teamwork and consultative forums were varied. Certainly there was consensus that as a general rule everyone had adapted very well to the increase in responsibilities
and autonomy, but there were different assessments of the relative contribution of mature and younger workers.

One supervisor felt that the mature workers were more vocal and tended to have more ideas for improvement because of their greater experience:

'. . . the younger workers don't seem to say anything unless the mature one does first . . the mature workers always got their say. Whether they're right or wrong they've always got their say . . . they will tell you more and if there's an easier way of doing something they will tell you but the younger one goes, 'that's the way you do it and that's the way you carry on doing it'. They don't sort of improve on it. They (mature workers) think about what they're doing and an easier way of doing it. Always . . . Because they've had more experience. They've done a lot more jobs and working in various jobs all over the place and different departments. The experience is there and so they're thinking about new ways of doing it which is easier for them. . . . They (younger workers) haven't done anything else to compare it to.'

The experience and commitment of the mature worker led them to be more analytical and innovative.

Other interviewees felt that younger workers bring a fundamentally different mindset and perspective which was equally valuable. That the younger workers tended to be more creative because they've grown up in a different era, they're more familiar with the new technologies and have a different set of values and perspectives which could be a catalyst for change.

Interestingly, though, the Operations Manager felt that the optimum situation was a 'blend' of the mature and younger workers with their own particular virtues and characteristics:

'The younger worker has a background in a different environment and is able to bring and instil some of those values from that previous environment and are really challenging the traditional methods of doing things, but I think once those traditional values have been
questioned the two tend to blend together and work together to come up with a solution. The younger worker may be suggesting something that the older worker has already tried in the past and has proven to be unsuccessful. So they can relate that back and there's a bit of dialogue that will occur there as to why was it unsuccessful?. What did you find?. Well we overcame this by doing this and enables them to come up with an optimum solution.'

Since 1993, the majority of new employees have been under 40 and in the case of one department, there had been a 'subconscious decision' that a younger 'blend' was required:

'. . . a mature aged worker who has vast realms of experience within other organisations could still come in and challenge those traditional values that we have. It's just that in a lot of instances it's been appropriate to replace those mature workers that we have with a more youthful workforce to facilitate that dramatic and quantum leap in change.'

The Operations Manager suggested that most departments in the organisation would have a 'blend' between mature and younger workers and that he thought that was the 'optimum' situation.

**Conclusion**

'Premier' Group has transformed itself from an enterprise on the verge of collapse to a thriving exporter whose system of flexible production and process of workplace change is used as a model for other enterprises in the industry. The mature workers at 'Premier' have not only adapted to these changes but the special roles they perform, the quality of their work and the blend of experienced, mature workers with younger workers is essential to the success of the new production system.
GROCERY AND VARIETY RETAILER (GVR)

Shannon O'Keeffe

Introduction

The GVR group is an Australian owned retailer of grocery and variety products. It contains one of the largest supermarket chains in Australia. Employment in this industry is highly casualised and female dominated. The levels of training and access to career paths are poor in this industry. The industry has a large number of mature aged workers because of the flexibility that the retail industry provides, and because of easy entry to jobs that do not require high levels of specific skills. While many mature aged workers are highly skilled, the retail industry is easy for workers to transfer into from other industries. This case study focuses on mature aged workers at a GVR store in a suburban shopping centre located in Sydney.

Organisational Context

The GVR group consists of many divisions which include supermarkets, discount stores, clothing stores and electronic stores. The group also has a manufacturing arm whose primary function is to process and sell manufactured products to the supermarket division. GVR is a major retailer of fruit, vegetables, meat, serviced delicatessen and bakery goods. The supermarket division of GVR accounts for over 85% of GVRs total sales and holds over 30% of the Australian grocery market. GVR retail outlets are divided into departments which are accountable for a type of goods sold in the store. The majority of GVR retail outlets are located in suburban shopping strips or established shopping centres in all states of Australia.

The Retail Industry

The retail industry in Australia is characterised by poor levels of formally structured training, variable hours of work and a lack of defined career paths. Despite these characteristics morale was high amongst employees in the case study. One group of employees, mature aged workers, did not find these issues problematic and are attracted to the conditions of worked offered by retail stores.
Casualisation in the Retail Industry

GVR retail employs approximately 72,000 employees across Australia with 23,000 employees in New South Wales, of these around 61% are female. The predominance of female employees at GVR can be attributed to the hiring practices of the 1960s and 1970s, resulting from changes in cultural attitudes to women in the paid workforce and an expansion of the industry as a whole.

GVR has a high percentage of casual female employees concentrated in customer service. Table 1 shows that the majority of female staff over 21 years working at GVR are concentrated in customer service areas, and that males dominate the managerial positions at GVR. Table 2 shows that of the total number of employees in customer service women are more likely to be in part-time and casual employment rather than full-time employment in this area. These figures are taken from GVR’s annual report to the Affirmative Action Agency and are considered representative of the store studied.

Table 1: Location of GVR Employees (NSW), 21 years and over

<table>
<thead>
<tr>
<th>Location</th>
<th>Females</th>
<th>Males</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5001</td>
<td>1344</td>
<td>6345</td>
</tr>
<tr>
<td>Management</td>
<td>851</td>
<td>1484</td>
<td>2335</td>
</tr>
</tbody>
</table>

Source: GVR Affirmative Action Report 1995
Table 2: GVR Customer Service Employees (NSW) 21 years and over

<table>
<thead>
<tr>
<th>Status</th>
<th>Full-time</th>
<th>Part-time</th>
<th>Casual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Females</td>
<td>969</td>
<td>1515</td>
<td>2482</td>
</tr>
<tr>
<td>Males</td>
<td>568</td>
<td>241</td>
<td>1103</td>
</tr>
<tr>
<td>Total</td>
<td>5001</td>
<td>1344</td>
<td>6345</td>
</tr>
</tbody>
</table>

Source: GVR Affirmative Action Report 1995

Selection/Recruitment Practices in the Retail Industry

GVR selection and recruitment strategies are informal and focus on recruiting 'the best person for the job'. They tended to recruit people from any source that can provide them with 'good people'. One of the key characteristics that GVR looked for in its employees was honesty and reliability. Prospective employees usually received all the training they needed whilst working on the job, so that seeking highly trained people or specialised skills was not a priority for most of the positions offered. One of the most common places they recruited from was the CES.

Training, Career Paths and Progression

Employees and management interviewed felt that the career path in the retail industry was limited. Similarly, career paths for GVR employees were informal and limited, and were often determined by an employee's ability to demonstrate to store managers that they were willing and capable of progressing to areas with greater responsibility. A common feeling amongst employees was that GVR was not a place to develop a career, and was seen by many as just a job. As a result most employees saw GVR as either a temporary employer, whilst they were studying, or simply as a means to earn money. For many mature aged workers this was not an issue because they were not seeking a career. This was especially true for female employees who had small children and were working at GVR on a part-time or casual basis. The company had no clearly defined career paths for employees, and
management believed that it was unlikely that employees would expect to start work in the store level and expect to progress to higher levels of management beyond the store. Whilst there were some employees who had made this progression, senior management believed that it was unlikely to happen now because of the emphasis on tertiary qualifications in the upper levels of management.

Employees recognised the limited career opportunities at GVR and felt that this was similar to other retail stores. Despite this, some employees felt that the barriers to progression were discriminatory because it was often impossible for employees to progress within the store. This discrimination was especially evident for women. One employee claimed that GVR 'does not support a career path for women'. Reasons for this included the fact that almost all store managers were male, and the female employees thought that they were more likely to promote male employees over females. The weekly hours worked by store and assistant managers was also a factor limiting the progression of many females. Many store and assistant mangers were working in excess of 70 hours per week over seven days. Women who wanted to progress were expected to work these hours but for many this was not possible because of family commitments.

The management level was also described as a 'boy's club' with only certain areas of the store open to women - such as personnel and training and other areas where women were totally excluded - such as the produce and butchery departments. Informal career paths for men and women at GVR also differ because of their respective points of entry at the store. Women were more likely to be employed to work at the cash registers and front of store operations where the opportunity to progress was limited by the fact that there was only one supervisor for all the checkouts. Men, on the other hand, were more likely to be employed on the shop floor and in stock control. These jobs gave them greater access to positions as divisional managers and assistant managers because they were already working in these areas.

A GVR female felt that one explanation for these differences in access to progression at GVR was that management felt that female employees were expendable. This was because they may not be as reliable if they have children.

Access to training and career progression was based on an employee's ability to demonstrate to their supervisor or store manager a willingness and ability to learn
new tasks. This informal mechanism was used as GVR believed that those employees who demonstrate initiative were more likely to be more successful. An example of this was a female employee interviewed who began working at GVR in customer service, showed an interest in accounting and was moved to the store office. About five years ago she was promoted to a position as the in-store trainer.

All employees underwent some form of basic training when they commenced work at GVR. This was usually on-the-job training in the area where they would be working, eg. the checkouts, and training was then continued by the store trainer. Most employees did not require additional training because their jobs tended not to change. The exception to this was when new technology was introduced, when all affected employees received the necessary training to operate the new technology.

**Productivity of GVR Workers**

GVR had no formal mechanisms to measure the productivity of employees. As a result most indicators of productivity from supervisors were subjective. The store training manager and regional managers felt that regardless of the employees age 'productivity standards were consistent across the board'. Informal measurements used as performance indicators by store and department managers included the amount of stock on the shelves and the amount of stock put through the registers divided by the manning levels. The results of these indicators were not collected for use in measuring individual employees performance and productivity, but were used to determine whether current manning levels were appropriate, and to help in rostering.

**Mature Aged Workers at GVR**

Despite the problems outlined, mature aged workers found working at GVR attractive. This was especially true for female employees with young children, and people in semi-retirement who benefited from the flexible working hours. Mature aged workers interviewed recognised the shortcomings of working at GVR in terms of access to career paths and training, but for most mature aged workers they knew of these limitations before commencing work at GVR and did not view their employment at GVR as a means of acquiring a career. The benefits of employing mature aged workers for GVR were that the company could hire skilled workers
who often did not require, or expect, further training. Mature aged workers were employed across all areas of the store. The case study store had a higher proportion of mature aged workers than can be found in other stores. The staff members attributed this to the demographics of the North Shore, where the store was located, and not to the recruitment or holding strategies of managers at the store.

Advantages of Working at GVR for Mature Aged Workers

The access to flexible working hours was seen as one of the main reasons for working in the retail industry by many mature aged workers. This was especially true where employees had family or other commitments that prevented them from working regular hours. A female staff member interviewed, who is considered typical of mature aged female employees at GVR, began working on a casual basis when her children went back to school. She was attracted to a job in the retail industry because she could take days off when she needed to if her children were sick. Working for a retail store like GVR gave her the flexibility to work irregular hours when her children were at school, and could give her time off during the school holidays to take care of them. This was a common reason for mature aged women working at GVR.

The introduction of longer trading hours attracted a new group of mature aged workers seeking flexibility in their employment. With the introduction of late night trading to suburban supermarkets GVR had to adjust its management style. Previously the stores had only one manager who managed the whole store and often worked 6 days a week. Longer trading hours required more management over wider spans of hours. The result was that new positions of day and evening managers were created. The positions of night managers have often been filled by people from a professional background who were in semi-retirement. The employees said that the flexible hours (ie late nights and weekend work) suited them because it allowed them to enjoy their retirement and still earn some money. GVR believed that the introduction of this new managerial system had allowed the company to attract highly skilled employees who were able to transfer the managerial skills learnt in other jobs to GVR. The store manager did not have to be at the store at all times because the store could operate with 3 rotating managers. Senior management believed that the impact of having mature aged workers in these
positions has been positive because in some instances informal mentoring arrangements between young and mature managers has resulted.

**The Environment for Mature Aged Workers**

Many workers cited the GVR culture as a possible reason for the high number of employees with 10 - 20 years of service. The NSW manager believed that, compared to other retail stores, GVR employees generally had higher levels of morale. She thought that GVR retained their staff for long periods because they looked after them and involved them in the management and direction of the stores through informal consultation mechanisms.

A 72 year old employee claimed that the 'GVR culture' was a major reason why they attracted employees of all ages and especially mature workers. She felt that there was a general feeling of respect for mature workers from younger workers, and in her case she was seen as a grandmother figure whom younger employees could trust. Mature aged employees interviewed felt that they benefited from working with younger people. Many felt that it helped bridge the 'generation' gap and enabled mature workers to learn about youth culture. This was especially true for mature workers who were over 60 years of age.

**Job Requirements for Mature Aged Workers**

Mature aged workers tended to be spread across all areas of GVR stores. However, as with female employees of all ages, female mature workers were concentrated in the checkout / front of store operations. Male employees, on the other hand were more likely to be employed on the shop floor. GVR had no formal or informal policies that restricted mature aged workers in work they could do. Changes to the New South Wales State Equal Employment Opportunity (EEO) legislation\(^7\) and *Industrial Relations Act, 1988* have meant that it is illegal to discriminate against an

---

\(^7\) Compulsory Retirement was abolished in New South Wales jurisdiction in January 1993. This legislation was introduced before the law against age discrimination. Where employees are dismissed because of their age or forced to retire the Industrial Relations Court of Australia has jurisdiction only when there is no 'adequate alternative remedy' under the relevant state EEO legislation.
employee on the basis of age. GVR has actively promoted this development with the continued employment of several workers over 65 years of age. One employee specifically benefited from these changes in legislation. She had worked for GVR for 23 years and age 60 was forced to retire in order to claim both her long service leave and superannuation entitlements. With the changes to the EEO legislation she was re-employed by GVR to work on a part-time basis. This worker identified possible occupational health and safety implications of hiring mature workers as a reason why many employers may not be willing to hire mature aged workers, especially of her age. She felt that it 'was a fact you can't ignore that there are some things mature aged workers can't do, but the solution is that (they) do things differently'. The example given was lifting heavy boxes, although this could be a problem for many employees regardless of their sex or age. Employees felt that age was not a barrier to employment at GVR, the only limit was 'can you do the job and can you do it well'. This was a standard policy for all employees not just mature aged workers.

Despite the removal of restrictions on hiring workers who were more mature than the legal retiring age, there are other barriers to hiring mature aged workers in the retail industry. These barriers result from cost cutting initiatives by store managers who were under pressure to reduce the wages bill for each store. This provided a strong incentive for managers to replace mature aged workers (who are more costly) with younger and cheaper employees, especially on weekend and night shifts. This pressure has partially been removed with the introduction of more flexible working hours arrangements. This meant that employees could work their normal number of working hours over an extended span of hours without attracting penalty rates, although they were still relatively more expensive than younger employees.

Some managers claimed that they preferred hiring mature workers over younger employees because they often had experience in customer service and knew how customers wanted to be treated. They were also thought to be more responsible and reliable than younger workers.

For mature aged workers working on a casual or part-time basis, access to training and career paths was not a major issue. This was because mature workers saw GVR as a job and not as a career. This was typical not only of mature aged workers but of all employees, because career opportunities were limited. For mature aged workers this was acceptable because they could work hours that suited their lifestyle.
and commitments by working part-time or casual shifts. A mature worker felt that staying in the workforce was beneficial in itself because it gave her the opportunity to learn new skills, and to keep abreast of technological change. For example, a 68 year old employee said that she would not have learnt how to use computers if she had not continued working at GVR.

Employees who had worked in the retail industry claimed that mature aged workers were not being denied training or career paths because of their age, but that this was a result of poor levels of training across the industry as a whole. As the industry changed to focus primarily on good customer service, the need for training has increased. As a result, all stores now have in store trainers. While this may have been a response to the Training Guarantee Levy initially, GVR management has recognised that the retail industry is changing, and that employees need to become more professional in their approach to customer service.

**Conclusions**

GVR had no specific policies to either encourage or discourage the employment of mature aged workers. Mature aged workers were actually attracted to the retail industry because of the flexibility in working hours that they received there. While the retail industry is characterised by poor levels of training, a highly casualised workforce and poor career prospects, these were not issues that concerned most mature workers. Mature aged workers in this store accepted the nature of the retail industry as problematic for many workers, but these conditions were not a real issue for them because they valued the flexibility available from working in the retail industry more than securing long term employment with a career path.
ACIRRT

The Australian Centre for Industrial Relations Research and Teaching (ACIRRT) at the University of Sydney was established as a Key Centre of Teaching and Research in 1989 through a grant from the Commonwealth Department of Employment, Education and Training. The Centre is closely linked with the University's Department of Industrial Relations, which has a long and distinguished history of teaching and research in this area.

ACIRRT's main brief is to improve the quality of industrial relations teaching and research in Australia. This goal is being pursued through a range of activities including seminars, conferences and research projects conducted by members of ACIRRT and researchers from other institutions.