



Business Matters

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MANAGEMENT

Age and the Workplace



Owner-managers need to plan for an aging workforce.

No wonder owner-managers have been noticing an increase in gray hair among their employees. According to the 2011 National Household Survey by Statistics Canada, 18.7% of the workers in the 18-million-strong Canadian workforce are 55 years of age or older. This is up from 15.5% in 2006 and 11.7% in 2001 of a slightly smaller workforce. By 2021, about 25% of the workforce is projected to be 55 years of age or older.

This trend is in place because the Baby Boomers (i.e., those born between 1946 and 1965) are aging. In 2011, the oldest Boomers turned 65; by the time all 9.6 million persons in that age group will have turned 65 by 2031, the proportion of seniors in the population could reach 23% from 15% in 2011.

Retirement May Be Out of Reach

However, retirement is becoming problematical for many of these workers. Of the 18 million people in the workforce, only about six million, or one third, are members of registered pension plans. Of these, only 48% are members of private-sector plans. Participation in private-sector pension plans has, in fact, been declining steadily since the early 1980s when membership was about 60%. Compounding the problem is the increasing unwillingness of employers to commit themselves to any kind of pension plan, especially defined-benefit plans. In addition, only about 24% of all tax filers contribute to Registered Retirement Savings Plans and, when they do, the amount is only around \$2,800 per year or about 12% of the current maximum eligible amount.

If you put together the low participation rates in company pension plans and low savings rates in RRSPs, then add the fact that household debt is now at 163% of disposable income, it is easy to see that retirement without at least some earned income is going to be out of reach for many in the Boomer generation.

Owner-Managers Need to Adjust

These changes in demographics and retirement savings are putting owner-managers in a difficult position. On the one hand, they know that older, long-time employees may not want or be able to retire, but at the same time they recognize the future depends on hiring younger employees. Nevertheless, by embracing the realities of age-related differences, an organization should be able to continue to draw on the experience of the older



workers and the energy and new skills of the younger ones while maintaining harmony and productivity within the workplace.

Owner-managers will have to learn to understand the needs of older workers.

Physical Considerations

Owner-managers should take into consideration the natural aging processes when developing health and safety policies. Constructing or retrofitting the workplace with age-friendly tools may be beneficial to the business because it could reduce downtime of essential employees and the associated costs of injuries and/or Workplace Safety Insurance Board (WSIB) claims. Minor changes that can make a positive impact on employee morale:

- larger display screens and better speakers for smart phones or other communication devices
- ergonomically designed chairs and seats
- better lighting to ensure improved visibility and reduce eye strain
- limited night travel for older employees
- better designed lifting equipment
- clear markings on items in excess of a standard “safe lifting weight”
- easy-to-hold tools that increase grip without more hand power
- lighter power tools with variable power shifts to reduce sudden torque impact.

Social Considerations

Reassure older employees that you respect their experience and abilities and that they are still making a valuable contribution to the success of your business. This can be accomplished by a few simple changes:

- Offer more flexible work schedules.
- Reduce overtime and reschedule shifts to allow longer rest time.
- Train the older worker to be a coach or mentor.
- Continue professional development of individual older employees to bring out latent competencies. For example, an experienced painter might refocus as an estimator.
- Revamp office, washroom, and work areas to ensure better functionality and accessibility with small enhancements such as levered handles on taps, graduated ramps and better air flow.
- Address any age-related bias head on with in-house presentations that look at not only the legal implications of age discrimination, but also the similarity of needs, concerns, and desires of employees regardless of age.

Older Workers Are Here to Stay

Older workers are going to be a part of the working world for a long, long time. With a little effort and minimum expense you can continue to benefit from their experience by a bit of rethinking of workloads and scheduling. Over the next 20 years as the Boomers retire, you will need to pay special attention to your management strategies to ensure a seamless transition between the generations of workers in your business. Providing assurances to older workers that their well-being is in the forefront of your planning will ensure the continued success of the company.

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