



# **Maximising workforce participation for older New Zealanders – Opportunities, Challenges and Prospects**

## **Case Study 1: Employer Needs and Practices**

by

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# INTRODUCTION

## Purpose of Research

As the proportion of older people in the New Zealand population grows, the need for older people to remain in the work force for longer is highlighted. Current policy focuses on raising awareness of the value of older people's contributions and reducing discrimination (Office for Seniors, 2019); however, many businesses are already aware of these needs and require more information and practical guidance to attract and support an ageing workforce (CFFC, 2018). At present, there is little advice for employers who are facing these challenges and very little is known about the actual needs of different groups of older workers.

Accordingly, the current project focuses on understanding the needs and practices of employers whilst also considering the needs and desires of a diverse range of older workers.

The current organisational case study research project is part of a larger programme of research undertaken by the Health and Ageing Research Team (HART) based at Massey University entitled "Maximising workforce participation for older New Zealanders: Opportunities, Challenges and Prospects (MAUX1705)". This research programme, funded by the Ministry of Business, Employment and Innovation Endeavour Fund, seeks to answer a crucial question for an ageing population: How can government, employers and workers maximise older New Zealanders' participation in the workforce?

Businesses were identified as possible candidates for case study analysis through discussions with our stakeholders, contacts with experts, and by approaching companies and organisations which are known for innovative human resource management. Case Study 1 followed such discussions, when a member of the company's management team invited representatives of the Massey research group to visit in late 2018 to scope the potential of the project.

This report is based on the interviews and focus groups undertaken with employees and management in May 2019.

## Methods

- Selection of case study: Following an initial exploratory visit in late 2018, Massey researchers (Alpass and Keeling) worked with Human Resources staff in the organisation to complete the ethics application and agree on interview outlines and the structure of the research visit. Ethics approval was granted in December 2018.
- Data collection: Two researchers (Keeling and Davey) spent the week of May 13-17, 2019 on site with the organisation. We conducted ten individual interviews during our research visit, and held three focus groups, which involved a further 19 staff members<sup>1</sup>. Group interview participants each completed a brief demographic sheet, in order to describe the characteristics of each group. See Appendix A for this summary information.
- Data analysis and reporting: Following transcription of these ten individual and three group interviews, the researchers compiled this report. There was to have been a planned feedback period in March 2020, at which agreement would be reached about

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<sup>1</sup> Interviewees are notated throughout this report where appropriate as "Int" and Focus Groups as "FG".

use of the material in this report. Due to COVID-19 related issues at the company, and the national lockdown in March-April, the feedback and discussion process was conducted fully electronically. This final report reflects all corrections and amendments requested by the organisation, and the mutual agreement reached to broadly protect the anonymity of both individuals and the company. At the same time, the feedback process also provided quality assurance of the research process for both the University and the organisation.

## Case Study 1: Workforce

Case Study 1 is a regional port company that employs 208 permanent and 37 casual people. “Longevity of service and low staff turnover remain features of our workforce” (Annual Report 2018, p.28). The age profile reflects this, with the average age for male employees being 52 years. The traditional male domination of the port and logistics sector continues, with only 17% of the workforce being women, although women make up 24% of recent appointments. Other elements of workforce diversity are presented in the 2018 Annual Report, along with a statement supporting merit-based appointments, irrespective of gender, ethnicity and age. “We recruit for attitude, train for skills, and then promote on performance and merit”.

Interviews for this research were conducted with personnel from the following sections or divisions of the company: Board and Corporate Services (including Human Resources and Health and Safety), Finances and IT, Property and Infrastructure, Commercial (Operations and Terminal). In addition to those directly employed and contracted by the Port, a further group of people work ‘at the Port’, as employees of the various companies that have business at the Port. These people are not formally part of the organisation’s workforce so are not included in this study, and their work is outside the scope of this report.

## Defining older workers

Respondents found it difficult to arrive at a definition, suggesting that this could only be ascertained at an individual level or that age could only be defined by appearance or performance. It was made clear that there was no specified retirement age in this company, or in the wider community context, and care was needed not to put a “broad brush stroke” across everyone. Ability to do the job appeared to be of more significance than an age bracket.

The Port engages workers up to the age of 80 or late seventies. Where an “older” age group was specified in our discussions this was usually between 65 and early 70s. Currently over 50% of company’s workers are over 50. It is possible that increasing use of technology and automation may impact on this age profile. Length of service with the company is highly valued: ‘nearly half of our people have been with us more than 10 years’ (Annual Report, 2018, pg.26).

Attempts to define an ‘older worker’ are presented in Box 1, at Appendix B. At other points of the interviews, linkages are also made between health and age, and also when questions arise surrounding retirement decisions, along with flexibility in work arrangements.

Most of those interviewed recognised that the company is facing changes in the age structure of the workforce. They recognise this in their own lives, and this also influences how they conduct their management and operational roles within the company.

*“If you went back five years, we were skewed at the higher end, I’d say a third of them have gone, and we’re back with younger folk. We’ve had this skewed distribution curve with a lot at the top end, so they have basically worked their way through the system and decided, ‘No, I’ve earned enough money. Do I really want to get up in the early hours of the morning in the rain and tie ships up or stay home and go fishing?’ So, there’s a few of them have gone and when we’ve backfilled those roles – your applicants tend to be younger, so the distribution is sort of skewing back towards this way. The maintenance handyman group do a lot of wharf stuff, repairs and that, they’re young. Young, solid guys. That’s massively heavy work. Pretty much self-select. So, there’s no age issue down there” (Int.2).*

As one 59-year-old interviewee said, in relation to being asked to define an older worker:

*“It’s older than me. I would say from the late 60s into the mid-70s - I mean, there are some very capable guys on the team now that are still late 70s – late 60s, early 70s more than capable doing the job.”*

## Challenges in supporting older workers and managing an ageing workforce

The group interviews provided some interesting discussion on shared ideas in this area, as groups compared the challenges faced by different parts of the company. In particular, the need for flexibility in the face of rapid change was recognised, along with a perception that as people get older, they may become ‘set in their ways’.

*“I think we have a preconceived notion that as you get older you become more inflexible –but that’s not true for everybody. Typically, there are a lot of people set in their ways - why change what doesn’t need to be changed? But in the workforce especially in our areas, the change is constant. The business growth is constant, and the business is always looking for new ways to solve old problems, or to take on new problems” (FG1).*

Balancing this challenge, is the risk of losing key people to retirement, while planning for both longevity and length of service, and good succession planning.

*“The average age of a person applying is going to increase. We are looking for certain skills so we would naturally trend that way, from a recruitment perspective. In terms of supporting them the employees are generally pretty good at asking for things and we adapt to it. But are we proactively planning for key man risk? What if an older person with all that knowledge does retire, who have we backed his skills up with, that’s our main concern in our technology area. ... , Well we let them go if they want to retire, and if they stay and they are valuable, then great. We keep them for as long as we can” (FG1).*

Making the transition into retirement, via flexibility in working arrangements, also arose in this context, and is expanded in later sections of this report.

*“What are the ramifications over time for people that have spent a lot of time doing shift work trying to adjust to reduced hours or just out of those*

*rosters? Maybe they feel the only way is for them to retire. How do you transition people out? Reduced hours... Most of us are aware of it but I'm not sure it's actually a documented policy - to be honest I don't know. I wouldn't have thought that age was actually a restriction on any roles. And I don't think it would be a criteria by which a decision was made (FG3).*

Along with the challenges, benefits were also recognised, in both individual interviews and group discussions. Building institutional knowledge, mentorship, and loyalty and commitment were all mentioned.

*"It suits us to have an older workforce because they're very experienced, very settled, particularly for relieving people because you get older relievers, they're often more available because they don't have children to look after, they're not going out at night. They're actually quite helpful" (Int.9).*

*"Older workers possess a lot of knowledge and we as a company need this passed on. Mentorship is priceless in a company like ours so that the younger generation coming are getting that knowledge. People have been working here for 40 years, and we often find when these people leave, there is no one in the business who has any idea of that problem. We often go back to the person who has left. We are very lucky that we are able to do that in the property department, people who have left still care, still see them on a weekly basis, they come back in, I think it is just formalising that, to pass on that knowledge, making sure it is being utilised better" (FG 1).*

However, others also mentioned drawbacks and disadvantages which may arise, particularly in relation to attitudinal factors, or to age-related limitations (or the perception of these), as Box 2 outlines, at Appendix B.

There were comments about differences between age groups regarding work patterns and work conditions which might be a continuing problem. For example, people in their 40s might not want to work weekends or nights. In some parts of the company, such as accountancy and finance, where workers' skills are not clearly embedded within the particular port industry sector, there may be a tendency for "Millennials" to take a different approach to work, always looking for the next job. For these people, further opportunities may not be available to move within the company, or even locally and within the region.

*"I see more challenges with the young ones coming through. The millennials are a real worry - at least the older people are happy to sit with you and talk about things. They'll read your document - they might prefer it on paper rather than reading it on the screen, that's absolutely fine with us. But it is a huge problem with the millennials coming through. They're constantly on their phone, they're speed reading things, they don't take anything in. So yeah I see a bigger problem with that" (Int.8).*

Acknowledging and balancing the benefits and drawbacks of an ageing workforce, the discussion often moved on to the growing interest in more flexible working arrangements. This frequently was linked to the process of moving towards retirement, but not always; other linkages to health and wellbeing, irrespective of age were also made.

For people who don't want to leave or retire, but to stay on longer, there is the question of fatigue and the effects on health, especially for those on the 12-hour night shifts. It is also the case that flexibility cannot easily be incorporated into shift work in the port context, dependent on ship movement.

*"It's not like an IT company. You can't work from home or work on the weekends or do work at 10 o'clock at night till 3 o'clock in the morning"* (Int.3).

But shift patterns themselves can be adjusted. The option of halving roles and ending up with six-hour shifts is now being considered:

*"People are talking about that as being a suitable situation for them. So, although we'd need four people for the role, where there is currently two, it'd be half the value .... They don't see the twelve-hour shifts as being capable of going forward, at least for some of the older ones"* (Int.1).

Other approaches to roster change were mentioned:

*"We're actually working on a roster at the moment. It's done with the union and the company, which work together. We don't have industrial trouble here, we're very lucky because the company and the union get on and they have meetings"* (Int.3).

However, changing a whole roster process can be problematic, because staff must be there for ship movements, and rosters also must allow for tide and weather patterns, and the latter can change without much notice. Several people mentioned that it is not always possible to be flexible in small and specialist teams, and this is a common situation in this workforce.

Workers are able to approach their managers to talk about how they would like to work more flexibly, for any reason, although this is seen as most common as people approach retirement. The response from one HR manager is:

*"If it works for the business, as well as for you, we'll make it happen – if it costs us a bit of money, that's fine, but we'll look to make it work best"* (Int.1).

Other types of shift adjustments may be possible, not solely involving older workers. Flexibility may be a response to growing intensity of work, as workloads change and grow in some areas.

*"As long as the job's done, we're happy to accommodate people in a lot of areas, with their shift patterns and work hours and that kind of thing. Arrangements which meet this requirement and do not involve productivity issues where people want to keep their salary but reduce their hours, then we're happy to accommodate or look at how that might best work for them. So far, because there's been no issues, they're a lot more relaxed about it"* (Int.1).

The process may also apply for workers whom the business wishes to retain. In some very specialised areas, particular employees may be very valuable.

*"We would rather keep him here for 12 months or 2 years than see him go early, because he'd have the opportunity to train people up as well."* (Int.1).

We heard several mentions of a historic clustering of older workers in the security team. The one constant staff demand is the security gates, because they are manned 24/7 every single day of the year. In this part of the organisation, there has been a pattern as well as a perception, that some roles are well suited to older and “retired” people, in part because of the casual nature of work around the cruise season and non-physical work requirements.

*“The worker in the gatehouse historically has been quite sedentary. I would tell people it’s as boring as batshit. But to sit there and watch vehicles come and go and check the odd card coming in and out and [be paid] the total remuneration benefit for that, is a pretty good job. They work two days, two nights and have four days off, and again, that’s a bit of a draw” (Int.1).*

*“We need to protect our custom control area. So, there are things you have to do, like vehicle checks and passengers on and off the cruise ships have to be checked. They’re the face of the company, they’re the first people you come to, so grumpy old people that don’t open the window and don’t engage with truck drivers, it’s unacceptable” (Int.6).*

Although security work has traditionally been seen as suited to older workers and as a transitional stage to retirement, this is now being reviewed. As one of the group interviews noted:

*“Security is a retirement job. It’s an absolute standing joke. I have to be honest it’s not anymore, things have changed but it was for a very long period of time. We’ve now actually got some quite nice, up and coming young security people, they’re pretty on to it. And how has that happened? Change of management” (FG3).*

The security group had become dominated by an ageing group - mid-60s plus – who had become resistant to change and with the risk of negative attitudes. These attitudes were possibly encouraged by the isolated nature of the role. Turnover was low and it was seen as necessary to “bring in new blood”. This is being encouraged through job sharing, wage restructuring and changing some of the roles.

*“Hopefully we are recruiting the right people, with the right attitude now” (Int.6).*

## Recruitment and retention

The extent and nature of recruitment issues vary between sections of the port business; recruitment issues depend on both the general labour market, and on the range of specialised skills needed within the organisation. Often there are numerous applicants for a particular role, but many will be from overseas seeking residency and the immigration processes can be lengthy. Sometimes local or Australia-based skilled workers use applications to leverage their salaries up in their existing workplaces, so there is awareness of this organisation’s place in the national and regional port industry. There is open-mindedness about recruitment, exemplified on the one hand by the use of students when the cruise season coincides with university holidays and of older people for casual positions when skill and experience is needed.

Another factor in recruitment, is that some technical roles are recognised as being more suited to younger people, for example work on computer-based systems. It is also a



question of skill – “you aren't recruiting, necessarily a role, you're recruiting a skill set” (Int.10). This is especially in areas where technology is changing quickly. This gives rise to what can be described as “natural ageism”. The third focus group discussed this aspect in the following way:

*“We have got many technology projects under way at the moment. There is an impact on the work force with their ability to keep up with the rate of change, but also the effect when you get people of a different generation coming. The technology that we are using now, they [younger people] have known it their whole life, so they are very comfortable, they can use computers like it is an extension of their body. Whereas, someone where the technology is a bit new, but they haven't had it their whole life so they have had to learn to use it over the last 10-15 years, so they are still, not as, are not that good with it as someone who is 20 or 30 years younger” (FG3).*

*“An example of that is when they brought electronic time sheets, you used to manually put in the hours, but when they brought in these, the older members of our team, it would take them three times as long to do a time sheet than manually, you pull your hair out waiting for them to complete it” (FG3).*

Another example where operational requirements may be seen as ageist is in the case of tug masters, where employers need to consider their long-term investment.

*“We look at a 50-year-old and think {that's} another 15 or 20 years of working life. We're not ageist in that respect. I guess if we got someone who was 67 applying for a pilot's job, we might think twice about it just because of how long we're gonna be able to utilise him. I know you're not supposed to, but that's the reality of it, to be honest” (Int.9).*

There is also a safety aspect, which includes a consideration of ageing and fitness for the heavy workloads involved.

*“It depends on capabilities and skills, not so much their age. Buttressing is heavy lifting work, even though we've got a lot of machinery, they lift big wooden piles and they're divers and a whole lot of stuff. So, there you probably wouldn't recruit an older person if you had a younger one with the same skillset, just as an injury prevention initiative. I don't know if it's discrimination, but to me, in my safety views - I look at your capabilities and am I going to knowingly put you in harm's way? I don't think there's a black and white thing around if you're old, it's what's your skillset, what's your experience and what's your fit to that role and the rest of the team it's a big part of it” (Int.2).*

The flexible transition to retirement, and a careful approach to longer range planning, can assist with recruitment.

*“We've got two pilots going in 2020 and we've started the recruitment and training process already for their replacements. Piloting is a very specialist area, we really appreciate the length of notice that they give us, because it takes us 8 to 10 months to train a pilot, even if you come as a trained pilot, so to get that sort of lead time is really, really helpful” (Int.6).*

Another example of openness to the recruitment of older people came from the engineering department, where there are recruitment problems.

*“At the moment our company is looking for a civil engineer and they can’t find one for love nor money. I say, “why are you trying to get graduates? Get a 50-year-old, get a 60-year-old guy, because he’d love it. He’ll stay”. I personally think if you’re having struggles, look for older people” (Int.9).*

A related problem for recruitment is the very small labour pool in the port industry in New Zealand – with key operational roles in vessel and yard planning. Attracting workers to this region in particular may be hampered by the higher cost of living compared to other regions. Employment prospects for partners, or proximity to other family members might influence relocation to the city or region. Workload patterns, such as a relatively high number of shifts per week in this company brings the risk of fatigue, and of affecting well-being through the need to maintain healthy work-life balance.

The question of adaptation to shift work may also influence the success of recruitment and this has a bearing on both retention and the age of workers.

*“You can teach people technical ability, it's not a problem, but the shift work is really the critical element particularly if they've never done it before. Older workers who are used to shift work - very happy to take them on board and show them the way” (Int.5).*

Some departments may also value ‘institutional knowledge’ in a particular way, which includes considering age as well as recruitment and retention.

*“In the property department we are resistant to recruiting older people because if somebody is say 50, by the time they have got their head around all the facets of what they are doing, it is going to take a good five years, and probably more - but having that knowledge base, takes a great deal of time to learn. One of the things that we are looking for in an employee, is someone who is wanting to stick with the port for, a you know, long time. Much more solid I would suggest than any other department” (FG1).*

In general, the port does not have a big turnover of staff, and many people stay in the same job for the whole of their tenure. The Annual Report 2018 notes (p.28) that internal promotions filled 60% of vacancies. This is put down to good terms and conditions, and high levels of job satisfaction (quoted at 70% of staff satisfied or very satisfied in 2018 Annual Report).

*“The extraordinary thing about this organisation is the length of time people work here. That is changing with the growth, and you can see in the 1 to 10 years bar (annual report), that bar is now by far the largest. In 2010, 150 employees; in 2019, we’ve got 230 permanents and about 30-odd, 37 casuals, so in 9 years we’ve doubled, almost. Our staff turnover is just over 3%. We say we’re a family-style of company” (Int.6).*

Two of the group interviews further illustrated the linkage between the age of the workforce and the experience of working for the Port, in terms of low turnover, and the good management of retirement planning.

*“There is very little staff turnover other than retirement or moving out of the district. On the most part a consequence of good practice or supporting people is that they stay, so that their experience is retained in the organisation. That package of the things that support and keep older people, enjoying their work and being able to work. ....I'm not sure that there's an active package” (FG 3).*

*“Succession is a big part of it for me, I've got a couple of people going to be retiring over the next few years and we have had one retire in the last six months. It is actually finding people to come through and replace them. But I agree that peoples' desire to carry on the shift work component of their roles towards retirement years, they are not wanting to do it. They want to get into a kind of a semi-retirement mode before they actually retire. The port has been pretty good with that - pretty supportive, as long as the person has a good work history with us, they are a trained resource we are quite happy to continue with them” (FG 2).*

## Training

The general opinion among those interviewed was that age was not an issue when it came to training.

*“If a job is to be done, you just train to do the job. Regardless of age or gender, or height. If we've employed you to do the job and you don't have the skills, you'll be trained to do that” (Int.6).*

In some areas, workers are legally obliged to have regular training or re-training to “maintain their tickets” and to be up to date. For example, to get the required Maritime New Zealand levels of certification and training, medical certificates are required every two years.

*“We've got pilots- an age range from 35 to 65. They will have to have exactly the same certification and it's a regulatory and legal requirement. Same with the tug masters and engineers and same with the pilot launch masters, so that is a statutory requirement which has to be met” (Int.6).*

The attitude that the training of older workers cannot be justified financially, sometimes adopted by employers, because of the short time before retirement, seems not to apply in this organisation.

*“Our crane drivers and contractors get a structured skills revision every two years, regardless of age, sex, anything. I'd be horrified if someone said, “I'm not going to train this person because they're 60” (Int.6).*

There was agreement about open access to training in the focus group discussions, with some reservations. In part, this may refer to different learning styles, or background experiences:

*“I think there needs to be more specific training directed at older people, because a lot of the courses are aimed at beginners so you would have someone in their 60s in a class room with 18 year olds, and often it is hard to focus the training accordingly. So yeah, age specific training” (FG1).*

However, this discussion then turned to a different topic, that of ‘training for retirement’:

*“I think we have had a couple of superannuation courses. You know you have been sent on a retirement course, when they are telling you it is time” (FG1).*

The next speaker understood training at any age or stage differently:

*“I’ve got middle aged people that I am reluctant to send on courses because I don’t see the value in sending them. Our oldest is 63 but I’ve had no problem sending him on a course, because I actually don’t want him to retire, I will work him until he won’t work for us. Because he is gold, at this stage in his life he is really valuable to us (FG1).*

Some opinions suggested that there was a responsibility on the individual worker to seek training and to upskill.

*“It’s not a case of “No you can’t have training”. If you are doing your job well, and you’ve got all the tools currently to do that, then “what training do you need?” and if you can justify something then, it’s normally okay. But you’ve got to be proactive to go looking for yourself, unless your boss knows you are lacking in something then they’ll go “can you have a look and see if you can find a course like this?” You have got to find one yourself” (FG3).*

*“Stuck in his pigeonhole his usefulness is getting less and less and less - the difficulty of upskilling is that generally it’s done outside of your job. Because, an employer doesn’t pay necessarily to retrain someone. That sounds heartless and horrible, but unless the person makes the investment in themselves to upskill, they could get left behind if the company doesn’t have the internal program to do that” (Int.10).*

While there was some discussion of the Port’s association with local training and educational institutions, developing skills relevant to the industry, such as logistics and supply chain management, such programmes appeared to be aimed at younger people, and of less relevance to today’s older workers, most of whom had gained their experience ‘on the job’.

## Health and Wellbeing

Workforce ageing at the company elicited numerous comments about health and safety especially among individual managers working in this area. Box 3 in Appendix B includes a range of comments from the interviews on health and wellbeing in an ageing workforce. In outline, these focus on topics such as age and experience, physical demands of the workplace, management of fatigue in shift work, and work-life balance.

One recent and ongoing area of training common across all areas of the workforce relates to health and safety. The Annual Report mentions the company’s programme, known as Ship Shape, established under the national WorkWell framework. The Port has a health and wellbeing committee as well as safety procedures and they have joined Healthy Workgroup, an online health and wellness programme. These offer mentoring and access to resources.

Health and wellbeing initiatives include mental health, prostate cancer screening, diabetes, smoking cessation and a healthy food guide.

*“We’ve just signed up to them for a year, so that’s a digital platform– it’s a fantastic resource, so you can get it on any device and we’ve just signed all staff up to it, so they can look at nutrition, hydration, recipes, exercise, medical stuff, so if you – there’s one at the moment on cholesterol, blood sugar and all those bits and pieces, but it’s a self-help kind of thing” (Int.6).*

## Retirement

So far, this report has dealt with five specific elements of the management of an ageing workforce in this organisation: defining older workers, recruitment, retention, training, and health and wellbeing. The policies, practices, attitudes and experiences in each of these aspects have been explored. However, it was when questions around ‘retirement’ were addressed in the interviews and discussions that the linkages between these began to be revealed. While it was important to explore definitions of older workers, it was equally clear that the term ‘retirement’ was being interpreted in many different ways.

Accordingly, we address this complexity through some subheadings:

### Working conditions linked to retirement

In all the interviews, there was a consensus that employment and working conditions are linked to the ageing of the workforce, and to retirement transitions of a type relevant to this organisation. The fact that the company contributes more than the minimum required to Kiwisaver/superannuation, as employer contribution, ensures that people have a nest egg behind them, beyond their employment. This contribution continues after age 65, which is seen as an incentive to remain in work. The Employee Induction Manual outlines a series of benefits available to staff, and several of these were mentioned in our interviews: a variety of financial training and advisory sessions starting in mid-career and transitioning into retirement; occasional share offers in times when the business is doing well to encourage a sense of ownership in the market performance of the company; membership of a group health insurance scheme, so people are able to keep themselves fit and capable of being at work; life insurance membership; a generous amount of sick leave/domestic level, so that people can look after their children or sick or ill partners or parents; formal recognition of 20 and 40 years’ service in the organisation, which more and more people will achieve.

There are also ongoing social benefits from working for a major employer in the city, and these continue beyond retirement.

*“Once a year they invite all the retirees that are still around to come back in for drinks and a speech and to go for a port tour if they want to. And as well as the retirees attending that, they’ve now merged it with another group we have which is a 20-year club, if you’ve been here for more than 20 years. So the whole lot get in a room and it’s like old time week, and they have a big chat and catch up with what everybody’s been doing. And it’s actually quite pleasant, and they walk in and they look younger than they did when they retired. And they’re all going “it’s the best thing I ever did”. I can’t think of anybody that was forced to retire (FG3).*

*“The company’s very generous about sick leave and domestic leave. And flexibility and renegotiated shifts, I would say we’re definitely at the top end of looking after people compared to other businesses” (Int.9).*

Some features of pay and conditions were noted in interviews as encouragement for workers to “stay on,” with generous conditions, such as health insurance and contributions to superannuation, meaning “they actually don’t feel as if they can retire”. Rather than thinking of the traditional ‘golden handshake’, some referred to ‘the golden chains’.

*“We’ve got people in the organisation who don’t want to be here, but they can’t leave because they get paid too well. But that’s from ages 30 to 70, not just the older people. There’s people here who shouldn’t be here. But they can’t leave because the salary and the package is so good. We sort of joke around the fact that he gets paid 100 grand now and if he retires he gets paid zero and that’s hard to give up. “I might just do another year, I might just do another year, I might just do another year” (Int.9).*

This may also work in the opposite direction, however – “generous salaries – especially trades and marine people mean that they can retire at or around 65 and don’t necessarily want to come back”.

### **Personal position on retirement planning**

In our research, we have an ongoing interest in the factors that influence retirement decisions. Given the average age of employees at the company, many of our interviewees themselves were in their 50s or beyond. Further, as we were seeking management perspectives on this topic, those we interviewed in senior management roles saw this as a topic relevant to their own situation, as well as to their role.

This topic was widely canvassed particularly in the group discussions. Key factors identified as influencing personal retirement decision-making were financial factors, increasing longevity, health, job satisfaction, and expectations of retirement activities. There was resounding agreement in one focus group, when one person responded immediately that they would retire, “When you’ve got enough money in the bank”. Living longer was also acknowledged as driving ageing in the workforce; when previously, workers might expect ten years of retirement but now might have 20 years post-employment.

Health and job satisfaction also featured in plans to remain longer in the workforce:

*“If I didn’t enjoy the people that I was working with, then I wouldn’t be here” (FG3).*

*“Financial, that’s number one, there are other things as well. It’s probably the type of work you do, whether shift, or office, or out there in the wind, rain or the weather, that sort of affects them you know. Health impacts on our people here too, on what their health has been like. It is not uncommon for people to have a health scare. They might go, “ah, I’m good, I’ll just keep on working until I’m 67, or 68, or 70 or whatever, [and then] they will have a health scare. They will go “as soon as I can retire, I am out of here.” Not out of here but “I will be definitely changing what I have been doing”, we’ve seen that happen. Your priorities [change] as well, to ...I am quite happy to stay home and play cards” (FG2).*

*“But other guys get to 65, and then they say “what am I going to do if I retire? So they just keep working - so they can afford to go on a cruise and things like that. You need to start thinking about it ten years before, I reckon. A couple of years out not to be afraid to do it, to give people time to get their heads around what they may be able to do. As a manager the less times you get blindsided by things, then if you can plan ahead, it makes life so much easier. And you lose that experience for someone who has been here 15 odd years, a big gap to fill. I would expect my staff to be open enough with me to have that conversation already and come to me, even if it’s 2-3 years in advance ... most have already.” (FG2).*

Some comments on retirement plans from the individual interviews are included in Box 4 in Appendix B. Key points for management to derive from such comments are the matter of replacement planning, and suitable notice of intention to retire, to allow the organisation to respond appropriately.

### Transitions to retirement

We asked people to describe how the transition to retirement worked out within the company. Some offered examples from their own unit or team, and some drew on their management role in relation to other employees. Others spoke more hypothetically and seemed to reflect shared understandings within the organisation. In the groups, there was little variation or debate around these examples, meaning that we can assume that these are ‘common practices’. We heard some examples of the topic being initiated by a manager, and others where workers themselves raised the idea of their own retirement.

*“The process would be that workers, usually at or after age 65 indicate that they would like to retire. They give in a resignation, dated 12 months away. They are offered a year on reduced hours fixed-term for the half job and reduced salary. We keep their medical insurance going, their bonus - everything halves. We offer up to 6 percent superannuation as well, so we’re making sure that people have that nest egg behind them. We offer financial training and counselling. They’re normally receiving Government Super by then anyway, they’re 65-odd and it’s just an early retirement option. It’s transitioning to retirement. This means that the employer has to fill a half role. This can be done on a fixed term contract for less than twelve months” (Int.1).*

At the time of this study, we were told in one interview, that this was in operation already for 5 people and 2 more were in the planning stages. The possibility of making this transitional process more widely available was mentioned. This process is lawful as a transition to retirement because the new contract is for less than 52 weeks in terms of the leave requirements, is on a fixed term basis, and there is no question of redundancy. It is to transition people to move out of the organisation, not to keep them for any lengthy period of time.

Either the worker or the manager can initiate the discussion about retirement, depending on the role and performance history. Some staff are organised and think ahead, others leave it to the last minute to tell their managers. Formerly, once a worker hit superannuation age then they were “out the door”, because they had a pension income. Without mentioning

the fact that New Zealand has outlawed compulsory retirement under Human Rights Legislation, the discussion in Focus Group 3 clearly showed that:

*"... doesn't seem to be the way that most people think these days. It's not you "tick the box" and get your Super, so you have to go out the door. I don't think that's the way that New Zealand works anymore" (FG3).*

*"Our guys are very open about it, they will say "maybe Xmas next year" or "do you know what, I think I may start thinking about retirement" so we tend to speak quite openly about things, and indicate things early. I mean it depends on the individual, some people are still frightened to indicate their retirement in case they are ... to be pushed aside ... but I think in [our unit] we tend to get a lot of early indication. I feel we have got a good open dialogue around that because there's no "I'm putting any pressure on anyone" it's just saying "look if you are, then we have got these staged options available". Then we did that first round of meetings, and we got everybody talking about it and we did some training sessions around retirement around the same time, and it sparked a healthy conversation amongst the work groups. We often talk about how much money you need to retire and now we do have that open dialogue and people aren't afraid to talk about, you know, that it's looming for them. We've got four guys [in our department] over the age of retirement now, and they're highly skilled, very critical in the port, and we are going to potentially lose them all at the same time. That presents a risk to our business, you know, they are indicating early, and, we encourage them to do that. They indicate, maybe at the end of this year, at the end of next year" (FG1).*

*"Well obviously it (retirement) would be the age of 65, that's when the government pays your Super. It's still triggered at 65 so I mean a company could probably say right at 67 we are going to bring someone in for two years and you can go at 69. We can't do that. However, the discussion today is to say well, a lot of people are saying, "I want to work maybe until I'm 70" So, maybe 70 is the trigger now. You can work until you are 70 and then call it quits" (FG1).*

*"These flexible arrangements and cut-down hours go to a senior manager for approval - it's routine. Somebody will make a recommendation, we'll consider the employee, discuss what's fair and the circumstances and make a decision. It's always done and dusted on the day. And we haven't had a discussion yet that's been turned down. We have given different levels of assistance to different people because of the type of employee. If the employee has been particularly difficult, we won't offer that" (Int.6).*

Another variation described involves joint planning within a team or unit, and a shared transition to retirement for more than one person.

*"It's just developed really, so they'll all know people who've done it. Because they're on shifts, two people will go, "we both wanna retire, but we don't wanna go straight out cold, so we'd like to share a job for a year". So, we do that and they do half the job each. It works really well (Int.9).*



This initiative is unlikely to occur before age 65 and eligibility for NZ Superannuation. Some jokes were made about 'double dipping' (the practice of collecting the government superannuation, while still earning), and one group discussed it in these terms:

*"At 65 we now have a life choice whether we want to retire or not, where in the old days you had no choice and we needed to give the older population who couldn't work for an income, a form of a benefit. It's now a choice to do it. It's almost like a reward for those who are physically able to, who choose to rather than for the ones who actually need it" (FG 1).*

The same speaker in Group 1 went on to refer to another theory about workforce ageing, which sees older workers as blocking the entry of younger people. However, none of our interviews offered a specific example of this theory being borne out in the experience of Port employment practices.

*"A double dipper is an old person claiming the pension or super and working. And we have got such a wide range of young people out there who can't get into the work force because of these people. And one way of killing that is for the government to say, you don't get anything from us until you prove that you have finished work, that you have retired. It's not damning the older people but it is about having a balance between the older work force and the younger work force who can't come into the work force because there are too many older people staying on" (FG1).*

One example of workforce management around retirement is offered, which involves moving an older and more experienced worker into a supervisory role, or of making an earlier replacement appointment, to assist with continuity and risk management.

*"We've taken people out of operational roles and put them into supervisory type roles. This is [also] going to happen with retirement. With their experience gone, you have a reasonably inexperienced team, then you lose productivity, you lose efficiency, you increase your risk with regards to what they do... in a crisis or an emergency management type situation" (Int.5).*

*"We had a person who worked here for over 40 years, and he said "yeah, I'm going to retire" and so we employed somebody six months in advance to start learning his job. It would have been a disaster if he had simply left and then we had somebody else come in. When the person is able to give the early indication, then we can work around it" (FG1).*

At times, it appears that in some cases, a health factor might trigger a retirement transition. In a previous example, it was presented as a 'health scare', which causes a worker to re-evaluate their situation. At other times, a manager might notice falling performance, or 'struggling', and this can prompt raising a question about retirement plans.

*"Managers may say to someone who wasn't performing in a role or struggling physically or something, "have you thought about retiring and what could we do to help you?". And so –we put them on job sharing - fixed term for a year, 6 or 9 months, by mutual agreement. So we've worked with them to work out a retirement scheme that works for everyone, then we've been able to train people" (Int.6).*

We also heard of people anticipating future health needs, or taking preventive action, such as arranging knee replacement surgery, while they were still employed, with access to both their health insurance programme, and accumulated sick leave. Given that the company is seen as a relatively small family-style enterprise, other examples were given when employees made their retirement decision, to align with the changing health and care needs of a spouse, and sometimes elderly parents. In all these cases, the Port as employer was described as both fair and flexible, and relatively generous particularly in its support of long-serving staff.

### Examples of workers who “come back” after retirement

The interviews also provided several examples of employees who had returned to work after so-called retirement. Many referred to the social benefits or camaraderie built up in the workplace.

*“We offer the work and they can accept it or decline it as they choose, day-by-day, almost. So, if people have got particular expertise, you might call them back in, when there is a bit of pressure. We call it Hotel California where you check out, but you never leave” (Int.6).*

Some are ‘on call’ as casuals, providing cover as and when required, as these examples from our interviews show.

*“[One guy]– turning 80 later this year – will come in, mainly at night, start up one of the tugs and shut it down and monitor the pressure and oil and so on. He just loves the nature of the work, being able to come and go as he pleases and say yes or no when he wants to. He may sometimes work for seven days or seven nights straight”.*

*“A retired security manager comes back and works 12-hour shifts in the gatehouse for the hazardous goods and tanker berth and another retired linesman does the same thing. They have both gone from earning over \$100,000 a year to picking up a 12-hour shift at say twenty bucks an hour. They are on a casual basis, as needed”.*

*“If you are at home playing golf for three years and you come back you have got the skills to be part of the same environment or you come in as a consultant. But it also comes down to the projects as well, we might bring back a person ten years later because they know something, something that we might need to upgrade from. It might be that we bring them back as a project manager. If you have matured and gained experience you become a good manager, a good project manager you know you can be used in other ways because you have communication [skills]... So really it’s quite diverse” (FG1).*

As already mentioned, retaining good workers on a casual or part time basis is seen as beneficial.

*“You retain that experience, and it allows you to set your labour force at a much more efficient level when labour is very tight .... when people go on leave and are sick etc. - we have an ongoing requirement for support and relief roles”.* The system of managed retirements has been developing at

the port over recent years and is believed to be working well. *“No one is ever pushed out.”* (Int.3).

## Summary and Conclusions

Given the age structure of the Port workforce, the question of managing retirement is likely to be a growing challenge.

“We're getting into that phase now where we are having a greater number that are approaching that 60 year age and obviously casting an eye to retirement “(Int.5).

This suggests the need for clear policies rather than an ad hoc individual approach, especially with growth foreseen and workforce ageing. But ageing workforce issues range across several other dimensions of management beyond retirement, as we have shown here.

This case study is situated in a company with a very varied workforce, and there is clearly variation between sections of the staff in their views and practices. What holds for tugs and pilots might not apply for those who work in corporate services, for instance. The significance of our findings in this case study will also develop further, as we carry forward some key points into our comparisons, as further case studies are completed. At this stage, we propose several core messages which arise from this draft report:

- The value of early signalling of retirement intentions was recognised by staff, especially in areas of specialist skills and small teams. Opportunities for phased retirement were noted as being by mutual agreement.
- The pattern of length of service experienced by the Port is reflected in an ageing workforce and is seen as likely to continue into the future.
- Several dimensions of the value of older workers were noted, such as availability for shifts, and relief and on- call work, and flexibility. Succession planning and passing on accumulated knowledge and experience through mentorship is part of avoiding the loss of skills with retirement.
- Negotiations about roster planning and change in workloads and shifts were reported to be open and transparent, and to be based around the operational challenges facing the company.
- Investment in staff wellbeing, through health insurance plans, fatigue management, and occupational health and safety planning appears to be valued by both the company and the staff we interviewed.
- Interviewees spoke of various ways of defining an ‘older worker’, and although some referred to ‘retirement age’ as 65 years, it appears that 70 might become a more realistic marker for a likely age for workforce exit, possibly preceded by a period of part-time or casual employment.

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\*Both these documents were provided by the company and are available on request.

## Appendix A:

### Group interviews

**Group 1:** A group of 7 men took part in this group. Their average age was 53, with a range from 39 to 67 years. Their combined length of service with the company was 164 years, although the range was from 6 years, to 40 years, with an average of 23 years. Two people reported they worked a 40-hour week; four people said they typically worked 40+ hours or mentioned 48 and 50 hours specifically; one said his typical weekly hours would be 60. Within the group, one person specified that they have “cover responsibility” for 96 hours per week. They came from five different departments or units. Three people reported post-secondary qualifications, two had degrees, the others reported secondary education only. Four reported living with a partner, two lived alone, and one did not complete this part of the background form.

**Group 2:** This group involved 6 men, with an average age of 58 years, a range from 43 to 62 years. The average length of service in this group was 17 years. All worked full time, although this was expressed as 37 hours per week by one person, and 60 hours per week by another. The other four mentioned 40-45 hours worked each week. All were supervisors or managers in one particular unit of the company and their work related to logistics, services and workshop. Three men in the group had post-secondary qualifications, one a degree, and the other two had secondary or primary school level qualifications. Five out of six lived with a partner, and one lived ‘with others.’

**Group 3:** Four men and two women took part in this group, all from middle management positions in four different departments. The average age in this group was 47, with the range from 28 years to 65 years, with three in their early fifties. The range of length of service with the company in this group was from 16 months to 33 years; two had been employed there for 20 and 26 years, and the other two had been employed for 4 and 8 years. Unsurprisingly, the youngest had also been with the company for the shorter times. Three reported university qualifications, two had secondary qualifications, and one reported no qualifications. Five of the six lived with their partner, and one person reported they lived with others.

## Appendix B:

### Box 1: Defining older workers

"I think it's job dependent, and physical fitness dependent. I wouldn't want to specify an age, because we've got some older workers like 60 plus, who do physical work and are fine" (Int.6).

"So, what would I call old? It's a bit of an awkward one, because we have so many people right up to 80 years old. There's a big group of people between 65 and early 70s so I guess they're the older workers. A lot of people now work to close to 70. It's probably something like that" (Int.9).

"I would say from the late 60s into the mid-70s. There are some very capable guys on the team now that are still late 70s – late 60s, early 70s more than capable doing the job" (Int.4).

"I'd never really considered issues around ageing - I don't know what your definition is of age. I don't have one. Aged to me means you're probably not capable of carrying out your duties that you were employed to do" (Int.7).

"Because our workforce is older, we're not as ageist as other organisations, perhaps, because we're used to older people. A lot of our people, technical people are in their 40s to 50s, so we kind of think of young as 30, which in a tech company, you'd probably think of young as 18" (Int.3).

"..there is youth and there is age. You get experience tempered with enthusiasm, so both are required. We have somebody in the mid 60s looking to retire, all the way down to accountants and billing officers who are in their early 20s. So it's a full range. The median age would be probably 30s, mid 30s maybe late 30s. So it's getting more skewed to the younger " (Int.10).

## Box 2: Challenges within an ageing workforce

“In the last 6 months we’ve had quite a lot of changes and some of the older people are struggling to manage that and at the end of the day, really that is attitude. Set in their ways, but that can also happen with younger people, too” (Int.4).

“It’s a generational gap between the latter 60s to probably, mid 50s early 50s. So I don’t think it’ll be so pronounced going forward. People, they lose their skill sets, you know, the technologies change so rapidly so what they became proficient on, and they have never upskilled” (Int.10).

“There is no replacement for experience for guys who do some jobs, it’s just sometimes you need a younger guy for the physicality, lifting things, crawling under buildings or climbing up stairs and pulling cables and things like that. As guys get older, their bodies start to break down as most of us are well aware. It’s just managing those physical limitations I suppose” (FG2).

“The obvious issue is when people get ill-health as they get older, for them and also for their families. When they get into their 50s, they’ve got elderly parents, so they spend a lot of time having to look after them, and then as they get older themselves, they start to become the ones that need to be fixed up, repaired and that” (Int.9).

“We are going to have a lot more people dying or becoming really ill at work. There will be a lot of people who cannot afford to stop work but health wise, they cannot actually be at work. The business has a self-administered insurance scheme which the senior management team have discretionary powers to pay that. So that workers can set up their affairs and their funerals with their family before they die” (Int.1).



### Box 3: Health and wellbeing in an ageing workforce

“So, ageing workforce- wise they're more accepting of the health side now, because it's more recent, but it was a really hard slog with the safety side. The biggest barrier is the fact that they can be quite stuck in their ways. And at the Port most people have been here a minimum of 20 years. A lot of them have been here 30 or 40 years. This is the only place they've ever worked. So, first of all, it has been difficult to get them to accept that health and safety exists, because in their view they've been doing that for 20 years and nothing's ever gone wrong. It's taken five years but we have mostly got them to accept it. And in a lot of cases they actually have embraced it” (Int.6).

“What successful practices and strategies do you use with these older people? Just patience really and just trying to be friendly and listening. That's the biggest thing, because he wants to tell you what they're doing and how the job is. They point out things that they don't think are right. We've found they quite often report directly to us [Health and Safety Team] now, rather than go to their supervisor or manager. We want them to firstly report to them. If they don't get any success then, to come and report to us. But they have to give their supervisor and the manager an opportunity to make some changes. And that has improved with a change in management in one of the operational areas” (Int.8).

“The work is risky and heavy and one of the changes as you're getting older, you're getting more inherent damage to your skeletal system, so therefore you're getting a bigger risk profile, so that's pretty much why I look at 65 because traditionally you retire (then) because you've done your hard yards. What we're finding here is all the damage is being incurred over the previous working life and we just have to try and look after you a bit better because you're not going to stop at 65. Some do, but a lot of them don't” (Int.2).

“With a shortage of labour, we'll have to think differently about the length of employing people; the age when [they leave] and if they bring them back. We've got some roles that suit them, and we've got some roles that it wouldn't. You have to be physically fit for night shift and some of the manual work we do. Some is heavy lifting and obviously there are injuries associated with that that are more common in older people. I think 12 hour shifts for an older person is a long day when you're doing manual tasks, although we manage a fatigue process over that, so the shifts are increasingly fatigue friendly. Hopefully more people are looking after themselves to cope with the work. The employer can only do so much, right? People have to take responsibility for their own wellbeing and fitness. We've got pilots in their mid-60s, and when the swell's 3 or 4 meters, you have to be physically fit to hold onto the ropes and climb up the ladders. That's an individual responsibility in any employment relationship” (Int.6).

“Fatigue, the ageing workforce don't cope as well with the fatigue issues. They've the ability to put their hand up for the fatigue risk management system. “I'm not that sharp today” and we put in a management plan around it. Nutrition, hydration and health stuff – part of our annual health programme, that's been really successful. We're picking up a lot of early heart issues, cancers. A biannual health check is part of the insurance package. It's just something we pay for, we just do it, and then we have subsidised health insurance, another benefit of the company” (Int.6).

“We're constantly looking at how to retrofit mechanical aids into what we do with physical, heavy work, but even the sedentary stuff - we're changing all our set-up to standing desks because sitting is not great for your back and so forth and your heart, so for us it's all around education and basically again ergonomically changing what we can change. The issues are the rostering system and recovery periods and physical injury elimination” (Int.2).



## Box 4: Personal retirement plans

“I would probably go at 65 – actually my boss was asking that today. I said, “I’ll go” and he said, “I bet you don’t” and I said, “I will” because of my grandkids - my kids are having kids now and that’ll be a big – that’ll be a big pull for me, for me personally. Everyone is made up differently, but I look at it and say hell at 65, I’ve done my working life and invested wisely, so hopefully I can”.

“I’d love to be able to retire at 65 enjoy the rest of my days, but that’s not a reality. As long as I’ve got my marbles upstairs and I can still drive a van and I can stick around”.

“I have a growing desire to have more independence. Both financially and from a work perspective. Really your financial situation determines how independent you can be. I’ve only just started thinking about retirement I guess once you start getting to that 10 year mark, I don’t think I’ve thought about it a hell of a lot. And hopefully to get into a position where I can manage my own investments. That would be my ultimate retirement scenario”.