With this pioneering piece of research, Community Business is putting the issue of ageing firmly on the corporate agenda in Asia. The examination of how the ageing population is impacting key markets in Asia should provide a wake-up call to companies operating in the region. It is vital that companies deal with the issues explored and take proactive steps to overcome age discriminatory practices in the workplace and enable older workers to contribute longer. The publication provides a set of sound recommendations for companies in Asia that aligns closely to the work that we have been doing with employers in the UK.

Alan Beazley, Advice, Policy & Research, Employers Forum on Age, UK
ABOUT COMMUNITY BUSINESS
Community Business is a unique membership based non-profit organisation whose mission is to lead, inspire and support businesses to improve their positive impact on people and communities. Community Business provides training, facilitation and advice to some of the world’s leading companies in Corporate Social Responsibility (CSR) and its major areas of focus include: CSR strategy, corporate community investment, diversity and inclusion and work-life balance. Founded in 2003 and based in Hong Kong, Community Business currently works with a number of organisations, small, medium and large, committed to CSR. For more information, visit www.communitybusiness.org

ABOUT DIVERSITY & INCLUSION IN ASIA NETWORK
The Diversity & Inclusion in Asia Network was set up by Community Business in March 2008. It is a unique network of diversity professionals looking to drive their companies forward on their diversity journey in Asia. In 2009 there were 14 member companies, including: American Express, Bank of America Merrill Lynch, Barclays Capital, Cisco, Coca-Cola, Deutsche Bank, Goldman Sachs, IBM, Johnson & Johnson, PepsiCo International - Asia, The Royal Bank of Scotland, Pfizer, Shell and Standard Chartered Bank. Member companies meet regularly to understand the diversity issues pertinent to the region and to share and drive best practice in Asia. For more information about the Network please see the Community Business website at: http://www.communitybusiness.org/DIAN

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## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword by Community Business</td>
<td>2</td>
</tr>
<tr>
<td>Executive Summary</td>
<td>3</td>
</tr>
<tr>
<td><strong>SECTION 1: THE AGEING POPULATION - A BUSINESS ISSUE?</strong></td>
<td></td>
</tr>
<tr>
<td>Introduction</td>
<td>6</td>
</tr>
<tr>
<td>Government Concern</td>
<td>7</td>
</tr>
<tr>
<td>Corporate Concern</td>
<td>8</td>
</tr>
<tr>
<td>Summary of Business Drivers</td>
<td>11</td>
</tr>
<tr>
<td><strong>SECTION 2: A LOOK AT ASIA’S AGEING POPULATION</strong></td>
<td></td>
</tr>
<tr>
<td>Asia Overview</td>
<td>14</td>
</tr>
<tr>
<td>Japan</td>
<td>18</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>19</td>
</tr>
<tr>
<td>Singapore</td>
<td>21</td>
</tr>
<tr>
<td>China</td>
<td>23</td>
</tr>
<tr>
<td>India</td>
<td>24</td>
</tr>
<tr>
<td>Key Observations</td>
<td>26</td>
</tr>
<tr>
<td><strong>SECTION 3: CREATING INCLUSIVE WORKPLACES FOR OLDER EMPLOYEES</strong></td>
<td></td>
</tr>
<tr>
<td>Age Discrimination in the Workplace</td>
<td>28</td>
</tr>
<tr>
<td>Recommendations</td>
<td>30</td>
</tr>
<tr>
<td>Conclusion</td>
<td>45</td>
</tr>
<tr>
<td>Key Resources for Employers</td>
<td>46</td>
</tr>
<tr>
<td>References</td>
<td>47</td>
</tr>
</tbody>
</table>
Foreword by Community Business

In March 2008 Community Business established the Diversity & Inclusion in Asia Network (the Network) - a unique group of diversity professionals looking to drive their companies forward on their diversity journey in Asia. The objectives of this Network are threefold: to build strong relationships between participants to maximise the benefits of networking; to facilitate knowledge sharing and development of best practice; and to collectively deliver a tangible output that will go some way to progressing the discussion of diversity in Asia.

In 2008, the Network worked together sharing confidential data to produce the first Gender Diversity Benchmark for Asia\(^1\), tracking the participation rate of women at different levels within their organisations. This report has been launched across the region and has paved the way for other companies in Asia to benchmark their own progress in promoting the advancement of women.

In 2009, the Network decided that it wanted to look at a different topic - namely the impact of the ageing population on the workforce in Asia. This was an interesting decision. Each of the Network members recognised that the ageing population is a demographic challenge. Yet they acknowledged that their companies’ diversity effort, for the most part, had not addressed the ageing workforce. Indeed, some of the representatives highlighted that their companies are more concerned with the attraction and retention of younger workers. After all their organisations are high pressure, intense environments and younger workers are seen to be the lifeblood and future of the organisation. To date it seems that the needs of older workers have not been an area of focus.

However, recognising their collective role in progressing the discussion of diversity issues in Asia, the Network saw the opportunity to explore this issue - to understand not only why their companies should be looking at the impact of the ageing population, but also to think about what their companies should be doing in response. It was a bold and forward-thinking decision and Community Business commends the member companies of the Network for pursuing this piece of work. In so doing they are acting as positive drivers of change - both within their own companies and beyond, helping put this very important issue on the corporate agenda.

For this phenomenon of ‘global ageing’ that we are experiencing is a huge issue that cannot, and should not, be ignored. In fact, the more we have delved into the subject the more complex and all-pervasive it has become. New reports, many far more extensive and academic than this one, seem to be emerging on almost a daily basis. It is worth, therefore, clarifying the purpose and scope of this research.

It starts with the premise that we believe that companies in Asia need to do more to address the impact of the ageing population on their business. As such the target audience for this publication is business leaders. It is designed for those who are responsible for the strategic direction of their company in Asia - both in terms of ensuring access to the right talent and the right markets. In looking at the case for attracting and retaining older employees\(^2\), it is concerned with the business reasons for doing so, rather than the social or philanthropic reasons - although these are equally valid. It highlights some of the characteristics of the ageing population specific to five key countries in Asia, namely: The People’s Republic of China (China), Hong Kong Special Administrative Region (Hong Kong), India, Japan and Singapore and explores some of the work-related issues, including the prevalence of age discrimination in Asia. Finally, with reference to experience and best practice from around the world, it recommends initiatives companies in Asia can introduce to create age diverse workplaces with a particular focus on creating inclusive workplaces for older employees. It is our hope that this publication will act as a catalyst for change and encourage more companies to adopt a proactive approach to the employment of older workers in Asia.
Executive Summary

The world’s population as a whole is ageing - and this is true of the Asia region too. Today Asia accounts for one-half of the world’s older population. By 2050 this is set to increase to two-thirds. By every measure, Japan has the oldest population - not just in Asia, but globally. Hong Kong and Singapore are not far behind with ageing populations on a par with Europe where the challenge of the ageing population is widely recognised and hotly debated. With the highest median ages, longest life expectancy rates and among the lowest fertility rates in the region, Japan, Hong Kong and Singapore are already facing the immediate challenges of declining populations and talent shortages.

This shift in the population structure has enormous implications for governments, non-governmental organisations (NGOs), business and families, as well as for the older people themselves. Whilst this global phenomenon has long been recognised and discussed, governments around the world are really only just beginning to respond to the challenges. The more proactive are recognising the need to develop specific strategies and are crafting new policies, improving infrastructure and developing programmes to enable older citizens to lead active and productive lives. This includes developing initiatives to keep older workers in productive employment for longer such as abandoning mandatory retirement ages and introducing flexible retirement policies.

The impact on business - the way companies operate and the markets they serve, will be immense. Yet to date the majority of companies have been slow to respond. Few companies have formalised strategies that take into account the ageing of the population, either in terms of their customer base or employee base. Only a select number of companies have recognised that as the percentage of younger workers declines, older employees represent a more important component of the workforce than ever before and therefore introducing policies and programmes to reflect this. Today, for a whole variety of reasons, the majority of employers still prefer to recruit younger workers. Various factors influence markets to discriminate against older workers, for example, higher insurance costs and pension fund payments, higher salaries - not to mention negative perceptions about ability and the lack of legal protection to protect the rights of the elderly. Age discriminatory practices can be hard to detect or deal with, as many ageist attitudes have become institutionalised to the extent that they are deemed acceptable. Yet the prevalence of age discrimination in the workplace, particularly in terms of human resource policies and processes that reveal a bias against older employees, is potentially limiting business performance and preventing older employees from contributing fully.

To remain competitive, all organisations need to prepare for the shift in the age of the population. This means creating age diverse workplaces that encourage and enable older employees to stay in the workplace and contribute to the growth of the company for longer. Largely through the work of independent and non-governmental organisations around the world, examples of best practice are beginning to emerge - particularly in the UK and the US, but also gradually in Asia too. These examples point to a number of initiatives that companies can adopt to create a more favourable working environment for older employees - from conducting an age profile analysis and reviewing policies and processes to ensure they are age neutral, through to steps to ensure an age-friendly culture, offering alternative working arrangements and introducing more flexible retirement policies.
This report concludes that there is a need for a fundamental shift in the way we view age in the workplace and a need to challenge our thoughts about traditional career paths as the current approach is no longer appropriate and limiting corporate performance. Promoting the employment of older employers and creating an environment where they are able to succeed, is not purely about being a socially responsible employer and providing equal opportunity for all - although this is clearly important. Building a diverse workforce, made up of a mix of generations, including a fair representation of those in the older age brackets, is critical to responding to the changing environment in which companies operate. Ultimately it is about best positioning the company to take advantage of the opportunities presented by the greying marketplace. Few companies can afford to ignore the growth potential of this huge market - particularly in Asia.
SECTION 1: THE AGEING POPULATION - A BUSINESS ISSUE?
Introduction

“The world is in the midst of a unique and irreversible process of demographic transition that will result in older populations everywhere. As fertility rates decline, the proportion of persons aged 60 and over is expected to double between 2007 and 2050, and their actual number will more than triple, reaching 2 billion by 2050. In most countries, the number of those over 80 is likely to quadruple to nearly 400 million by then.”

It is now widely recognised that the world’s population is ageing fast. This seismic demographic shift has enormous economic, social and political implications. In fact the UN identified ‘global ageing’ as one of the top three socio-economic issues facing Planet Earth in the 21st century - the other two key issues being ‘global warming’ and ‘global terrorism’. In one of its reports entitled, World Population Ageing: 1950-2050, the UN emphasised that:

- **Population ageing is unprecedented**, without parallel in human history - and the twenty-first century will witness even more rapid ageing than did the century just past.
- **Population ageing is pervasive**, a global phenomenon affecting every man, woman and child - but countries are at very different stages of the process, and the pace of change differs greatly. Countries that started the process later will have less time to adjust.
- **Population ageing is enduring**: we will not return to the young populations that our ancestors knew.
- **Population ageing** has profound implications for many facets of human life.

The Madrid International Plan of Action on Ageing (MIPAA), launched in 2002 specifically to assist developing countries, called for governments to integrate the rights and needs of older persons into national, as well as international, economic and social development policies. As such population ageing is being highlighted as an issue that needs critical attention by governments and organisations around the world.

However as yet, only a few countries have noticed these effects and are taking action. In a report published in June 2009, The Economist aptly described the issue of the ageing population as ‘a slow-burning fuse’. Companies are proving even slower to respond. According to this research, only a few companies have openly acknowledged the demographic shift that is taking place - and even these companies have not taken specific action yet. As one commentator said, ‘we are waiting to be hit by the bus’. It seems for the most part that senior executives are more preoccupied with more immediate business issues and are not positioning themselves for the long term. In the current economic environment, this is perhaps understandable. However, according to The Economist the problems that will result from the ageing population will far outweigh the immediate economic troubles. It is predicted that by 2020 the impact of ageing - slow growth and low productivity, rising public spending on pensions, health and long-term care and significant labour shortages - will be plain to see. And that’s only just over a decade away.

**Figure 1: Key Global Ageing Facts**

- People aged 65 and over will soon outnumber children under age 5 for the first time in history.
- The number of the ‘oldest old’ (those over the age of 80) is rising. The world’s population aged 80 and over is projected to increase 233 percent between 2008 and 2040.
- Japan is now the world’s oldest country. By 2040, Japan is projected to have the highest median age, with half of its population aged 54 and over.
- China and India have the largest older populations in terms of absolute numbers.
- Parts of Asia are ageing the fastest, including: Japan, China, Hong Kong and Singapore.
- Singapore’s older population is due to more than triple by 2040.
- Women are the majority of the older population in the majority of countries, and their share of the population increases with age. Globally in 2008, there were an estimated 62 million more women than men aged 65 and over.

**Government Concern**

Governments around the world are showing concern about the impact of the ageing population - and quite rightly so. Whilst a full examination of the political and social impact is beyond the scope of this report, at a high-level some of the reasons include:

**Slowing in growth of economy**

As more people retire, and fewer younger ones take their place, overall national labour forces will shrink. This means that national output growth is likely to drop unless economies can find alternative ways to increase productivity. However governments are concerned about how they will achieve this - particularly bearing in mind that the workers who remain in the workforce will themselves fall in to the older age bracket.

**Strain on public finances**

A growing ageing population puts an increasing strain on public finances - and in particular pension funds, in those countries that have them. As a greater percentage of the population reaches retirement age, more people will be drawing on the resources of publically funded pension schemes. Governments are faced with the dilemma of allowing their pension schemes to swallow up a greater percentage of their budgets or making difficult decisions about reforming their pension schemes to make them less generous. Some of the options being explored by governments to encourage people to postpone retirement are listed in Figure 2.

**Figure 2: Options for Pension Reform**

- Raising the earliest age at which benefits can be claimed
- Decreasing the ‘generosity’, or replacement ratio, of the public pension
- Introducing steeper rewards and penalties based on the timing of retirement
- Restricting options for early retirement
- Allowing more flexibility in combining work and pensions

Source: Nomura Equity Research - The Business of Ageing

**Reduced income**

With retirement of the baby boomers and a fall in the number of people of working age, governments are facing the challenge of rising dependency ratios and reduced income. The smaller percentage of workers to support those in retirement and cover the tax burden is forcing governments to rethink their tax systems.

**Greater healthcare burden**

An ageing population also puts a greater burden on existing healthcare systems which for most countries represents a significant proportion of social security spending. In Japan as much as 36.6% of government spending is on healthcare, but even for countries with lower levels of expenditure this is likely to increase. Whilst the health of older people has improved dramatically, developed economies are experiencing a rise in expenditure of chronic diseases such as cancer and cardiovascular diseases.

**Strain on social welfare systems**

In addition to healthcare systems, wider welfare systems are not set up to care for the growing number of elderly, which includes a growing provision of long-term care. Governments are having to radically rethink the delivery and provision of welfare services to this growing proportion of the population. At the same time the erosion of traditional family structures where grown children look after their elderly parents - particularly evident in Asia, coupled with the fact that people are having fewer children, means that there are less family members able to support ageing relatives.
Governments are rapidly recognising the scale of the problem and are under pressure to take action. They are realising that among other measures, they need to find ways to keep their productive older workers in employment for longer. This will not only ensure greater contributions in the form of taxes, but also reduce dependency on the state and better equip people to look after themselves in retirement. It is for these reasons that we are beginning to see governments in some countries in Asia taking proactive action, particularly in Japan and Singapore - but much more needs to be done in the region.

**Corporate Concern**

Whilst governments around the world are beginning to sit up and take notice, the corporate world has been somewhat slower to respond to this issue. However companies should also be looking at the ageing population as the impact it will have on business is huge - both in terms of the changes it will bring in the workplace and marketplace. It is worth examining each of these in turn.

**Impact on Workplace**

The ageing population has a significant impact on the workplace.

**Large scale loss of expertise**

Companies around the world are about to experience a large scale exodus of talent and experience from their organisations as those born in the baby-boom years (1946-1964) reach the traditional retirement age. Companies face the prospect of their most senior managers and highly qualified experts leaving the workplace in waves, depriving their organisations of critical skills, experience and relationships that they are likely to find hard to replace.

This is a phenomenon that is already being experienced by some industries - particularly those that rely on technical skills and knowledge. In the petrochemical industry, for example, the shortage of manpower and skills is already being felt. With an estimated 50% of petrochemical professionals less than 10 years away from retirement, it has been dubbed “The Big Crew Change”\(^1\). Companies in this industry struggle to find qualified graduates in this field and are looking for ways to retain and transfer critical knowledge. Other industries such as healthcare are also beginning to feel the crunch.

**Traditional retirement ages no longer appropriate**

When the current retirement ages were first set it was not expected that people would live much beyond retirement. For example, when America introduced its public pension scheme in 1935, the retirement age was 65 and life expectancy at birth was only 62\(^2\). Thanks to modern medicine and greater awareness of wellbeing and health, older people tend to be healthier and more active than ever before - yet in general retirement ages have not changed to reflect this. For an increasing number of more mature workers today there is absolutely no reason why they should stop work in their 60s - and indeed there is the real possibility that retirees will have another 30 or so years to live. Many older people not only need to continue to work for economic reasons, (particularly in light of the current economic climate) but they also have an enormous amount to still contribute to the workplace. After all older workers represent huge repositories of information; they have honed their skills, established critical relationships and accumulated years of expertise in their chosen area. In this era of the knowledge economy, rather than encouraging employees to retire early, employers would be wise to consider what they can do to hold on to this critical human resource for as long as possible.

**Shortage of young talent**

As fertility rates have been declining steadily, companies that have traditionally relied on a steady stream of young talent entering the workforce will have to think again. The current economic recession notwithstanding, companies will find it more and more difficult to recruit young people - and particularly talented young people, simply because there will be fewer around. By contrast the number of older employees - or those reaching traditional retirement ages, is going to increase. These people, with their years of knowledge and experience, often in subject areas that younger people are no longer interested in pursuing (eg the subject of engineering in some countries), represent a huge and growing alternative talent pool. Indeed older employees can offer unique benefits, particularly in comparison to younger workers, in terms...
of consistency, attitude, loyalty and emotional intelligence. Yet few companies are currently equipped to take advantage of this talent pool - either in terms of mindset and willingness to employ them or in practical terms by ensuring that their workplace policies and programmes are designed to reflect their needs.

**Challenge of eldercare for employees**

With the ageing of the general population, an increasing number of employees are going to find themselves faced with the challenge of balancing their work with caring for elderly parents and other relatives. This juggling act can affect a worker’s health, finances, and family and social life - and it results in lost productivity at work. According to one report, 15% to 25% of the workforce is the US now care for older or disabled loved ones, and by 2010, the percentage is expected to double\(^{13}\). The statistics are likely to be much higher in Asia, where the importance of looking after family members is more culturally entrenched. It is clear that if companies are concerned about issues that impact work productivity and want to minimise the disruption such issues can cause, they will increasingly need to think about how to assist employees with elder care provision.

If the challenges posed by the changing demographics of the workplace are not powerful enough reasons to address the impact of the ageing workforce, perhaps looking at the impact on the marketplace presents a more compelling argument.

**Impact on Marketplace**

Few companies will be able to ignore the impact the ageing population will have on the markets that they serve.

**Silver dollar**

Increasingly being referred to as the ‘silver dollar’ or ‘silver economy’ those over the age of 50 are fast becoming the dominant consumer group and represent a huge market opportunity for companies. According to a study from Ogilvy & Mather Greater China for example, the spending power of senior citizens will quadruple to over US$4,000 per capita in 2015, correlating directly to the projected growth of the senior population\(^ {14}\). But it is not only because of their sheer number and continued growth potential that they are a market that should not be ignored. According to The Economist:

> "In most rich countries the baby-boomers born after the second world war were more numerous, better educated and better paid than any generation before them. When those boomers retire, they will want to do it in style, plastic surgery and all." \(^ {15}\)

Leading Asia expert, Professor Alfred Chan agrees with this. In his article, Ageing in Asia Pacific: the Business Case, he says:

> "The future ageing population in the Asia Pacific region will be healthier, more educated and asset and cash-rich than ever before as the current 40 to 60 cohorts have experienced the most stable and wealthy periods for the past 20 to 30 years in the Asia Pacific. This is particularly true for thriving economies such as Japan, Hong Kong, China, Singapore, with fast followers like Korea, India, Malaysia, Indonesia etc. The size of this well defined consumer group, with its high spending power, is a reservoir of wealth for businesses, whether it is for the long term care insurance/service provision or for well-to-do activities like golf ranges or luxury cars."\(^ {16}\)

He highlights the power of what he calls the ‘silver-hair’ market. With reference to the US market, he says:

> "The older population is becoming the wealthiest segment in society. Looking at annual income, the 50-plus population was already earning US$100,000 or more in the 1990s. A high proportion of the wealth in the economic market is controlled also by the older population: 70% of the financial investment, including mutual funds or stock investments; 41% of all new cars and 48% of all luxury cars are purchased by the 50-plus population; 58% of all health care service is consumed by the 50-plus (Dychtwald, 2000), not to forget that most of young adults spend with a budget financed by their parents."
Interestingly however, the older market segment is historically one that has been overlooked. Brands have often viewed the ageing process as a hindrance without looking at the massive opportunities. Indeed, a survey conducted by Spire Research and Consulting in 2007 showed that only 23% of companies operating in Asia had a marketing strategy targeting the older population and only 35% were looking to develop a strategy in the next 3 to 5 years. It is becoming clear that companies that continue to fail to recognise the potential spending power of this segment of the market do so at the detriment of their own business.

**Changing marketing strategies**

In addressing this segment of the market and reaping the benefits, companies will need to rethink all aspects of their marketing strategies - from the design of products and services through to promotion and delivery. Some businesses are already adjusting their products to cater for the silver market. The beauty industry for example, has embraced the opportunity to create mainstream new products aimed at the older market. There are also a handful of examples of how the automobile, consumer technology, white goods and the fast moving consumer goods (FMCG) industries have adapted products to appeal to older consumers. However, the vast majority have not. The Spire survey claimed that 77% of multinational corporations would face great difficulty competing with others because their products and services were not suitable for older customers. It is interesting to note, that for those that do, they may end up adopting a more inclusive approach to their marketing strategies, delivering products and services that are in fact accessible to a much wider number of people.

However you view it, from a workplace perspective or marketplace perspective, as a challenge or an opportunity, the message for companies is clear. To be successful in the long-term, companies operating in Asia need to recognise the value of this hugely undervalued segment of the market - both as employees and customers. Companies need to find ways to retain and prolong the working life of their older workers and take proactive action in this respect. Only by doing so will companies ensure they have access to the skills and experience they need; create diverse workplaces that yield creativity and innovation; reflect and meet the needs of the ageing marketplace; and capitalise on the huge opportunities presented by the growth of the ‘silver-hair market’ in Asia.
### Summary of Business Drivers

The key business drivers for considering the impact of the ageing population on the workplace and marketplace are summarised in Figure 3.

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<thead>
<tr>
<th>Key Business Drivers</th>
<th>Details</th>
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<td><strong>Open up new market opportunities and relationships</strong></td>
<td>A workforce with a good representation of older workers will be better positioned to reflect the needs and interests of the older market segment - fast becoming the dominant consumer group and capitalise on the huge potential growth from this market.</td>
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<td><strong>Harness creativity and innovation</strong></td>
<td>A diverse workforce made up of people from different generations can provide different perspectives and spark creativity and innovation. This is particularly important when it comes to product development and marketing strategies.</td>
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<td><strong>Ensure critical skills and knowledge</strong></td>
<td>Older workers often have strong leadership skills based on experience that can be hard to find in younger employees. Older workers may have specialist, technical knowledge that it is critical to the success of the organisation and hard to replace. Studies show that older workers perform better in many jobs especially those involving service and human contact such as retail, counselling, social services and consultancy.</td>
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<td><strong>Address the talent shortage and access a new talent pool</strong></td>
<td>As the size of the overall workforce shrinks and companies struggle to identify bright, new talent, considering older employees (including retirees) provides a larger pool of talent from which to select the most suitable staff to meet the needs of the company. Employing retirees enables companies to fill critical staffing gaps with experienced professionals.</td>
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<td><strong>Maintain a stable workforce</strong></td>
<td>Research shows that older employees tend to be more loyal, more committed and more consistent in their work levels than their younger counterparts. One study in particular by Watson Wyatt, highlighted that only 3% of employees over age 45 said they would consider changing employers for 20% pay increase - compared with 47% of employees aged 35.</td>
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<tr>
<td><strong>Build a flexible workforce</strong></td>
<td>Introducing schemes such as phased retirement or re-employing retired workers can enable employers to build a flexible workforce.</td>
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<tr>
<td><strong>Employer of choice</strong></td>
<td>People want to work for companies that create positive working environments for all people.</td>
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<tr>
<td><strong>Socially responsible employer</strong></td>
<td>Companies that embrace employees from all backgrounds, regardless of age demonstrate responsible business practice and fulfil their role as socially responsible employers.</td>
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“Opening the doors to older workers is a major benefit… it will help organisations retain knowledge and experience, widen the recruitment base and could lead to more customers and greater profits.”

Soumenu, Executive Chairman, Manpower India

“Most of the reactions so far to population ageing have focused on the greater demands an older population will place on our social security, healthcare and elderly services. No doubt these are legitimate concerns and challenges, which we as a community need to address. However, ageing is much more than the onset of poor health and dependency. In fact, with the advancement in medical science and increase in longevity, and with more cohorts of our population who will age with better education, in better health and with better financial means in the future, older people will not be a mere liability, but a valuable pool of resources we can tap to create new impetus to the development of our society.”

Hong Kong’s former Chief Executive, the Honorable Tung Chee Hwa at the 2002 Symposium and Exhibitions on Challenges and Opportunities of an Ageing Population

“Population ageing brings complex and multi-faceted challenges. While we should not understate these challenges, we should be mindful that living longer is not a bad thing. People today can lead longer lives because they are generally healthier, and enjoy better medical care than their forebears. They are better educated and can continue to contribute in the workforce and community for many more years. At work, older workers bring experience, stability and quiet deliberation to their workplaces. Within the family, older members are a valuable source for advice and help to bring up children. There is also potential for a ‘silver industry’ to emerge, to service demand from the new demographic for a wide range of products, from healthcare to wealth management to golf holidays. The impact of population ageing is long term and profound. But if we prepare our society to make the necessary adjustments, update our policies and improve our infrastructure, we can ensure that older citizens will continue to lead full and happy lives.”

Lee Hsien Loong, Prime Minister, Singapore, January 2009

“For decades, perceptions of older workers in the workforce have been colored by standard-issue ‘myths of the worn out worker’: that they are rigid, inadaptable, slow, and accident-prone. Such myths persist, and discriminate against mature workers and prevent us from seeing them as valuable assets. But active ageing, shrinking workforces, and policy reform are conspiring to break them down… That is why organizations like AARP are doing so much to raise public awareness of what older workers bring to the workplace - namely, experience, industry knowledge, a strong work ethic, and seasoned customer relations skills. As employers embrace the ‘human capital’ arguments for attracting older workers, it is likely that public attitudes will follow suit and myths of the worn out worker will be retired, so to speak.”

President of AARP, Singapore 2009

“Being 65 is not what it used to be. I owe this insight to… one of the country’s leading experts in geriatric medicine. When I reached the ripe old age of 60 a few years ago she consoled me by explaining that as a result of changes in diet, health, science and medicine, to get your equivalent age in your parent’s generation you need to take 12 years off. Therefore, at aged 60 I was 48 in my father’s years.”

President of Employers Forum on Age, Lord Stevenson

“The new architecture of ageing requires policies that remove obstacles and facilitate contributions. It also requires seminal thinking and images that reflect reality and potential, not stereotypes and myths. So relative are the experiences of ageing in different parts of the world, and so complex and multiple their roles, that the world can no longer accept images of ageing as a panorama of near homogeneity.”

United Nations Programme on Ageing
SECTION 2: A LOOK AT ASIA’S AGEING POPULATION
Section 1 of this report looked at the impact of the ageing population in a general context. But to what extent is Asia facing this global dilemma - which countries are the most affected, what steps are local governments taking to address the issue and what laws exist in terms of protecting against age-discrimination? This section examines the ageing population in Asia with a particular focus on Japan, Hong Kong, Singapore, China and India.

Asia Overview

‘Ageing’ Populations

Different measures are used to assess how the populations of countries are ageing. Leading Asia demographer, Professor Alfred Chan, classifies a country as ‘ageing’ where the percentage of people over the age of 60 reaches 10% and this is one of the key measures that has been used in this report. According to this definition the statistics in Figure 4 show that Asia as a region (at 9.9%) is on the verge of ageing, with four of the five countries which are the focus of this study (highlighted in orange) well above the definition threshold. Other key countries and regions are also included in the following tables for comparison purposes and are highlighted in blue.

### Figure 4: Percentage of the Population >60 in 2010

<table>
<thead>
<tr>
<th>Country</th>
<th>Population &gt;60 years old in 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>30.5%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>18.4%</td>
</tr>
<tr>
<td>Singapore</td>
<td>16.0%</td>
</tr>
<tr>
<td>Korea¹</td>
<td>15.6%</td>
</tr>
<tr>
<td>China</td>
<td>12.3%</td>
</tr>
<tr>
<td>Thailand</td>
<td>11.5%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>8.9%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>8.7%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>7.8%</td>
</tr>
<tr>
<td>India</td>
<td>7.5%</td>
</tr>
<tr>
<td>Philippines</td>
<td>6.7%</td>
</tr>
<tr>
<td>Asia</td>
<td>9.9%</td>
</tr>
<tr>
<td>Europe</td>
<td>22.0%</td>
</tr>
<tr>
<td>UK</td>
<td>22.7%</td>
</tr>
<tr>
<td>US</td>
<td>18.2%</td>
</tr>
<tr>
<td>World</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

Source: UN World Population Prospects, The 2008 Revision

Whilst China and India appear further down the list, a look at the actual numbers in Figure 5 highlights that in terms of the size of their older populations they take the top two slots. Actual numbers also reveal that over one half of the world’s older people currently live in Asia. This proportion is set to increase to two-thirds by 2050.

¹ Refers to South Korea (Republic of Korea)
Ageing: Impact on Companies in Asia

Figure 5: Size of Population >60 Years Old in 2010

<table>
<thead>
<tr>
<th>Country</th>
<th>Population &gt;60 years old</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>166.5m</td>
</tr>
<tr>
<td>India</td>
<td>91.1m</td>
</tr>
<tr>
<td>Japan</td>
<td>38.7m</td>
</tr>
<tr>
<td>Indonesia</td>
<td>20.8m</td>
</tr>
<tr>
<td>Thailand</td>
<td>7.9m</td>
</tr>
<tr>
<td>Vietnam</td>
<td>7.8m</td>
</tr>
<tr>
<td>Korea</td>
<td>7.6m</td>
</tr>
<tr>
<td>Philippines</td>
<td>6.2m</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2.2m</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1.3m</td>
</tr>
<tr>
<td>Singapore</td>
<td>0.8m</td>
</tr>
<tr>
<td>Asia</td>
<td>413.6m</td>
</tr>
<tr>
<td>Europe</td>
<td>160.9m</td>
</tr>
<tr>
<td>UK</td>
<td>14.0m</td>
</tr>
<tr>
<td>US</td>
<td>57.8m</td>
</tr>
<tr>
<td>World</td>
<td>759.1m</td>
</tr>
</tbody>
</table>

Source: UN World Population Prospects, The 2008 Revision

Median Age in Asia

The age of a country’s population can also be assessed by looking at the median age. According to this measure Japan, Hong Kong and Singapore have the oldest populations in the Asia region, with median ages of 44.7 years, 41.9 years and 40.6 years respectively. This is comparable to the median age in Europe and is well above the median age of approximately 29 years across the world and the wider Asia region. Whilst China and India remain relatively young, their median ages are set to rise steadily too.

Figure 6: Median Age

<table>
<thead>
<tr>
<th>Country</th>
<th>Median Age in 2010</th>
<th>Median Age in 2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>44.7</td>
<td>54.4</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>41.9</td>
<td>51.2</td>
</tr>
<tr>
<td>Singapore</td>
<td>40.6</td>
<td>50.8</td>
</tr>
<tr>
<td>Korea</td>
<td>37.9</td>
<td>51</td>
</tr>
<tr>
<td>China</td>
<td>34.2</td>
<td>44.1</td>
</tr>
<tr>
<td>Thailand</td>
<td>33.2</td>
<td>40.5</td>
</tr>
<tr>
<td>Vietnam</td>
<td>28.5</td>
<td>40.3</td>
</tr>
<tr>
<td>Indonesia</td>
<td>28.2</td>
<td>38.5</td>
</tr>
<tr>
<td>Malaysia</td>
<td>26.3</td>
<td>36.5</td>
</tr>
<tr>
<td>India</td>
<td>25</td>
<td>35.3</td>
</tr>
<tr>
<td>Philippines</td>
<td>23.2</td>
<td>32.0</td>
</tr>
<tr>
<td>Asia</td>
<td>29</td>
<td>38.1</td>
</tr>
<tr>
<td>Europe</td>
<td>40.2</td>
<td>46.9</td>
</tr>
<tr>
<td>UK</td>
<td>39.9</td>
<td>42.3</td>
</tr>
<tr>
<td>US</td>
<td>36.6</td>
<td>40.8</td>
</tr>
<tr>
<td>World</td>
<td>29.1</td>
<td>36.6</td>
</tr>
</tbody>
</table>

Source: UN World Population Prospects, The 2008 Revision
Dependency Ratio

The dependency ratio is another measure that is used when looking at ageing populations. This measures the number of dependents, young and old, that each 100 people in their economically productive years (15 to 64 years) must support. It gives an indication of the scale of problem economies are facing in terms of the number of people the government needs to support. Therefore a rise in the dependency ratio means an increased burden (in the form of taxes and other contributions) for those who are economically active. For the purposes of this study, it is more useful to focus on the number of older dependents, or the ‘older dependency ratio’ so the countries have been ranked below according to this. This ranking reveals that Japan and Hong Kong currently have the highest ‘older dependency ratios’, and therefore potentially the greatest challenge in supporting their older people in retirement.

![Figure 7: Dependency Ratios in 2010](chart)

<table>
<thead>
<tr>
<th>Country</th>
<th>Total</th>
<th>Child</th>
<th>Old Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>56</td>
<td>21</td>
<td>35</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>32</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Korea</td>
<td>37</td>
<td>22</td>
<td>15</td>
</tr>
<tr>
<td>Singapore</td>
<td>35</td>
<td>21</td>
<td>14</td>
</tr>
<tr>
<td>China</td>
<td>39</td>
<td>28</td>
<td>11</td>
</tr>
<tr>
<td>Thailand</td>
<td>41</td>
<td>30</td>
<td>11</td>
</tr>
<tr>
<td>Indonesia</td>
<td>49</td>
<td>40</td>
<td>9</td>
</tr>
<tr>
<td>Vietnam</td>
<td>46</td>
<td>37</td>
<td>9</td>
</tr>
<tr>
<td>India</td>
<td>56</td>
<td>48</td>
<td>8</td>
</tr>
<tr>
<td>Malaysia</td>
<td>51</td>
<td>44</td>
<td>7</td>
</tr>
<tr>
<td>Philippines</td>
<td>61</td>
<td>54</td>
<td>7</td>
</tr>
<tr>
<td>Asia</td>
<td>49</td>
<td>39</td>
<td>10</td>
</tr>
<tr>
<td>Europe</td>
<td>47</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>UK</td>
<td>51</td>
<td>26</td>
<td>25</td>
</tr>
<tr>
<td>US</td>
<td>49</td>
<td>30</td>
<td>19</td>
</tr>
<tr>
<td>World</td>
<td>53</td>
<td>41</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: UN World Population Prospects, The 2008 Revision

Key Causes of Ageing Population

As we examine the issue of the ageing population, it is important to understand why we are experiencing this unprecedented phenomenon. There are two key causes for an ageing population: longer life expectancy and lower fertility rates (the official term for the fact that people are having fewer children). Thanks to advances in health care and improved nutrition people are now living longer than ever before. Average life expectancy worldwide has risen by about 37% in the last fifty years, from 49.5 years in 1960 to 67.6 years today - and current life expectancy in developed countries is much higher. Meanwhile better family planning, improved opportunities for women and changing lifestyles mean that fewer women are choosing to have children - the fertility rate worldwide has dropped from 4.91 children per women fifty years ago to 2.56 today. So it is interesting to examine these two measures in the different countries across Asia.26

Life Expectancy Rates in Asia

Figure 8 shows the average life expectancy at birth in countries across the Asia region. This shows again that Japan, Hong Kong and Singapore have the longest life expectancy rates at 82.7 years, 82.2 years and 80.3 years respectively. Interestingly, these are longer than the UK (79.4 years), the US (79.2 years) and Europe as a whole (75.1 years).
Fertility Rates in Asia

In terms of fertility rates, many countries in Asia are experiencing a shrinking population because of flat, if not declining, birth rates. A minimum replacement rate of 2.1 is required to maintain populations at current levels, but we can see that all the focus countries of this report, except India, are well below this.

Figure 9: Fertility Rates in 2010

<table>
<thead>
<tr>
<th>Country</th>
<th>Average No. of Children per Woman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>1.02</td>
</tr>
<tr>
<td>Korea</td>
<td>1.22</td>
</tr>
<tr>
<td>Japan</td>
<td>1.27</td>
</tr>
<tr>
<td>Singapore</td>
<td>1.27</td>
</tr>
<tr>
<td>China</td>
<td>1.77</td>
</tr>
<tr>
<td>Thailand</td>
<td>1.81</td>
</tr>
<tr>
<td>Vietnam</td>
<td>2.08</td>
</tr>
<tr>
<td>Indonesia</td>
<td>2.19</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2.58</td>
</tr>
<tr>
<td>India</td>
<td>2.76</td>
</tr>
<tr>
<td>Philippines</td>
<td>3.11</td>
</tr>
<tr>
<td>Asia</td>
<td>2.35</td>
</tr>
<tr>
<td>Europe</td>
<td>1.5</td>
</tr>
<tr>
<td>UK</td>
<td>1.84</td>
</tr>
<tr>
<td>US</td>
<td>2.09</td>
</tr>
<tr>
<td>World</td>
<td>2.56</td>
</tr>
</tbody>
</table>

Source: UN World Population Prospects, The 2008 Revision
The statistics highlighted above demonstrate clearly that Asia - particularly the more developed countries in the region, is facing the challenge of an ageing population. Over the following pages we provide a country by country review, focusing particularly on the issues as they relate to employment. We look at the countries most affected by the ageing population first - so Japan, Hong Kong and Singapore followed by China and India.

**Japan**

**Ageing Population in Japan**

Japan has the distinction of being the country with the world’s oldest population with over 30% of its population over the age of 60. In terms of its ageing population it has been described as being approximately 10-15 years ahead of the rest of the world. Indeed, the percentage of people over the age of 60 first reached 10% as early as 1970. It has the world’s longest life expectancy rate and a record number of centenarians. In September 2008 the Health and Welfare Ministry of Japan reported that there were 36,276 people over the age of 100 - of which a staggering 86% were women. The key to Japanese longevity has long been put down to a number of factors, including healthy diets, strong communities and excellent medical care. At the same time, Japan has a fertility rate well below the minimum rate of 2.1 required to maintain population growth. With strict laws regarding immigration, Japan’s population has experienced negative growth since 2005.

**Figure 10: Key Statistics on Ageing Population in Japan**

<table>
<thead>
<tr>
<th>Total population</th>
<th>127m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median age of population</td>
<td>44.7 years</td>
</tr>
<tr>
<td>Current % &gt;60</td>
<td>30.5%</td>
</tr>
<tr>
<td>Predicted % &gt;60 in 2030</td>
<td>38%</td>
</tr>
<tr>
<td>Average Life Expectancy</td>
<td>82.7 years</td>
</tr>
<tr>
<td>Fertility Rate</td>
<td>1.27 children</td>
</tr>
<tr>
<td>Older Dependency Ratio</td>
<td>35</td>
</tr>
</tbody>
</table>

**Ageing Workforce Issues in Japan**

Until recently, Japan’s traditional recruitment and employment practices have made it costly for employers to keep staff on until the pensionable age of 65. Taken on directly from college and given on the job training, employees could expect a life-long career with the same company. With a seniority-based wages system, salary increases have been based on length of service rather than performance. Therefore, to manage escalating costs, companies have tended to adopt one of two approaches: setting their own mandatory retirement age of 60 or applying a gradual reduction of salary from the age of 55. According to a Ministry of Health, Labour and Welfare survey conducted in 2008, approximately 73.5% of companies had a mandatory retirement rule, of which 82% set at age 60. According to another survey conducted by the Prime Minister’s office in January 2005, over 85% of polled companies restructured older workers salaries downward when they reached 55 to 60. The median salary reduction was 20-30%.

Recognising the need to encourage companies to employ workers for longer, the Government has introduced a few measures to address this. The Law concerning Stabilization of Older Persons (a revision to the Elderly Persons Employment Security Act) was introduced in 2004 and requires employers to gradually implement measures to enable workers to work until the age of 65 by the end of 2013. This includes the following options: raising the retirement age; introducing a structure for continued employment - which means allowing retirees to come back, albeit on different terms and conditions; or abolishing the retirement age altogether. This law also promotes the re-employment of middle-aged and older workers (45-65) and offers companies incentives in the form of subsidies and tax benefits.
Other measures introduced by the government include: providing education and skills retraining for older workers to enable them to remain competitive and stay in the labour market longer; revision of the seniority-based wage system to require companies to provide pay commensurate with work and position; and the introduction of re-employment assistance plans for retiring workers aged 60 and over, made mandatory by law.

**Pension provision in Japan**
Japan operates a public pension system which provides a basic monthly pension from the age of 65 to all who have met the requirements for contributions. It comprises a two-tier system for the majority of employees and independent business owners: the first tier is a basic pension, the second one is an income-related public pension for employees. Contribution varies based on field of employment but the range is between 13.58% to 14.96%, with a maximum monthly income of ¥1,500,000 subject to such contribution. Funds may be withdrawn at age 65 onwards but only if the minimum contribution of 25 years has been achieved. For those working for large companies they may also receive a corporate pension. Individuals may opt to receive their pension early from the age of 60, but the amount is reduced to 70%. Similarly if individuals opt to receive benefits after 65 the amount is increased - up to 142% for those drawing at the age of 70 or older.

**Age discrimination legislation in Japan**
There is very limited anti-age discrimination legislation in Japan. The Employment Measures Law does prohibit companies in principle from setting age limits in recruitment of new employees. However, in reality age limits are often specified as there are instances when it is deemed acceptable.

![Figure 11: Key Information on Ageing Workforce in Japan](image)

**Hong Kong**

**Ageing Population in Hong Kong**
Hong Kong ranks second in Asia in terms of its ageing population and has been experiencing this phenomenon for a while. As early as 1985, 10% of the population were already aged 60 or over. Hong Kong’s population has been ageing at a rate of about 2% each year, although this is expected to double from 2010. The speed would be much faster were it not for the immigration of people from China. There is a migration quota of approximately 150 people a day from China - making a total of about 45,000 people each year, and these are mostly young women with children. Hong Kong’s own fertility rates are amongst the lowest in the world leading to a overall negative population growth. Whilst Hong Kong’s median age of 41.9 years may not be as high as some countries in Europe such as Germany (44.3 years) and Italy (44.3 years), its life expectancy rate is the second highest in the world at 82.2 years.

---

Defined Benefit = the amount of income received at retirement is dependent on the number of years of contributions and on the level of individual earnings.
Ageing: Impact on Companies in Asia

Figure 12: Key Statistics on Ageing Population in Hong Kong

<table>
<thead>
<tr>
<th>Total population</th>
<th>7.07 m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median age of population</td>
<td>41.9 years</td>
</tr>
<tr>
<td>Current % &gt;60</td>
<td>18.4%</td>
</tr>
<tr>
<td>Predicted % &gt;60 in 2030</td>
<td>33.6%</td>
</tr>
<tr>
<td>Average Life Expectancy</td>
<td>82.2 years</td>
</tr>
<tr>
<td>Fertility Rate</td>
<td>1.02 children</td>
</tr>
<tr>
<td>Older Dependency Ratio</td>
<td>17</td>
</tr>
</tbody>
</table>

Ageing Workforce Issues in Hong Kong

There is no mandatory retirement age in Hong Kong, so employers are free to negotiate a suitable retirement age with their employees and may continue to employ older people. In addition it is possible to combine working with receiving a pension. The Government recognises the social and economic challenges it faces with the ageing of its local population and is taking a number of steps to address. These include attracting a larger pool of talented people from Mainland China and overseas to improve the population structure. It also set up the Elderly Commission in 2006 which is concerned with the social welfare of the elderly and is promoting the concept of healthy and active ageing, including life-long learning. It has also set up an ‘Employment Programme for the Middle-Aged’ which gives employers an allowance for the training and retraining of workers age 40 years old and above.

Pension provision in Hong Kong

Hong Kong introduced its Mandatory Provident Fund in 2000. This is a mandatory, privately managed, fully funded contribution scheme. Employees do not need to pay contribution if the monthly income is lower than HK$5,000 and they pay at least 5% of earnings if the income is between HK$5,000 and HK$20,000. The maximum contribution is capped at HK$1,000. All benefits derived from MPF contributions must be preserved until the scheme member attains the retirement age of 65, or ceases employment and attains the age of 60. Before the implementation of the MPF System, a number of Hong Kong employers operated retirement schemes voluntarily to provide retirement benefits for their employees. These voluntary schemes, regulated under the Occupational Retirement Schemes Ordinance (ORSO), have continued to operate in many cases. The features of the schemes, including the contribution level, choice of investment options and vesting scale of accrued benefits, are governed by the individual scheme rules. An Old Age Pension is also granted: a lower-rate (HK$625) pension to those 65 to 69 and a higher-rate (HK$705) to those 70 or above. Eligibility varies depending on residency, income and means.

Anti-age discrimination legislation

There is no law protecting people from age-discrimination in the workplace in Hong Kong. However, in January 2006 the Labour Department published a set of ‘Practical Guidelines for Employers On Eliminating Age Discrimination in Employment’ which gives employers an allowance for the training and retraining of workers age 40 years old and above.

Figure 13: Key Information on Ageing Workforce in Hong Kong

<table>
<thead>
<tr>
<th>Mandatory Retirement Age (MRA)</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension Provision</td>
<td>Mandatory Provident Fund</td>
</tr>
<tr>
<td>Pension Replacement Rate</td>
<td>38%</td>
</tr>
<tr>
<td>Pensionable Age</td>
<td>65</td>
</tr>
<tr>
<td>Early Retirement</td>
<td>60</td>
</tr>
<tr>
<td>Anti-Age Discrimination Law</td>
<td>No</td>
</tr>
</tbody>
</table>
Singapore

**Ageing Population in Singapore**

Singapore became an ageing population more recently than Japan and Hong Kong with the percentage of its population over 60 reaching 10% for the first time in 2000. However, it is now the third fastest ageing country in the world - with the percentage of those over 60 set to increase from 16% today to 36% in 2030. Singapore’s long life expectancy and low fertility rate mean that it is already facing a labour shortage. Indeed there is a fear that the average growth in economic output will fall more than 40 percent over the next 25 years.

**Figure 14: Key Statistics on Ageing Population in Singapore**

<table>
<thead>
<tr>
<th></th>
<th>4.8m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>4.8m</td>
</tr>
<tr>
<td>Median age of population</td>
<td>40.6 years</td>
</tr>
<tr>
<td>Current % &gt;60²⁰</td>
<td>16%</td>
</tr>
<tr>
<td>Predicted % &gt;60 in 2030²¹</td>
<td>36%</td>
</tr>
<tr>
<td>Average Life Expectancy²²</td>
<td>80.3 years</td>
</tr>
<tr>
<td>Fertility Rate</td>
<td>1.27 children</td>
</tr>
<tr>
<td>Older Dependency Ratio</td>
<td>14</td>
</tr>
</tbody>
</table>

**Ageing Workforce Issues in Singapore**

The Singapore Government recognises that to ensure continued economic growth it needs to keep older workers in the labour force longer and is taking steps to enhance the employability of older workers. In 2005 it set up a Tripartite Committee on Employability of Older Workers to look at ways of keeping older workers in employment beyond the effective retirement age of 62 and positively shaping the perceptions and mindsets of employees and the public towards the employment of older workers.

The Tripartite Committee released its interim and final report in January 2006 and May 2007 respectively, making a number of recommendations to enhance the employability of older workers. These included the introduction of Re-employment Legislation. This law, to be effected by January 2012, will require companies to re-employ²³ workers up to the age of 65 (and later to 67) on terms and conditions agreed between the company and workers.

As an incentive for companies to start early before the upcoming legislation, the Singapore Workforce Development Agency (WDA) has implemented the ADVANTAGE! Scheme to help companies make the necessary adjustments. Through this scheme it offers a financial grant of up to S$400,000 to support companies’ initiatives in implementing HR systems, changes to the working environment and business and operational processes that directly boost the recruitment, retention and re-employment of mature workers²⁴.

Like Japan, Singapore has traditionally operated a seniority-based wage system. The government recognises that this system can work against older workers as it makes them more costly to hire and to retain compared to younger workers performing the same job and so now allows for wage reduction. Under the Retirement Age Act, employers have discretion to reduce wages by up to 10% when extending employment beyond 60. However, this decision must be based on reasonable factors other than age, such as changes in an employee’s productivity, performance, duties and responsibilities. In addition, the government and its social partners - the employers and the workers - promote wage restructuring to shift the wage system from a rigid, seniority-based one to a flexible and competitive model.

Singapore was also the venue host of the Reinventing Retirement Asia Conference co-hosted by AARP and the Council for the Third Age (C3A) in January 2009. The conference brought together over 400 thought leaders and policymakers from government, business, NGOs, and academia, throughout Asia, Oceania, the United States, and international bodies such as the UN, ILO, and OECD. This high-profile international event featured the Prime Minister of Singapore, Mr Lee Hsien Loong, as the keynote speaker.
Pension provision in Singapore
Rather than going down the welfare state route of many other countries, the Singaporean government has always promoted a spirit of ‘self-reliance’. All working Singaporeans and their employers are required to make monthly contributions to a compulsory savings scheme called the Central Provident Fund (CPF). To reduce the costs of hiring older workers, contributions by both employees and employers decrease with age: 14.5% for employers and 20% for employees until the age of 50 when it decreases gradually to 5% each for employers and employees by age 65. In 2007, CPF contribution rates for older low-wage workers were reduced to help improve their employability and to increase their take-home pay. To complement these CPF changes, the Workfare Income Supplement Scheme was also introduced to make up for the reductions in their CPF contributions.

The CPF is administered by the Central Provident Fund Board, a statutory board under the Ministry of Manpower. Contributions go into three accounts:
- Ordinary Account - for housing, insurance, investment and education
- Special Account - for investment in retirement-related financial products
- Medisave Account - for hospitalisation and approved medical insurance

Members are required to set aside a portion of their CPF savings, the ‘Minimum Sum’, which would be paid out to them monthly from the age of 62. Over the years, the Minimum Sum has been increased gradually to keep pace with members’ growing needs. The age at which monthly payouts commence will also be increased to 65 by 2018. To further enhance financial security for Singaporeans after they retire, an annuity scheme which provides a steady monthly income stream for life from age 65, or ‘CPF LIFE’ was recently introduced. Older workers aged over 35 years who earn up to $1,500 a month may also be eligible for benefits under the Workfare Income Supplement Scheme, to encourage them to work and improve their retirement savings. They can receive up to $2,400 in benefits per year.

Age discrimination legislation in Singapore
There is no formal legislation in Singapore to protect people from discriminatory practices in the workplace - be it on grounds of age or any other. Instead Singapore has set up the Tripartite Alliance for Fair Employment Practices (TAFEP) - an alliance between employers, unions and the government - to develop and drive initiatives to promote the adoption of fair employment practices by companies in Singapore. It encourages companies to sign a Fair Employment Practices Pledge which includes employing people on the basis of merit and regardless of age, race, gender, religion, family status or disability.

| Figure 15: Key Information on Ageing Workforce in Singapore |
|---|---|
| Mandatory Retirement Age (MRA) | Currently 62 but to be raised to 65 in 2012 |
| Pension Provision | Central Provident Fund Defined Contributions 20% for employees 14.5% for employers |
| Pension Replacement Rate | 13.1% |
| Pensionable Age | 62 (to be increased gradually to 65 by 2018) |
| Early Retirement | - |
| Anti-Age Discrimination Law | No |
Ageing: Impact on Companies in Asia

China

Ageing Population in China
The magnitude and speed of China’s ageing population is daunting. China, which makes up 20% of the world population and over 50% of the population in Asia, has transitioned from an adult society to an ageing society in just 18 years. Driven by its one-child policy, China can expect to see the share of its population over the age of 60 nearly double in just 20 years, from 12% today to 23% in 2030. What is notable about China is that the country is ageing at a much earlier stage of economic development. As a result it may not have accumulated the wealth or established the infrastructure to support its growing number of older people. The public pension system covers only a fraction of the population: less than one-third. This pattern of ‘getting old before being rich’ is common to other developing countries in the region. In addition, the one-child policy has created the ‘4:2:1’ ratio, which means there is only one child to support two parents and four grandparents.

Figure 16: Key Statistics on Ageing Population in China
<table>
<thead>
<tr>
<th>Total population</th>
<th>1.3bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median age of population</td>
<td>34.2 years</td>
</tr>
<tr>
<td>Current % &gt;60</td>
<td>12%</td>
</tr>
<tr>
<td>Predicted % &gt;60 in 2030</td>
<td>23%</td>
</tr>
<tr>
<td>Average Life Expectancy</td>
<td>73 years</td>
</tr>
<tr>
<td>Fertility Rate</td>
<td>1.77 children</td>
</tr>
<tr>
<td>Older Dependency Ratio</td>
<td>11</td>
</tr>
</tbody>
</table>

Ageing Workforce Issues in China
Male employees in China are required to retire at age 60 and female employees at age 55 at which point they are eligible to receive a state pension from the government. It is said that the Chinese government is more concerned about providing job opportunities for young graduates and the waves of people migrating from the rural areas to the cities, and that there are no specific initiatives targeted at increasing the employability of older workers. However, China has long recognised the contribution that older people can make in terms of their knowledge and expertise. Through programmes such as its ‘Silver Hair Action Programme’ it has mobilised senior intellectuals to contribute to the development of China. Interestingly, China’s state owned enterprises – which have access to the full employment records (dangan) of their employees, have long had the practice of re-employing their most highly experienced retirees as consultants or mentors to coach younger people in the organisation. This is a practice that is increasingly being adopted by companies in other parts of the world. For multinational companies operating in China it is not quite so easy to hire retirees as they need to go through a third party agent to ensure the candidates are properly registered as retired and comply with certain restrictions on the way that they are employed. The China National Working Commission on Ageing (CNWCA) was established in October 1999 as an advisory and coordinating organisation of the State Council to supervise development and implementation of national plan and policies on ageing across China.

Pension provision in China
According to the Labour Insurance Regulations of the PRC, all insured employees are to receive 50-70% of their salary for the duration of their life upon reaching 60 years of age (having completed 25 years of work) for men and 50 years of age (having completed 20 years of work for women). China has a two-tier pension system, consisting of an old age pension and a mandatory employee contribution to a second-tier plan. It covers registered urban workers and many of the parameters depend on city-wide (rather than national) average earnings. This system, which was introduced in 1997, was significantly revised in 2006. Under the revised system, employers contribute 20% of earnings to cover the basic pension. The second-tier pension is financed by an 8% contribution from employees. As China goes through a huge period of transition it continues to review its pension provision, recognising the gaps in its current system. Indeed, according to the China Daily, 85 million elderly people, or 65 per cent of the total ageing population, live in rural areas and do not benefit from the country’s social welfare system, pensions and adequate medical care. However, the Chinese government also has a clear policy that older people should be supported by three pillars: the family, the community (neighbours and friends...
as informal care givers) and the government. Family and individuals are expected to provide primary care including daily living necessities. Indeed, the law makes it compulsory for children to look after parents and provides tax incentives for children who do so.

**Age discrimination legislation in China**
The Constitution of the People’s Republic of China stipulates that: Chinese citizens have the right to material assistance from the state and society when old, sick or unable to work; citizens above the age of 18 are obliged to support their parents; and there must be no mistreatment of senior citizens, women or children. The basic laws of China, including the Law of the People’s Republic of China on the Protection of the Rights and Interests of Elderly People clarify the rights of senior citizens and stipulate the legal punishments for acts infringing on their rights. However, there is no law directly protecting older employees from discrimination in the workplace.

**India**

**Ageing Population in India**
With regard to the ageing population, India does not face the same immediate challenge as the other countries in Asia that are the focus of this report. In 2010, the median age is 25 years and only 7.5% of the population is over 60. It is estimated that India will not become an ageing society until 2020, when the proportion of the population over 60 reaches 10%. With a fertility rate of 2.76, India continues to experience population growth. Nevertheless, with 90 million elderly, India represents the second largest elderly population in the world. This huge number presents a challenge as 80% live in rural areas, 30% live below the poverty line, 90% are from the unorganised sector with no social security and 73% are illiterate and dependent on physical labour.
Ageing Workforce Issues in India

The huge business growth that India has experienced in the last couple of decades has lowered the age of the workforce - from the dotcom boom, to the IT boom and the more recent outsourcing boom. As a result the impact of the ageing population is not something that big business is worrying too much about. Indeed in a survey of 4,742 employers spread across all major sectors, Manpower India found that a majority of the respondents did not have any strategy in place to retain or use the older workforce. In India, there is no mandatory retirement age, except for civil servants. However the normal retirement age is typically 58 or 60 according to employer’s choice. As the so-called Post Independence, ‘Freedom Generation’ (born 1940-1960) begin to retire, India is faced by a shortage of seasoned directors with cross functional experience who can take up the mantle as their organisations look to diversify from their core businesses. The people from this generation embody the first technocrats and visionaries of Indian business - so represent a huge potential loss of expertise.

Pension provision in India

Pension provision in India is limited to moderate-to-large-sized enterprises, if not state-owned and excludes workers in small business or independent labourers. India undertook wide-ranging reforms of its pension system in 2003, including the establishment of an interim Pension Fund Regulation and Development Authority and the introduction of a defined contributory pension system called the New Pension Scheme (NPS). At present, participation in the NPS is mandatory for central government employees, while those working in state governments and other public and private sector employees, self-employed professionals and informal sector workers may join the scheme voluntarily. Returns depend on the employee’s voluntary contributions and the returns on the asset in which the contributions have been invested. A private sector fund management company is in charge of investments, while a government agency is responsible for the centralised collection of contributions.

Age discrimination legislation in India

There are no codified laws, national or local, that directly deal with the issue of age discrimination in India.
Key Observations

- The Asia region is ageing, with Japan, Hong Kong and Singapore as the countries that are being most profoundly affected.

- The scale and speed of China’s ageing makes its situation dramatic, although current percentages are not as high as other countries.

- Whilst India will feel the impact in terms of needing to find a way to deal with its huge numbers of older people, it does not face the same immediate challenge as the other countries.

- The ageing of the population is a trend that will continue as the median age is set to rise in all countries. Japan is expected to maintain the highest median age of 54.4 years by 2040, closely followed by Hong Kong (51.2 years) and Singapore (50.8 years).¹⁰

- For many countries in Asia the ageing of their populations has happened at a much more rapid rate than other countries in the world and they have not had the time to adapt.

- Countries such as China are having to confront issues such as social support and the allocation of resources across the generations, without the accompanying economic growth that has characterised the experience of aging societies in the West.

- Concerns about pension liabilities, mounting old-age dependency ratios, impending skills gaps and potential labour force shortages are creating a momentum towards the elimination of mandatory retirement ages and the extension of the number of working years - particularly in Japan and Singapore.

- Japan and Singapore are the countries in the focus of this research that are being the most proactive in terms of taking steps to encourage employers to retain their employees in the workforce for longer.

- There is minimal anti-age discrimination legislation in Asia with few countries having formal legislation to protect older employees.

- Governments are increasingly focusing on ‘active ageing’ and encouraging people to work for as long as they want - and can do so productively.
SECTION 3: CREATING INCLUSIVE WORKPLACES FOR OLDER EMPLOYEES
As Section 1 of this report highlights, attracting and retaining older employees will become increasingly critical for employers who seek to retain their competitive edge in the marketplace. If companies are going to respond to the changing demographics – overcome the challenges and seize the opportunities that the ageing population presents – they need to take steps to ensure that their organisations are places where older people not only want to work, but can thrive and contribute to their full potential. Whilst Community Business fully acknowledges the importance of focusing on creating an inclusive workplace for all ages and encourages companies to have progressive employment policies that are applicable to all, the focus of this section is what more can be done in particular for older employees.

**Age Discrimination in the Workplace**

This starts with the recognition that age discrimination is an issue in the workplace. Older employees may face some kind of discrimination, direct or indirect, because of their age, on a regular basis.

As part of this research we consulted with member companies of the Diversity & Inclusion in Asia Network, the group that initiated this piece of research. We asked them what they thought some of the barriers were for their organisations in employing older workers. We were expecting to hear issues that would point to age discrimination, but did not - at least not explicitly. For the most part these companies highlighted that their general approach to diversity ensured creating an inclusive environment for all employees, regardless of age and that they did not have an issue with older workers. These companies should be commended for their approach. But the very fact that they told us that their workforces were young and that they felt they had no need for specific policies targeting older workers could be an indication that more needs to be done. After all, why is it that their workforces are not made up of a mix of generations more reflective of the general population? What is it about the working environment or nature of the work that does not encourage older workers to apply or stay with the organisation? And why are so many of their senior managers keen to retire early?

Indeed age discrimination, or ‘ageism’ as it is often referred to, is not commonly understood. The Employers Forum on Age (EFA) in the UK conducted a study to understand what ageism is, how it manifests itself in the workplace and what employees perceive to be age discrimination. They gave employees of all ages and at all levels examples of ageist behaviour and asked them if they considered specific practices or attitudes to be discriminatory. This generated very different feedback showing that a consensus has yet to be reached on what constitutes ageism. The EFA argues that for many people ageist attitudes are inbuilt and discrimination is institutionalised.

**Figure 20: Ageist Scenarios Presented to Employees**

- Not giving someone a job because they have too little/much experience.
- Paying an older person more than a younger irrespective of experience.
- Managing people differently depending on their age (targets enforced less or more aggressively).
- Not employing or keeping someone on because their appearance doesn’t match the company’s image.
- Employing someone of a similar age to you and your colleagues, to ensure a good team ‘fit’.
- Assuming the oldest person you meet in a meeting is the most ‘senior’.

As the EFA points out:

“Age is a difficult strand in equality. In many cases it is quite rightly used as a measure of someone’s experience (you can’t acquire experience without ageing), but it is also often used to measure ability, maturity and potential, a far less exact science. And unlike other strands of discrimination, there are sometimes good reasons for using age as a discriminator - for example, nobody is advocating letting a 10 year old drive a fire engine. But in reality there are very few occasions when it is necessary to use age, and not another factor such as competence or ability to make an employment decision.”

Ageism is an attitude which stereotypes or generalises people’s abilities on the basis of their age - usually old age. Ultimately, it is a negative stereotype which can lead to discriminatory treatment and consequences. Put another way:
“Age discrimination in employment occurs when an employee or prospective employee is subject to unfair or different treatment in respect of his or her employment on the ground of age.”

Manifestations of age discrimination can be subtle or blatant. Typical actions might include refusing to hire or promote older workers, curtailing their employee benefits, limiting their training opportunities or limiting their job responsibilities and duties. Older workers may be targeted in reductions of the workforce; they may be encouraged to retire. Exit incentive programmes may deny valuable additional benefits to an older worker and early retirement incentives may pressure older workers to retire prematurely. Incentive benefits may be reduced for people who continue working beyond ‘normal’ retirement age. All of these actions reinforce a stereotype of older workers as the most dispensable in the workforce. Various words and phrases may be used to disguise an age bias. Some examples of this are saying that a worker costs too much, has been with the company too long, lacks versatility, is unable to adapt to new methods or technologies, lacks energy or has failed to be a forward enough thinker.

**Figure 21: Examples of Age Discrimination in Asia**

**Recruitment**
- Age discrimination is perhaps most evident in the recruitment process and happens the world over. It is an undisputed fact that anyone over the age of 50 will find it difficult to find a job - in some countries it is even younger. Employers for various reasons - whether it is based on assumptions about older workers or the desire to project a youthful, exuberant corporate image - tend to prefer to recruit younger staff. This is true in Asia as elsewhere in the world. Indeed, countries such as Japan have had a particular problem with this. Given Japan’s tradition of on the job training and life-long employment within one company, mid-career employees can find it difficult to find alternative work in times of corporate layoffs. After the dotcom bubble in the 1990s for example, many seasoned workers found themselves out of work for the first time. It was not uncommon to find recruitment advertisements stating “No-one over the age of 40 need apply”. Whilst legislation has since been introduced, there are still circumstances where specifying an age requirement is deemed acceptable, so in reality discrimination on the basis of age still occurs - in Japan and elsewhere. According to a global survey by staffing company Kelly Services in 2006 in Hong Kong, 38% of Hong Kong’s jobseekers believed they had been discriminated against when applying for a job, with mature workers facing the greatest prejudice.

**Common perceptions about older workers**
- Then there are the common perceptions about older workers. It is often argued that in Asia, where age and wisdom are respected, older people face less of a challenge than in the West. Indeed, traditional Asian philosophies such as Confucianism teach filial piety and respect for elders. However, like other areas of life, these traditional ways of thinking are gradually being broken down. Older people do not have the same authority and prestige as before and increasingly they are seen as economically unproductive, and by family members as a ‘burden’. Within the workplace common perceptions of older workers are that they are less productive, less receptive to new ideas and reluctant to learn new skills. However, research conducted in the US showed that the performance of older workers is as good, if not better, than younger workers, with older workers tending to have better work attitudes as well. When compared with younger workers, the perspective regarding older workers is positive with valued traits such as loyalty, motivation, and a solid work ethic.

**Specific barriers in Asia**
- There are some issues specific to the Asia region that make it more difficult - or less attractive, for companies to employ older workers. The most obvious is the tradition of seniority based wages that has been particularly prevalent in countries such as Japan and Singapore as highlighted already. Under this system, employees have received salary increases based on length of service rather than level of performance. This has meant that it has been increasingly expensive for companies to retain older workers and in times of economic difficulty the older workers have been the first to be let go. Changes are gradually occurring, and these countries are increasingly moving towards a performance related pay scale or schemes where terms and conditions can be renegotiated as employees get older.
Many countries around the world, especially the US and Europe have legislation that protects older workers from discrimination in the workplace. The United States has been a pioneer - its 1967 Age Discrimination in Employment Act protects people aged 40 and over. In Europe, the EU Directive in 2000 spurred national legislation by requiring EU countries to enact age discrimination legislation by 200677. The previous section shows that such laws are less prevalent in Asia. However, advocates of age diverse workforces recognise that legislation alone cannot combat age discrimination. What is required is change in behaviour and attitudes on the part of employers, supervisors, and to some extent workers themselves78.

**Recommendations**

In looking at the role of employers, this section draws on experience and best practice from around the world to provide recommendations on types of initiatives that companies can introduce to create inclusive workplaces for all ages - and particularly older employees.

**Sources of Best Practice**

In terms of identifying examples of best practice, the ‘Best Employers List for Over 50s’, compiled by the American Association of Retired Persons (AARP) in the United States since 2001 is a good place to start. This organisation’s mission is “to enhance the quality of life for all as we age, leading positive social change and delivering value to members through information, advocacy and service”. It has developed an index to recognise those companies that take proactive steps to make their workplaces attractive for older workers and thereby promote an age-diverse workforce. The list assesses companies by looking at the policies and initiatives they have in the areas of: recruitment, workplace culture, learning and development opportunities, health and financial benefits, alternative work arrangements and opportunities for retirees.

AARP has also partnered with relevant organisations around the world to launch a series of ‘AARP International Innovative Employer Awards’. These were introduced in 2008 to recognise non-US based employers who have demonstrated innovative workforce or human resource practices that address issues relevant to workers age 50 and older79. Singapore was the only Asian country recognised in this inaugural international award with awards made to two organisations: Alexandra Hospital and Singapore Health Services Pte Ltd (SingHealth)80.

In the UK, the Employers Forum on Age (EFA) is an independent network of leading employers who recognise the value of ensuring an age diverse workforce. The EFA is not exclusively focused on the rights of older employees, but works to remove age discrimination of any kind and is active in lobbying for the abolition of the mandatory retirement age in the UK. The EFA works to promote good practice and has developed a number of toolkits and guidelines for companies. Of particular note is its ‘One Step Ahead Toolkit’ which was designed to assist UK companies prepare for the introduction of age discrimination legislation in 2006. It also runs the Employers Forum on Age Awards to showcase the achievements of organisations that have taken a lead in promoting workplace wellbeing and age diversity in the UK.

In Japan, the Japan Organization for Employment of the Elderly and Persons with Disabilities (JEED) works to promote the employment of the elderly. It runs an annual award programme to acknowledge companies in Japan who have best practices in terms of employing older people. In addition the Singapore Government promotes examples of best practice by companies in Singapore on its website.

All of these sources have provided examples of best practice for this report. In addition Community Business has engaged with its Network Member companies and contacted a number of non-government and independent organisations in the various countries in Asia that work to promote the employment of older workers.
Best Practice Initiatives
Through reviewing the work and the resources of the organisations mentioned above, Community Business has identified a number of key best practice initiatives that can help companies create inclusive workplaces for older employees. These are listed below and addressed one by one with reference to examples.

**Figure 22: Best Practice Initiatives for Creating Inclusive Workplaces for Older Employees**

<table>
<thead>
<tr>
<th></th>
<th>Best Practice Initiative</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Conduct an age profile analysis</td>
</tr>
<tr>
<td>2</td>
<td>Review policies and processes to ensure they are ‘age-neutral’</td>
</tr>
<tr>
<td>3</td>
<td>Implement a targeted recruitment effort</td>
</tr>
<tr>
<td>4</td>
<td>Promote an age-friendly culture</td>
</tr>
<tr>
<td>5</td>
<td>Ensure a favourable working environment</td>
</tr>
<tr>
<td>6</td>
<td>Consider job redesign</td>
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<tr>
<td>7</td>
<td>Offer appropriate benefits and incentives</td>
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<tr>
<td>8</td>
<td>Encourage employees to take charge of health and wellbeing</td>
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<tr>
<td>9</td>
<td>Provide alternative working arrangements</td>
</tr>
<tr>
<td>10</td>
<td>Help to remain on the job through skills development</td>
</tr>
<tr>
<td>11</td>
<td>Facilitate the productive coexistence of a muligenerational workforce</td>
</tr>
<tr>
<td>12</td>
<td>Engage older workers and give a voice</td>
</tr>
<tr>
<td>13</td>
<td>Manage the retirement process proactively</td>
</tr>
<tr>
<td>14</td>
<td>Find a way to retain or transfer critical knowledge within the organisation</td>
</tr>
</tbody>
</table>

1. **Conduct an age profile analysis**
   The starting point for a company looking to address the impact of the ageing workforce on its workforce is to understand the makeup of the organisation by conducting an age profile analysis. Age should be considered alongside other diversity dimensions such as gender and culture to ensure that there is a representative mix of people from different generations. Companies operating in Asia are cautioned to adopt the widely used generational groupings (such as Gen Y, Gen X, Baby Boomers) with care and ensure that they take the time to understand how the local context impacts the people falling into each of these categories (see Case Study 1).
Case Study 1

**Company:** Deutsche Bank  
**Industry:** Investment Banking  
**Source:** Member of Diversity & Inclusion in Asia Network

Deutsche Bank recently conducted an exercise to understand the age profile of its workforce in different countries in Asia Pacific. Whilst discussions regarding generational diversity had been taking place at the global level, diversity leads in Asia recognised that the profile of the workforce and the characteristics assigned to each generational grouping (ie Gen Y, Gen X, Baby Boomer), might not be applicable to the different countries in Asia. One could not conclude, for example, that the characteristics of a Baby Boomer in the US would be the same as a Baby Boomer in India as each had grown up in very different socio-political and cultural contexts. It was recognised that using categories based purely on US definitions, experiences or age bands might not be helpful in developing HR policies that were appropriate to employees in different countries.

The company started by pulling together its existing demographic data for each of the countries in the Asia Pacific region to get an understanding about the spread of employees falling into the different age bands (20-29, 30-39, 40-49, 50-59, 60+). It also compared this percentage split against the economically active populations in the external market in each of these countries to see to what extent they were reflective of the wider marketplace. Deutsche Bank then held small focus groups in each country with the local HR community to get a feel for what was happening in terms of the different generations. The goal was to try and understand how the different generational groups were defined in each market and identify their key characteristics and motivators in order to see what impact this might have on the development of appropriate local HR policies. Whilst there were some variations by country, through this process Deutsche Bank has been able to identify three broad age groups (20-30, 30-45 and over 45) which can be classified as three different generations: Gen I (similar to Traditionalists), Gen II (similar to Baby Boomers) and Gen III (combination of Gen X and Gen Y).

To take their efforts further, Deutsche Bank has also participated in a multigenerational survey by the Corporate Leadership Council and is in the process of mapping these results to the findings of their own employee satisfaction surveys. All these data points will help them understand the impact of age on their HR agenda.

Some companies have found that measuring and monitoring the age profile of their employees is helpful in identifying problem areas and detecting where age bias may lurk in their business. For example a review of take up of training that reveals a lack of older employees, might point to bias in an internal process that is excluding older workers from development opportunities. Every business will have specific indicators that they use to monitor workforce trends, but the EFA suggests the following core measurements are age profiled on a regular basis:
### Figure 23: Core Measurements for Age Profiling

- Applicants
- New recruits
- Turnover
- Absence/sickness rates
- Promotions
- Training take-up
- Exits
- Staff satisfaction

**When analysing the Core Measurements ask:**

- Do these figures show a disproportionate number in a particular age group, if so why? Is there a particular historical or business reason?
- Where would it be appropriate to compare or benchmark these figures - nationally, locally, internally?
- Are you happy with these figures, if not why not?
- What would you like these profiles to look like, and why?

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2. **Review policies and processes to ensure they are ‘age-neutral’**

As companies look to create an environment where all can contribute regardless of age, it is important to conduct a thorough review of all human resource policies and processes - from advertising and recruitment to appraisals and salary reviews, to ensure that they are free from age bias. This gives companies a chance to review and challenge existing practice. The EFA has developed a comprehensive toolkit called ‘One Step Ahead’ that provides a framework for reviewing all employment policies and practices to identify age discrimination. It recommends that a company familiarises itself with existing employment, equal opportunity and diversity policies and gathers evidence from other sources to ensure an accurate picture of day-to-day practice. This includes looking at corporate literature, internal documentation such as guides for managers, products, websites, advertisements and so on, from both group and separate business units.

Some companies have found, for example, that using CVs in the recruitment process, with their focus on age-related data and chronological employment histories, can discriminate against older workers. Instead they have introduced standard application forms focusing on skills and competences required for the job and removed age-related data to a separate equal opportunities monitoring form. In addition it is important to develop an age discrimination policy and ensure that it is clearly communicated by posting it on bulletin boards or on the company intranet. The policy should include harassment definitions, remedies, consequences, reporting procedures, grievance processes and anti-retaliation language.

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**Case Study 2**

**Company:** Centrica plc  
**Industry:** Utilities  
**% of employees >50:** 13%  
**Based in:** Windsor, UK  
**Source:** AARP International Innovative Employer Awards Winner 2008

Ahead of the Employment Equality Age Regulations issued in 2006 (in other words, before implementation of UK anti-age discrimination laws), Centrica undertook a thorough review of policies and practices to ensure that they embraced the new legislation and to maintain its position as an inclusive employer. The review brought to light the necessity of a number of key changes, including: the introduction of a new retirement process; amendments to redundancy schemes; the removal of the upper-age limits for entrance to British Gas apprenticeship schemes; and the development of an Age Awareness e-learning package for managers and employees.
3. Implement a targeted recruitment effort

To redress the imbalance that may exist within their organisations, companies are encouraged to take proactive steps to recruit mature workers. This includes ensuring that recruitment materials are designed to reflect broad diversity, including older workers and choosing appropriate language to avoid possible discrimination. The EFA has published a guide called “Mind Your Language - a guide to getting recruitment right” [86]. This advises that words such as ‘dynamic’ and ‘energetic’ should be used with care as they can be interpreted as a preference for younger people. Targeted recruitment efforts may include developing specific alumni programmes designed to attract mature and retired workers and tapping into community resources, such as senior groups, to recruit for part-time or temporary employment opportunities. It is also important to ensure that managers and interviewers are trained to avoid making age based assumptions in the interview process. Recognising that discrimination takes place when you make assumptions about someone based on their age, the EFA recommends that the types of questions in Figure 24 should be avoided in interviews.

**Figure 24: Questions to be Avoided in Interviews** [87]

- How old are you?
- You seem younger/older than I expected.
- How will you fit into our young/mature team at your age or life stage?
- At your age are you physically up to the job?
- Why do you want to take such a junior role, surely you’re over qualified?
- Would you mind being managed by someone so much younger?

### Case Study 3

**Company:** Domestic & General Group plc  
**Industry:** Insurance  
**% of employees >50:** 9%  
**Based in:** Nottingham, UK  
**Source:** AARP International Innovative Employer Awards Winner 2008 [88]

Domestic & General Group Limited seeks to attract and retain older workers for their experience, loyalty, and reliability by implementing a number of age-positive recruitment strategies. Materials for recruitment and assessment are tailored to resonate with various generations. Telephone interviews are used in the first stage of the hiring process to avoid age bias. Employees at Domestic & General Group Limited are also encouraged to become Age Positive Ambassadors, some of whom represent the company at recruitment fairs.

4. Promote an age-friendly culture

One of the biggest barriers to older workers staying in the workplace can be the attitude of employers or colleagues. Companies need to do what they can to reduce age discrimination in the workplace, both direct and indirect, and build a positive culture towards older workers. Diversity training plays a key role in this respect. Companies should insist, for example, that all those involved in making decisions about the employment and development of people attend training so that they recognise the business drivers for recruiting an age diverse workforce and understand the implications of age-stereotyping. Ageist stereotypes abound, so companies should look to introduce awareness programmes that help employees challenge their mindsets about different generations and inspire mutual respect.
Case Study 4

Company: Centrica plc  
Industry: Utilities  
% of employees >50: 13%  
Based in: Windsor, UK  
Source: AARP International Innovative Employer Awards Winner 2008

Centrica developed an “Age Action Group” of managers from across business units and functions to coordinate delivery of a detailed action plan to prevent age discrimination. The company also initiated a communications and training programme to ensure that employees and managers understood requirements of anti-age discrimination regulations. A component of this programme is an Age Awareness e-learning package, which enables employees to learn about regulations in the UK by making decisions based on workplace scenarios.

Case Study 5

Company: Domestic & General Group plc  
Industry: Insurance  
% of employees >50: 9%  
Based in: Nottingham, UK  
Source: AARP International Innovative Employer Awards Winner 2008

To promote the importance of age-positive policies, the company has conducted elections between departments encouraging staff to become Age Positive Ambassadors. The company makes its equal opportunities policy readily available and publicised through the intranet and provides an overview of its policies during its new employee induction process.

5. Ensure a favourable working environment

Beyond promoting an age-friendly culture there are some practical steps that companies can take to ensure a favourable working environment. This includes conducting an accessibility audit and looking at ways to remove some of the potential physical barriers. In assessing the working environment and the ergonomics of the workplace some adjustments might need to be made. Often these are very simple measures, such as larger computer screens or different kinds of chairs. In addressing these issues and modifying the work environment to suit older employees, companies will be making the workplace more accessible for all employees, including those with disabilities.
Case Study 6

SingHealth has invested heavily in automation and mechanisation to alleviate the physical demands of jobs in the hospitals, thus making many jobs more suitable for mature workers than years ago. Lifters, fully motorised patient-transfer trolleys, and mobile armchairs with safety belts, greatly prevent back strains or injuries. The company also made available a “hiatus chair,” designed to relieve nurses from frequent picking up and rocking of babies and heavy children. Automatic Guided Vehicles have allowed food trolleys to be sent to the wards without staff having to physically push the heavy trolleys.

6. Consider job redesign
To enable older workers to continue to be productive in the workplace it may be necessary to consider redesigning some aspects of the job or rethink certain processes. However any job redesign should make economic sense and yield benefits to the company, for example, in terms of higher productivity or lower staff turnover, or it should benefit employees from all generations. Some companies have shown that simple changes or a new creative approach can improve efficiency and lead to improved output.

Case Study 7

US truck manufacturer International Trucks has retrofitted its facilities so that they are less physically demanding on their employees. Recognising that a large percentage of its skilled assembly line workers were approaching retirement ages, it redesigned its manufacturing plant to make work less strenuous. The company also designed a system which flipped the trucks upside-down on the assembly line, so that workers do not have to crawl under the trucks to assemble parts.

7. Offer appropriate benefits and incentives
As employees go through different stages of their life, their needs and priorities change. A company’s benefits and compensation packages, if they are to be valued, need to reflect this. The examples from the companies featured on the AARP list indicate that as employees reach the age of 50 and above benefits such as insurance and healthcare cover become increasingly important. However, companies should be wary of making assumptions, particularly when working in diverse markets across Asia. HR and diversity professionals need to take the time to understand the characteristics of their older employees, their priorities and their requirements and engage with their own employees in different geographies. With more employees facing the challenge of looking after elderly relatives, companies should also consider what assistance they can provide in terms of elder care. This may include additional time off or the provision of information, education, referrals and counselling.
8. Encourage employees to take charge of health and wellbeing

Proponents of work-life balance will recognise that promoting the health and wellbeing of all staff is important and should start early on in their careers. It makes sense that if staff are encouraged to remain healthy, absenteeism rates will reduce with resulting benefits in productivity and performance. Promoting the health and wellbeing of older employees is clearly critical to ensure that they remain active and productive for as long as possible. Progressive companies are taking a proactive approach by offering all kinds of programmes and training to promote personal health as well as providing regular health checks.

Case Study 8

Company: Cornell University
Industry: Academic
% of employees >50: 43%
Source: AARP Best Employers List for Workers Over 50 2008 List (Ranking: 1)

Cornell offers the following wellness programmes to full and part-time employees: flu shots, health screenings, health-risk appraisals, smoking cessation programmes, health club discounts, physical activity and exercise programmes, weight loss programmes, stress management training, cooking classes, life coaching and diabetes, cancer and menopause support groups. Twenty-seven percent of Cornell’s employees have used at least one of its wellness benefits in the past 12 months. Cornell offers on-site child and grandchild care, and referral services to assist with care for children, grandchildren and elders, to its full- and part-time employees. In addition, the university offers the following programmes to meet family care demands: a child care grant subsidy, dependent-care accounts for child care and eldercare costs, adoption assistance, summer camp programmes and a “bring your child to work” day.

Case Study 9

Company: Alexandra Hospital
Industry: Healthcare
% of employees >50: 14%
Based in: Singapore
Source: AARP International Innovative Employer Awards Winner 2008

Alexandra Hospital launched a Workplace Health Promotion programme known as Wellness for Older Workers, WOW, in November 2007. The programme serves to empower mature workers with the skills, knowledge and attitude to take charge of their health and lifestyle practices. Upon graduation from the programme, the older employees also receive a personalised Health Report Card. The programme is targeting 500 workers aged 40 years old and above. A new segment of WOW, Boomers on the MOVE, promotes an active aging lifestyle among older workers.
Case Study 10

Company: BT plc
Industry: Communications
% of employees >50: 29%
Based in: London, UK
Source: AARP International Innovative Employer Awards Winner 2008

BT promotes physical and mental well-being through a framework of primary, secondary, and tertiary interventions. Primary includes engagement in health-promotion activities, such as Work Fit. Secondary provides early intervention when problems arise via services, such as employee counseling. Tertiary intervention is rehabilitation after illness, and/or taking advice from specialists. The Work Fit programme has focused on several different areas of health and well-being, which, although they affect all employees, affect people over 50 in increasing numbers. One example of the targeted approach of the Work Fit programme was a campaign to address heart disease in older men. The programme encouraged people to take their waist measurements and then, in collaboration with Mens Health, an external organisation, helped them lose weight over a period of time. BT has also positively promoted a mental well-being awareness programme under the banner of “Open Minds.” The goal of this initiative is to dispel some of the myths associated with mental health and increase overall awareness.

9. Provide alternative working arrangements

Alternative working arrangements such as flexible working, part-time work and contract work are approaches that are welcomed by employees at many stages in their career - from Generation Y employees looking for opportunities to pursue personal interests outside work, to young parents looking for flexible working hours to help manage the demands of raising a family. The provision of alternative working arrangements is also valued by older employees. Indeed findings from Watson Wyatt’s WorkAsia study showed that flexibility was the most important thing employees over the age of 50 were looking for. As employees progress through their careers, they may no longer be interested in high-pressure work environment, or they may have responsibilities such as the care of ageing parents. Providing alternative working arrangements also includes developing opportunities for retirees to continue to contribute to the organisation - perhaps working on a contract or consultancy basis. This is an increasingly common practice in Asia, in particular Japan and China. Clearly the organisation benefits from such arrangements as they can have continued access to highly valued knowledge and experience, often at a fraction of the cost of a full time employee.
Case Study 11

Company: BT plc  
Industry: Communications  
% of employees >50: 29%  
Based in: London, UK  
Source: AARP International Innovative Employer Awards Winner 2008

BT’s flexible and agile working policies and practices are packaged within a programme portfolio titled Achieving the Balance. This portfolio outlines the different options that are available to help people find the most suitable working arrangements for their individual circumstances. A component of this portfolio includes options for transition from full-time employment to retirement. The Achieving the Balance portfolio includes several opportunities that, although available to everyone in BT, are particularly useful to older people. They include the following:

- **Wind Down** - Giving employees more personal time
- **Step Down** - Moving to roles with less responsibility and less stress
- **Time Out** - Providing career breaks and sabbaticals for up to two years
- **Helping Hands** - Allowing secondments to a charity for up to two years
- **Ease Down** - Gradually reducing the level of responsibility while continuing to work for BT

BT had a normal retirement age of 60 until it was removed in 2006. The pensionable age still remains 60. Employees can continue working past 60, but can draw their pensions while continuing to work. They can also continue contributing and accruing additional pension funding, if they wish to do so.

Case Study 12

Company: Sanyo Electric Co., Ltd  
Industry: Electrical Equipment Manufacturer  
Source: ILC-Japan

Sanyo Electric Co. has opted to offer a re-hiring programme for up to 5 years beyond the designated retiring age for those desiring to be rehired. The re-hiring programme is applicable to all non-managerial workers. Those aged between 60 and 65 can choose a suitable work schedule, changing from full time to part-time, for example to 4-days a week or 6-hours a day. On reaching 55, employees should notify the company whether they wish to extend the retirement age when they become 60. An employee opting for rehire will receive a reduced salary for the period between age 56 and 60, which will be about 70-75% of his salary at age 55, in exchange for the opportunity to work for a longer employment tenure.
**Case Study 13**

**Company:** Toyota Motor Corporation  
**Industry:** Automotive  
**Source:** ILC-Japan

Toyota’s plan focuses on the expansion of its retiree re-employment programme. The auto manufacturer is going to gradually increase the age limit for retirees in the company’s senior re-employment programme to 65 from the current 63. The re-hiring programme which is applicable to all employees at age 60 (previously available only for factory staff), is now applicable to everyone. Applicants for re-employment are evaluated on the basis of their performance from age 55 in respect of 1) health conditions, 2) skill level and work performance and 3) work attitude including the capacity for teamwork. For fiscal year 2006, the company expects to re-hire about 700 workers from the 2006 potential retiree pool of 1260.

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**Case Study 14**

**Company:** SingHealth  
**Industry:** Healthcare  
**% of employees >50:** 18%  
**Based in:** Singapore  
**Source:** AARP International Innovative Employer Awards Winner 2008

SingHealth’s guiding philosophy is Renew, Refresh, Rewire, Not Retire. SingHealth hired a “Silver Connection Consultant” in 2006, an older worker, to run the agenda for older workers. The consultant has started one-on-one personal coaching for those who need guidance on career transition and management. Older employees on the nursing staff also go through constant training by attending programmes available throughout the year. These Skills Redevelopment Programmes cover a wide spectrum of nursing specialties. Return-to-Nursing programmes help enrolled and registered nurses who left the profession previously rejoin the workforce by updating their nursing knowledge and skills. SingHealth also engages retirees for part-time project work by giving refresher training and briefings. One example is computer training through the Retired and Senior Volunteer Programme’s Project Cyberguide. Employees may apply for “Learning Awards,” which provide funding for programmes leading to some form of certification.
11. Facilitate the productive coexistence of a multigenerational workforce

Companies today are made up of people from four generations - from the Generation Ys, to the Generation Xs, Baby Boomers and Veterans. As one commentator, Richard Anthony writes:

“For the first time ever, we have four, and some people argue five, generations in the workforce. Each markedly different. Each variously hailed and reviled because of the myths about how they think and behave. All challenged to work toward common goals in spite of their differences.”

Companies need to become adept at managing a multigenerational workforce and adopt proactive strategies to ensure the productive coexistence between people from different age groups. In addition, as the workforce ages there will be more and more employees being supervised or managed by people who are younger than them. Whilst cultural issues obviously come into play, the bigger issue is giving younger managers the skills and training to do this better. Some companies have found that initiatives such as mentoring relationships that span the generations can have a positive impact on overcoming prejudice and creating new levels of respect. Others pair older and younger workers together on projects or create mixed teams so employees can learn from each other and benefit from a variety of skills. Another approach is to include all generations on committees and task groups and can be a particularly effective way of recognising the experience and skills of older workers. However, it may be advisable to have someone outside of the group facilitate the first few sessions to help ensure that potential conflicts do not impede communication.

Case Study 15

Company: Goldman Sachs
Industry: Financial Services
Source: Diversity & Inclusion in Asia Network

“Four Generations Under One Roof” Training

In addition to offering all employees access to a standard e-learning module that looks at generations in the workplace, Goldman Sachs has developed its own training, entitled “Four Generations Under One Roof”. Based heavily on economic research, the course highlights changing demographics and articulates the business case for extending the talent pool to include all ages. Participants explore the typical traits of the various generations, the key motivators for each group and how best to manage people from multiple generations in the workplace. The course is designed for all employees and the content has been adapted specifically for Asia. Recognising the dangers of stereotyping on a global scale, participants consider how significant events in different geographies are likely to influence the generations in different ways. The outlook and values of those who have experienced Communist rule and the Cultural Revolution in China, for example, are likely to be very different to those who have experienced the freedom of the 60s and 70s in Europe. Goldman Sachs says the training is well-received and many participants discover that what they learn about different generations is helpful and applicable to not just their professional but also their personal lives.

12. Engage older workers and give a voice

Older workers, with their years of experience and wealth of knowledge, represent a critical resource to companies. It is therefore important to ensure that they are motivated and engaged. Some companies have found that establishing networks or alumni groups for retired employees is a useful way to ensure that they remain involved in the organisation. In addition they can provide valuable input to the organisation - whether it be advocating certain workplace policy changes or providing feedback on a product specifically designed for the older market segment.
Case Study 16

**Company:** Cisco  
**Industry:** Technology  
**Source:** Diversity & Inclusion in Asia Network

**Engaging Older Workers and Giving a Voice**
Cisco recently launched its ‘Experienced Influencers Employee Resource Group (ERG)’, targeting the Baby Boom generation and beyond - which represents an estimated 25% of its total workforce. The objectives go beyond just making Cisco an employer of choice for older workers - it’s about engaging employees throughout their career and into retirement and recognising the strategic importance of having a group that can help the company become a trusted business partner for older consumers. The Experienced Influencers ERG has executive sponsorship at the highest levels, a clear set of business related goals and is open to employees across the globe. Members have the opportunity to influence workplace practices and benefits, network with Cisco alumni, mentor with more junior employees and create a more collaborative, multigenerational workforce. A key benefit it offers members is the ability to expand their skill set and broaden their experience by becoming involved in the activities of one of three subteams detailed below:

- **Professional Development and Recruitment**  
  Responsible for formulating a strategic plan that supports the development needs of Experienced Influencers.

- **Internal and External Business Partners**  
  Responsible for leading and developing business partnership strategies, including Cisco alumni and outside organisations.

- **Operations and Communications**  
  Responsible for measuring and reporting the overall success of the Experienced Influencers ERG in meeting its goals and objectives.

In summary, Cisco’s Experienced Influencer’s ERG plays an invaluable role in growing Cisco talent while leaving a lasting legacy on the organisation in terms of knowledge transfer and multigenerational collaboration.

Case Study 17

**Company:** Intel  
**Industry:** Information Technology  
**Source:** Ranking on AARP Best Employers for Workers Over 50 2009 List: 44

Intel currently has 3,021 retirees and a person on staff who has direct responsibility for relations with them. The company stays connected to its retirees through regular communications, a retiree Web site and quarterly newsletters. Intel also offers its retirees discounts on organisation products and maintains a contact list of retirees who are available to work. Retirees can take temporary work assignments and fill full- and part-time positions at Intel.
13. Manage the retirement process proactively
It is inevitable that people will retire at some stage. Whether this is at 55, 60 or 75, companies should take steps to manage the process as smoothly as possible. This involves engaging with employees as they reach retirement age and discussing their plans to ensure that the transition is as smooth as possible. By proactive engagement, employers can ensure better succession planning and transfer of knowledge, whilst also keeping in contact with their retirees in the future. Some companies have introduced flexible retirement policies, offering employees flexibility over: the age at which they retire; the length of time they take to retire; and the nature of intensity of the work in the run up to retirement, including the option for part-time work. Whilst this approach is not without its complexities - companies need to consider the implications on pension and insurance provision for employees, there is growing support for abandoning a mandatory retirement age and taking a more flexible approach.

Case Study 18

Company: American Express  
Industry: Financial Services  
Source: Diversity & Inclusion in Asia Network

Phased Retirement Scheme
A Phased Retirement Scheme has recently been introduced at American Express across certain business units. The objectives of the programme are twofold: to give employees a transition period from full time employment to full time retirement and assist them to be successful in the next phase of their life; and to understand the critical skills, knowledge and relationships that experienced workers have established and retain within the organisation. One year before they are due to retire, an employee will sit down with their leader and develop their 1 Year Transition Plan. This plan seeks to balance the interests and needs of the individual with the needs of the organisation. It maps out, for instance, how the employee will reduce their hours over time, redesign their job so that non-core elements are delegated to others and describe how they will transfer knowledge to the next generation. The latter might include documenting processes and expertise, providing mentoring, etc. American Express has also set up a Retiring Network. As people go through this period of transition they become a part of this network. Through the use of social media and web 2.0 technology (like Facebook), individuals establish a community with peers and former colleagues. They are able to see part-time jobs and positions that are available. The company also provides training programmes to all employees to help them understand what it means to retire - from both an emotional and financial perspective. They have developed an audio visual guide that uses characters to tell the story and answers specific questions employees might have.

14. Find a way to retain or transfer critical knowledge within the organisation
With what has been described as a ‘tsunami of the retirement of the Baby Boomer generation’ smart companies are recognising that to protect their interests they need to find ways to retain or transfer critical knowledge within the organisation. This involves engaging their older workers and making them part of the process. Companies can use different approaches, including setting older employees up as mentors to younger individuals or retaining them as advisors to the business.
Case Study 19

Company: Shell
Industry: Energy
Source: Diversity & Inclusion in Asia Network

Retention of Critical Knowledge Programme
This programme was introduced across Shell globally 2-3 years ago in recognition that as many as 50% of engineers and qualified personnel were coming up for retirement and that there was an urgent need to find a way to retain their knowledge and expertise within the organisation. It involves a series of structured interviews with the retiree and their team to catalogue knowledge, core competencies and personal networks so that it can be redistributed back to the organisation. The findings from the interviews are recorded, catalogued and distributed back to the organisation. A report is also prepared which includes an Executive Summary, a Wiki description and any recommendations, such as follow up Lunch and Learn sessions to further disseminate knowledge. As the data shared is proprietary information, the process is managed by internal knowledge management professionals. Originally developed for retirees in key roles, now the process is used for key people at any stage when they transfer from one department to another or leave the organisation altogether.

Developing a Strategy
In terms of process, developing a strategy for creating an age diverse workforce is like developing a strategy for other parts of the business. It begins with establishing the business case and making sure those in key management positions understand why the company is looking to focus specifically on the needs of older workers. In building the business case a company should analyse the demographics of its workforce and customer base and predict how this is likely to change over the next 5-10 years. The AARP has developed an online workforce assessment tool that can help an organisation assess its current and future workforce needs and assess any potential impact the ageing workforce will have.

Once the reasons for looking at the issue are clearly established, the next stage is to define the approach. This requires identifying and prioritising needs by taking time to consult with employees and finding out what is important to them as they grow older. This should not just be limited to the older workers themselves, but should include engaging with employees of different ages and at various stages in their career. Companies should use every opportunity - whether it be focus groups, meetings, web chat rooms or employee satisfaction surveys, to find out what people think, their attitudes, perceptions and the prejudices they meet.

With the needs identified, a company can begin to develop a series of initiatives to meet these needs - looking to government initiatives and best practice in other companies as sources of inspiration as well as responding directly to suggestions of employees themselves. Before the initiatives are rolled out it is important to take time to communicate with and brief staff on why the policies are being introduced and how they will work in practice as well as training managers at all levels to follow through on the policies. In terms of implementation a company may choose to do a pilot or adopt a phased approach. What is critical is that the take up and response to the policies and initiatives is monitored so that a company’s overall approach can be reviewed and enhanced over time.
Conclusion

With people living healthier and longer lives, societies around the world are being forced to reassess their traditional views of old age and retirement. Assumptions about the limitations of people over the age of 60, in terms of poor health or ability to work, are no longer valid and are potentially depriving workplaces of a rich source of talent and expertise.

From a purely economic perspective, there is a growing need for individuals to continue to participate in the labour force longer than they have done in the past. Governments need to secure continued income in the form of taxes whilst minimising their liability in terms of providing for retirees. Individuals need to find ways to fund their potentially longer life spans. This has been illustrated most clearly by the devastating impact of the recent economic crisis on pension plans which has dashed the hopes of early retirement for many and forced them to find ways to continue working.

Unfortunately there remains a gap between government exhortations to work for longer and the willingness of employers to recruit or retain workers into their late 50s and 60s - let alone their 70s. Attitudes and approaches to old age have not kept pace with the changing demographics and both our societies and workplaces remain inherently ageist. Whilst there are some moves towards extending retirement ages or ensuring the transfer of knowledge from one generation to another, there is not enough focus on the strategic advantage and value that older employees can bring.

It seems what is required is a redefinition of what it means to be old and a fundamental shift in the way we view age in the workplace. As a study by Nomura highlights:

“If ‘old’ is taken to mean a given degree of health or disability, then the age at which people become ‘old’ is moving further and further out… Hence, to the extent that in 1950 it was appropriate to consider a 65-year-old as ‘old’, then today, on the basis of an increase in life expectancy of three months per year, that term would apply only to a person who has reached nearly 80.”

The changing demographics of our workforces also call for a change in the way we view career progression. Traditional expectations are based on linear career progression, with individuals taking on ever more ‘important roles’ as they progress up the corporate hierarchy. This approach not only reinforces the seniority based system, but potentially alienates those who reach their limit or choose to opt out. Yet as people get older it is likely that they will be more and more willing to step off the ‘corporate ladder’ and to find alternative ways to contribute that do not put such heavy demands on their personal time and resources.

“Boomers are achievers, but personal growth and professional advancement need no longer be equated with climbing the career ladder. Particularly in the later stages of their careers, older workers can derive personal satisfaction and make a valuable contribution by moving laterally or diagonally into a different position or function. Often, lateral moves can also offer greater flexibility as well as opportunities for interim assignments or mentoring.”

Finding ways to make non-linear career progression not just acceptable, but positively encouraged is something that all companies would be wise to consider. Indeed this changing concept of career is not too dissimilar to what is often expressed by Gen Y employees - so a response from employers is paramount.

In conclusion, older employees - with their wealth of experience and expertise, represent a valuable resource that companies can ill afford to waste. If companies are to be well positioned for the future - harnessing the best talent and meeting the needs of the changing marketplace, they need to rethink their attitudes towards employing older workers and make the necessary adjustments to facilitate their continued contribution in the workplace. This requires taking a proactive and strategic approach and following many of the recommendations outlined in this report.
## Key Resources for Employers

### CHINA
- China National Working Commission on Ageing  

### HONG KONG
- Labour Department, The Government of the Hong Kong SAR  
  [www.labour.gov.hk](http://www.labour.gov.hk)
- The Elderly Commission  
  [www.elderlycommission.gov.hk](http://www.elderlycommission.gov.hk)
- Practical Guidelines for Employers On Eliminating Age Discrimination in Employment  

### INDIA
- Ministry of Social Justice and Empowerment  
  [http://socialjustice.nic.in/social/sdcop/benefits.htm](http://socialjustice.nic.in/social/sdcop/benefits.htm)
- Avatar  
  [www.avtarcc.com](http://www.avtarcc.com)

### JAPAN
- Ministry of Health, Labour and Welfare  
- Japan Organization for Employment of the Elderly and Persons with Disabilities (JEED)  
  [www.jeed.or.jp/english/index.html](http://www.jeed.or.jp/english/index.html)
- International Longevity Center - Japan  

### SINGAPORE
- Ministry of Manpower  
  [www.mom.gov.sg](http://www.mom.gov.sg)
- Singapore Workforce Development Agency  
- Centre for Seniors  
  [www.centreforseniors.org.sg](http://www.centreforseniors.org.sg)
- Tripartite Committee on Employability of Older Workers Final Report  

### OUTSIDE ASIA
- UK  
  Employers Forum on Age (EFA)  
  [http://www.efaf.org.uk/](http://www.efaf.org.uk/)
- US  
  AARP  
  [http://www.aarp.org/](http://www.aarp.org/)
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Older workers, older consumers: big implications for companies
Nomura Equity Research
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Watson Wyatt

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A human capital perspective for firms operating in Asia Pacific
IBM Business Consulting Services

World Population Ageing 1950-2050
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1. Download the full report on the Community Business website:

2. It should be noted that when we talk about ‘older employees’ we are generally referring to professional workers aged 50 or above – either still in employment or recently retired.

3. AARP. “AARP International: 2008 AARP International Innovative Employer Awards”:
   http://www.aarpinternational.org/conference/conference_show.htm?doc_id=542056


9. Ibid; p.4.


11. A phrase coined by the Society of Petroleum Engineers, see FT Article, “Companies find few takers for jobs that have lost their attraction”, Carola Hoyos, 31 August 2005: http://www.ft.com/cms/s/0/04e875ce-19bb-11da-804e-00000e2511c8.html

    http://www.economist.com/specialreports/displaystory.cfm?story_id=13887853

13. Workforce Management. Leah Dobkin, “How to Confront the Elder Care Challenge”, April 2007:


    http://www.economist.com/specialreports/displaystory.cfm?story_id=13888110


17. In the survey, interviews were conducted with over 100 leading and reputable companies operating in 11 countries in the Asia Pacific, spanning key industries like manufacturing, healthcare, lifestyle and leisure, as well as information and communications technology. “88% of companies surveyed do not have a Silver Hair strategy for the Singapore market”, Spire Research and Consulting Pte Ltd press release, 10 July 2007: http://www.spireresearch.com/pdf/archive/press/PR-SilverhairJul2007.pdf

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20. India’s overlooked ‘grey market’ workforce”, 13 July 2007:


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    http://www.pmo.gov.sg/News/Speeches/PrimeMinister/PM+on+re-employment+of+older+workers.htm
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AARP. AARP Board Member Dr. William Hall, Opening Address “Reinventing Retirement Asia: Employment and Active Engagement Beyond 50”, 8 January 2009: http://www.aarpinternational.org/resourcelibrary/resourcelibrary_show.htm?doc_id=778469


More tables showing full details of: General Demographic Changes from 1950 to 2050 and Dependency Ratios from 1950 to 2050 for each country can be found on the Community Business website at:


Ibid.

Ibid.

Statistics taken from CIA The World Fact Book

This indicator gives insight into the amount of people of non-working age compared to the number of those of working age. A high ratio means those of working age face a greater burden in supporting the aging population.


Japan Social Insurance Agency. www.sia.go.jp/e/epi.html#ben


Professor Alfred Chan. “Ageing in the Asia Pacific: The Business Case”; p16.


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Statistics taken from CIA The World Fact Book


Ageing: Impact on Companies in Asia

47 Hong Kong SAR Government, Social Welfare Department:


49 Statistics taken from United Nations, World Population Prospects, 2008 Revision

50 Ibid.

51 Ibid.

52 Statistics taken from CIA The World Fact Book
(accessed on 29 September 2009).

53 Re-employment means offering jobs to employees reaching the retirement age, but it need not be for the same job position, on the same salary and terms.


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56 Statistics taken from United Nations, World Population Prospects, 2008 Revision

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(accessed on 29 September 2009).

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61 Government White Paper: Chapter VII. Safeguarding Elderly People’s Legitimate Rights and Interests:
http://www.china.org.cn/english/aged/192026.htm

62 Youthreach “Facts on Old Age”: http://www.youthreachindia.org/portal/Description.asp?id=47&CatID=3&type=2

63 Statistics taken from United Nations, World Population Prospects, 2008 Revision
http://esa.un.org/unpp/p2k0data.asp (accessed on 29 September 2009).

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67 “India’s Overlooked Grey Market Workforce”, 13 July, 2007:

68 Based on interview with Saundarya Rajesh, AVTAR June 2009.

69 “ADB Assisting India in Developing New Pension System, 30 January 2008:
http://www.adb.org/media/Articles/2008/12385-indian-pension-systems/

70 See Appendix 1: Detailed Tables of Demographics in Asia.

71 The Employers Forum on Age. “Defining Ageism”:
Ageing: Impact on Companies in Asia

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87 Ibid.
88 ARRP. Adapted from AARP.org, September 2008: http://www.aarp.org/money/work/articles/inkfish_call_centres_2008.html
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Ageing: Impact on Companies in Asia

96 AARP. Adapted from AARP.org, September 2008: http://www.aarp.org/money/work/articles/bt_group_2008.html

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105 Based on interview with Stephen Golden and Kay McArdle, 3 November 2009.

106 Based on interview with Deborah Casaubon, Cisco, 25 August 2009.


108 Based on interview with Jim Rottman and Bet Franzone, American Express, 27 April 2009


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111 See AARP Workforce Assessment Tool: http://www.aarpworkforceassessment.org/template/index.cfm?CFID=15343431&CFTOKEN=10755886


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“With this pioneering piece of research, Community Business is putting the issue of ageing firmly on the corporate agenda in Asia. The examination of how the ageing population is impacting key markets in Asia should provide a wake-up call to companies operating in the region. It is vital that companies deal with the issues explored and take proactive steps to overcome age discriminatory practices in the workplace and enable older workers to contribute longer. The publication provides a set of sound recommendations for companies in Asia that aligns closely to the work that we have been doing with employers in the UK.”

Alan Beazley, Advice, Policy & Research
Employers Forum on Age, UK