

The retirement conundrum

Employers have a crucial role to play in how they structure employment for older workers

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When do we retire? How do we retire? Should we, in fact, retire at all? Plans to raise Singapore's retirement age have raised many interesting questions over the past year. With HR Summit just around the corner, the subject of mature workers will likely be a hot discussion topic when Singapore's HR professionals convene for two days of learning and networking at the end of the month.

Raising the retirement age in Singapore would require the actual demand for the hiring or retention of older workers to also increase – meaning that employers would need to make more jobs available to those in their late 60s. With this would come the necessity for companies to further understand how best to utilise the skills of older workers.

In some countries, employment trends have shown that when the retirement age is increased, there has not always been a hiring boom for older workers. Often because the type of work offered to them has been too demeaning or physically demanding.

In Singapore, hiring older workers can be a solution to some of the talent shortage situations that exist here today. Even so, some organisations may still not jump at the chance to hire older workers, due to the many misconceptions that exist about older workers being less productive or more difficult to manage than their younger counterparts - claims that are simply untrue.

Research in the US has demonstrated that one of the biggest hurdles to hiring older workers lies

with junior managers. Managers who may be several decades younger than the older workers, it has been shown, worry about the potential conflict in supervising someone far more senior and experienced than they are.

For mature worker programmes to truly succeed, companies need to spend time mentoring younger managers, as well as developing programmes for older workers that include training and workplace integration.

But why even retire? The concept of retirement comes from a time when, for those in manual jobs, life expectancy after retirement was limited to just a few years. With a significant number of children born today expected to live beyond a hundred years, and having not even finished their studies until their mid-20s, if the current rules were maintained many people would be retired for longer than they had worked.

Employers have a crucial role to play in how they structure employment for older workers, knowing that this demographic will become a bigger part of the workforce over the coming years – whether as a result of a legislated increase in the retirement age, or the sheer need for people to continue working to support the longer lives that they are now living.

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