

Is Your Workplace Age-Friendly?

Strategies to Retain the
Wisdom of Older Workers

by | **Michelle Oram, CEBS**

As labour markets grapple with shifting demographics and workforce challenges, creating age-friendly workplaces that embrace the strengths of older workers provides organizations with a competitive edge. The author explores actionable strategies businesses can implement to transform these challenges into opportunities for sustained success.



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It's no secret that the Canadian population is aging, and people are living longer, healthier lives. Yet, despite facing labour shortages, many organizations continue to cling to an outdated view of older workers that does not reflect the new reality. Effective strategies to retain the wisdom of older workers have the potential to separate the winners from the losers in the war for talent.

Shifting Labour Market Demographics

In recent years, as many organizations have experienced difficulty filling open positions, the labour market has shifted from an employer-driven focus to an employee-driven focus. A January 2024 survey by Express Employment Professionals revealed that 89% of Canadian employers expected hiring challenges in 2024, and 36% had open positions they could not fill. In the survey, employers cited a mismatch between the skills needed and skills available, specifically related to hard skills, relevant experience and soft skills.¹

The current labour force challenges were not unexpected. For decades, demographers have predicted worker shortages as Baby Boomers reach the traditional retirement age of 65. Between 2003 and 2022, the percentage of workers age 55 or older in Canada's labour force increased from 12.6 to 21.6. While the number of older workers has increased, there are fewer younger workers joining the workforce due to declining birth rates and young people staying in education longer. Over the same 20-year period, the percentage of workers age 15 to 24 in Canada's labour force declined from 15.6 to 13.3.²

Despite the labour shortages, most workplaces have failed to implement a strategy to fully leverage the experience and wisdom of their older workers. In an era of increased focus

Takeaways

- Amid a shifting labour market, workers age 55 or older make up a growing percentage of the workforce, but organizations often overlook their potential
- Older workers bring crystallized intelligence, deep institutional knowledge and unique problem-solving skills.
- Similar to other generations, older workers value interesting work, competitive compensation, flexibility, job security and autonomy. Flexible work arrangements are particularly attractive.
- Multigenerational workforces improve organizational resilience, productivity and knowledge retention.

on diversity, equity and inclusion (DEI), a 2019 study of employers in 36 OECD countries by the American Association of Retired Persons (AARP) revealed that less than half of employers include age in their DEI programs.³

Solving the current labour shortage will require employers to shift their thinking around retirement and the contribution older workers can make in the workplace.

What Older Workers Bring to the Workplace

Older workers who are retiring in large numbers are a growing labour pool that is untapped in most workplaces. With the right strategy, older workers could be a big part of the solution to the labour shortage. Creating an age-friendly workplace starts with a mindset shift from viewing seasoned workers as a cost or liability toward a workplace culture that values the strengths they bring to the workplace.

Deep Institutional Knowledge

Most workplaces do a poor job of knowledge transition. Even those who make it a priority recognize the challenges of transitioning years, or decades, of knowledge.

Older workers have deep institutional knowledge. In a world fuelled increasingly by artificial intelligence (AI), older workers know details AI applications cannot replicate. They have in-depth knowledge of a company's products, customers, policies and procedures, and politics.

In short, older workers inject wisdom and bring a different kind of intelligence to the workplace.

A Different Kind of Intelligence

In his book *From Strength to Strength: Finding Success, Happiness, and Deep Purpose in the Second Half of Life*, Arthur C. Brooks discusses the concepts of fluid intelligence and crystallized intelligence.

Younger workers are stronger in fluid intelligence, giving them the ability to analyse, innovate and solve new problems without knowledge from the past.

On the other hand, older workers possess crystallized intelligence, which encapsulates knowledge, facts and experience. This increases their ability to synthesize complex ideas and understand what they mean.

Brooks sums it up well when he says fluid intelligence means younger workers can solve problems quickly, whereas crystallized intelligence means older workers know which problems are worth solving.⁴

Reliable and Loyal Workers

Absenteeism and staff turnover are costly. Older workers generally demonstrate strong work ethic and loyalty. Loyalty toward an employer increases with age, making older workers less likely to leave. A Bain Worker Survey showed that 50% of workers in the under-35 age group felt loyal to their employer. This increases to 61% in the 55 to 61 age group and increases further to 71% of workers age 62 and older.⁵

Moreover, a 2023 article from *Harvard Business Review* reported age alone has no impact on business performance, but tenure has significant positive financial, operational and customer impacts.⁶

A Desire to Work

Over the last century, life expectancy in Canada and other western countries has increased by over 20 years.⁷ Increased longevity means older workers want, and may need, to work beyond the traditional retirement age.

In a 2024 report from Fidelity, two out of three preretirees across all income brackets say they are likely to work in retirement, with the number one reason for working being to afford a better lifestyle.⁸

Older workers have a lot to offer, they want to work, and workplaces need them. So what is the key to attracting them to, and retaining them in, your workplace? It starts with understanding what they want from a job.

What Older Workers Want From a Workplace

Much has been written about generational differences, but there is a lot of similarity between generations when it comes to what workers want from a job.

The Bain worker survey of 40,000 workers in 19 countries shows little difference across age groups.⁵ According to the survey, the top five things workers in the age 62 and over age group value in a job are interesting work, good compensation, flexibility, job security and autonomy. Four of the top five are the same across all generations, with younger age groups valuing learning and growth, and good relationships with co-workers, over autonomy.

For employers, this means that cultivating an age-friendly workplace is less about adding new programs and more about ensuring that existing programs are promoted and offered fairly to workers of all ages.

Strategies to Make Your Workplace Age-Friendly

Flexibility

As workers age, they are often willing to make the trade-off between money and time. Many older workers will join or stay with an organization if it can offer flexibility to support that exchange.

Statistics Canada's June 2023 *Labour Force Survey* reported that 55% of those planning to retire would continue working longer if they could work part-time.⁹ And the 2024 *Fidelity Retirement Report* indicated that 27% of workers planning to retire were interested in freelance work and 32% would like to work for their current employer with reduced hours.⁸

Offering flexible work programs like compressed work weeks, job sharing, teleworking, sabbaticals and phased retirement could help make your workplace more attractive to older workers. *Returnships*—internships designed to attract former employees to return to a workplace—are another emerging op-

tion for helping organizations retain experienced and knowledgeable workers.

Training and Development Opportunities

Many companies target learning and development opportunities for younger workers, believing older workers either do not want to learn new skills or are not capable of it. An AARP survey indicated that nine out of ten older workers are interested in developing new professional skills.¹⁰ Further, Statistics Canada's June 2023 *Labour Force Survey* found that 38% of those planning to retire would continue working longer if given the opportunity for more interesting work.⁹

This illustrates the importance of not making assumptions about what older workers do, or do not, want to do. Development plans and conversations should be part of the performance management cycle for employees of all ages.

Opportunities for Intergenerational Cooperation

The existence of five generations in the workplace offers an unprecedented opportunity for intergenerational collaboration.

An OECD report on the multigenerational workforce showed that businesses with multigenerational workforces had higher productivity, better retention of knowledge and experience, and increased organizational resilience.¹¹ And an older study of BMW assembly line workers showed that age-diverse teams performed better than those made up exclusively of older or younger workers.

Providing opportunities for intergenerational cooperation benefits everyone and can positively impact your organization's culture and results.

Employers can support intergenerational harmony by putting structures in place to bring the generations together and by supporting knowledge sharing. This can be achieved through formal and informal mentorship programs or support for intergenerational employee resource groups.

Benefit Plan Design

Research from the Employee Benefits Research Institute shows that the core health and retirement plans are the top benefits sought by workers age 50 to 64.¹²

Beyond the core plan, other benefits that are important to this age group include the following.

- **Family support benefits** help balance work and family responsibilities. Caregiver benefits support those caring for aging parents. Grandparent leave is another emerging option, as many wish to offer support to their adult children and grandchildren.
- **Menopause benefits** could help retain the 300,000 full-time workers who exit the Canadian workforce each year due to disruptive symptoms.¹³
- **Preventive wellness programs**, such as smoking cessation and fitness programs, can improve the health of many in this age group who are dealing with chronic diseases.
- **Financial advice services** support employees in achieving their financial goals and reducing the mental health and productivity impacts of financial stress in the workplace.
- Finally, in a world of increased longevity where careers involve multiple changes, **transition programs** prepare employees to eventually move into their next phase with confidence. These programs can include career counselling, retirement lifestyle coaching and retraining programs.

Recruiting

As with all forms of diversity, representation matters. Older workers need to be able to see themselves working for an organization. The careers pages on many company websites do an excellent job of demonstrating gender and ethnic diversity, but most get a failing grade for age diversity.

Successfully recruiting older workers may require employers to consider nontraditional hiring channels. Organi-

BIO

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zations such as **Wisdom Circle** offer platforms to connect retired professionals with workplaces seeking their skills.

It's Time to Take Another Look at Older Workers

Older workers are a growing labour pool that is untapped by most workplaces. Adopting a new mindset on aging and retirement will position organizations to access this labour pool and leverage the wisdom of this growing demographic. Workplaces with creative solutions will be best positioned to turn the labour challenge into an opportunity and win the war for talent. 🌐

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