

Time to counter ageism in the workplace

Raising the retirement age is an inevitable policy shift. It's tougher to counter ageism and integrate the silver workforce better.

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For The Straits Times

Prime Minister Lee Hsien Loong announced in his National Day Rally speech this year that Singapore will gradually raise the retirement age to 65, and the re-employment age to 70 by 2030.

This is consistent with the trend of postponing the retirement age in most industrialised countries. By 2030, the official retirement age can be expected to be extended to 67 in most Organisation for Economic Cooperation and Development countries. The main motivation for doing so is to compensate for the shrinking working-age population as a result of declining fertility rates since the 1960s.

But this policy change also

recognises the fact that human lives are longer, today's older adults are healthier, and many want to remain in the labour market for a longer period of time for financial and/or social-psychological reasons.

Studies suggest that mature workers want to feel valued and respected, and they want opportunities to continue learning and growing.

Many need the income or the healthcare benefits associated with continued employment. According to a recent study in the US, most baby boomers have neither the inclination nor the financial means for early retirement; 80 per cent of them expect to work past age 65.

Singapore currently has the world's longest life expectancy and its working-age population has been declining since the 1960s.

Last year, there were about 4.2 working adults (aged 20-64)

supporting each 65-and-above adult, and this support ratio will be halved by 2030, barring increase in immigration.

Mature workers will be the country's major, and valuable, source of talent in the next two decades since there will not be sufficient young workers to meet labour market demands, even with technological advances that improve productivity.

With the median age in Singapore projected to rise from 41.7 last year to 47 in 2030, mature employees will become increasingly commonplace. How to effectively capitalise on the "silver human capital" will be crucial for the country. Done well, older adults become invaluable assets; if not, they can become lost talents and a burden, for the country.

My research with colleagues on China demonstrates that extending the retirement age will have substantial benefit to China's human capital and labour market. It retains a large workforce per year and raises the support ratio significantly. Furthermore, due to

the rapid increase in education attainment and improvement in health since the 1950s, the retained workers are increasingly better educated and healthier. The gain in female workers will be particularly significant, reaping the benefits of the education expansion for females. These findings are relevant to Singapore as well.

Supporting older workers who want to continue to work coheres with the concept of "productive ageing" which emphasises that a society should more effectively integrate and engage older adults in activities that generate continuous contribution to family, community and society, including labour activities, caregiving and volunteering.

The MacArthur Study On Ageing shows that engagement in meaningful activities contributes to good health, satisfaction with life, and longevity, as well as provides a potentially effective means of reducing costs of physical and mental illness in later life. Our recent work on productive ageing confirms many of these earlier findings.

There is extensive evidence that shows mature workers are as effective as their younger colleagues since physical disability does not increase and cognitive skills do not decline markedly until between 70 and 80. However, ageism in the workplace continues to work against the employment of older workers.

Discrimination in hiring and pay and disrespect to older workers often lead to their premature retirement. Older workers also often want and need more flexible work arrangements to care for their families and take care of other responsibilities. Employers and government need to work hard together to counter ageism and foster a work culture and environment friendly to a workforce with different age groups.

Older workers also need retraining, so opportunities for lifelong learning in programmes such as the SkillsFuture initiative are important to have. In addition, older workers may need and want more flexibility in using their Central Provident Fund. These concerns are

particularly true for older females, who have a much higher level of financial insecurity – with fewer of them working, many working as unpaid labour, and a disproportionately high proportion of Singapore female workers working as cleaners.

Extending the retirement and re-employment ages in Singapore is an inevitable policy trend.

However, for the country to effectively integrate older adults and cultivate the silver human capital to benefit both society and older adults, employers, the Government and workers of all ages need to work together to make many necessary adjustments.

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