



Singapore can draw lessons from Japan's move to encourage firms to hire older workers, says the writer. This will help keep its fast-ageing population gainfully occupied and also help companies amid a tight labour market. ST FILE PHOTO

## Is work after 65 a 9am-to-1pm gig?

In Japan, half of all companies employ older workers. Singapore employers can tap this resource better by identifying roles they can take up.

**Xu Le**

Singapore can catch a glimpse of its future in Japan's greying population.

Both are ageing societies, though Japan is already super-aged. Neither wants to rely too much on foreign workers. And yet, as there are job roles to fill and seniors who can fill them, Japan has already taken steps to encourage firms to hire them.

Singapore can draw lessons from this. Not only will this keep its fast-ageing population gainfully occupied, but doing so can also help firms struggling with a tight labour market.

### LEARNING FROM JAPAN

With three in 10 of its citizens aged 65 and above, Japan had to respond to the issue.

In 2021, it put a new law in place to encourage businesses to allow employees to work until the age of 70. One year later, nearly 40 per cent of businesses had embraced this initiative, more than double the figure from the previous decade, according to Japan's Ministry of Health, Labour and Welfare.

Some companies have offered higher pay to older employees returning to work after retiring. In sectors such as construction and retail, workers aged 65 or older now constitute more than 10 per cent of the workforce.

Today, nearly one in two Japanese companies has employed workers aged 70 and above – compared with a global average of 35 per cent of firms that say they are open to offering job opportunities to seniors.

Ukita Sangyo Kotsu, a taxi fleet operator in Akita prefecture in northern Japan, recently hired 25 drivers, most of them 65 or above. Company president Tadakatsu

Ukita told the media that before it wooed the seniors, only one person had applied for the job in two months. Older drivers have become the company's lifeline.

Such a move benefits not just firms and the workers themselves, but also the economy as a whole. Seniors drive a growing market for goods and services – a longevity economy catering to the needs of older people. This can significantly boost Japan's gross domestic product.

It can also mitigate the labour crunch in the world's fastest-ageing country. Japan is likely to face a shortage of 11 million workers by 2040.

One in three Japanese aged 70 to 74 remains employed. Employing more older workers can help plug the labour shortage.

### WILLING AND ABLE

A similar story is unfolding in Singapore, where people seem to want to keep going for as long as they can. The employment rate for senior workers has ticked upwards from 67.6 per cent in 2019 to 70.6 per cent in 2022.

Most are amenable to working beyond 65 for a range of reasons – financial autonomy; they enjoy the structure that employment provides each day; and remaining employed makes them feel valued by society.

A recent survey by the PAP Seniors Group and National Trades Union Congress U Women and Family found that nine in 10 Singaporeans and permanent residents aged 50 and above support a retirement age of 63 and higher, and eight in 10 back an official re-employment age of 68 and above.

Singapore's retirement and re-employment ages are being progressively raised from 63 to 65 and from 68 to 70, respectively, by 2030.

Tapping older workers can be a win-win strategy for employers. The Senior Employment Credit has been extended from 2023 to 2035 and will continue to offer wage offsets and assist employers in recruiting such workers.

But employers do not seem to know what to do with these willing older workers, particularly

women. A participant told a study by the Singapore Alliance for Women in Ageing released in May that although employees are encouraged to work for longer, promotion opportunities dry up for older workers.

"At about 58 years old, we no longer receive promotions, and job responsibilities might start to change or reduce. You are suddenly on (a path of) deceleration, and this de-motivates the person to continue working up to 65 or 68 years old," she shared.

### WHAT JOBS FOR SENIORS?

In 2022, some 207,300 Singapore residents aged 65 and above were employed. Nearly 70 per cent of them earned less than \$2,500.

This suggests that most jobs being offered to older workers are low-paying ones, either not requiring specialised skills or being temporary positions.

This is more on account of mindsets and old ways of thinking. Otherwise, there is no reason why people in their 70s cannot continue working as a software developer if their skills are updated.

Some technology companies recognise this. For example, RelevantDB stated in its job post that "we do not discriminate based on age. Experience matters. We hire old people".

In New Zealand, the number of teachers aged 65 or older has more than doubled in the past decade, reaching 7,015, according to a 2018 report.

Singapore, too, introduced an adjunct teachers' programme in 2004 to re-engage former teachers. Teaching is a job where skills do not dwindle. With Singapore's continued emphasis on education, it is definitely one area where seniors can step up to the plate.

Another such field is the civil service, where experience and a knowledge of the inner workings of the government can be an asset. It would be worthwhile, for example, for the Singapore Government to explore flexible working arrangements for civil servants aged 65 and above. This will not only allow more retiring civil servants to continue

contributing, but also set an example for the private sector to follow.

### BE CREATIVE, BE FLEXIBLE

Here, it is useful to note that different seniors have different needs and motivations. Some are physically fit, others less so. Some would like to work only a few hours a day – 9am to 1pm may suit them just fine – others a few days a week. Others might be prepared to continue working full-time.

Different jobs have different demands, too. Some are physically taxing. Others require mainly the skills and expertise accumulated over a lifetime.

Given this vast spectrum of what jobs require and what seniors want, it should be possible to job-match so that all parties gain. This will require flexible working arrangements being promoted across all industries.

For example, for jobs that require work at odd hours or are physically demanding – such as cleaning, youth care, retail, food and beverage and airport service – older workers may be willing to do them part-time.

Job disintermediation can be a trend worth capitalising on. Some jobs can be cut up into assignments that older workers can be tasked and get paid for.

And in some cases, companies should get creative. For example, if it is difficult for an older worker to put in long hours on taxing jobs, companies should consider rotating them every four or five hours between intensive and less-demanding assignments.

Of course, there are also professions where insights and wisdom gathered over years count for more than physical fitness – such as accountants, physicians and lawyers. Those who want to continue doing such jobs – either full-time or part-time – should be allowed to continue performing them.

Alternatively, companies can introduce mentorship programmes that pair older professionals with younger colleagues. Seniors can share their expertise or act as mentors and coaches to younger workers.

There is much to be said for getting different generations to work together. According to PwC's NextGen: A Global Generational Study, research highlights that companies that actively promote intergenerational collaboration tend to have higher levels of employee engagement.

So why do some companies still have reservations about letting seniors work into their later years? Some worry whether older workers can adapt to the changing technology.

This is where getting paired with younger colleagues can work to mutual benefit. While the seniors can pass on their expertise, the young workers can help the older ones get up to speed with technology.

For older workers, the advantages of working into their twilight years go beyond keeping themselves occupied or earning some extra money. A study published in 2015 in *Preventing Chronic Disease*, a journal by the US Centres for Disease Control and Prevention, revealed that people who continued working beyond the age of 65 were three times more likely to report good health and about half as likely to experience serious health problems, such as cancer and heart disease.

In other words, seniors can stay healthier by staying employed.

Such changes are not aimed at doing older workers a favour, but a macroeconomic imperative given the need to make use of scarce manpower. The Singapore Ministry of Manpower's labour market report for the second quarter of 2023 showed that there are still 194 job vacancies to be filled for every available unemployed person.

Who will fill these posts? Why not our older workers, with a little bit of training and flexibility?

Japan has shown the way. Singapore should take the baton.

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