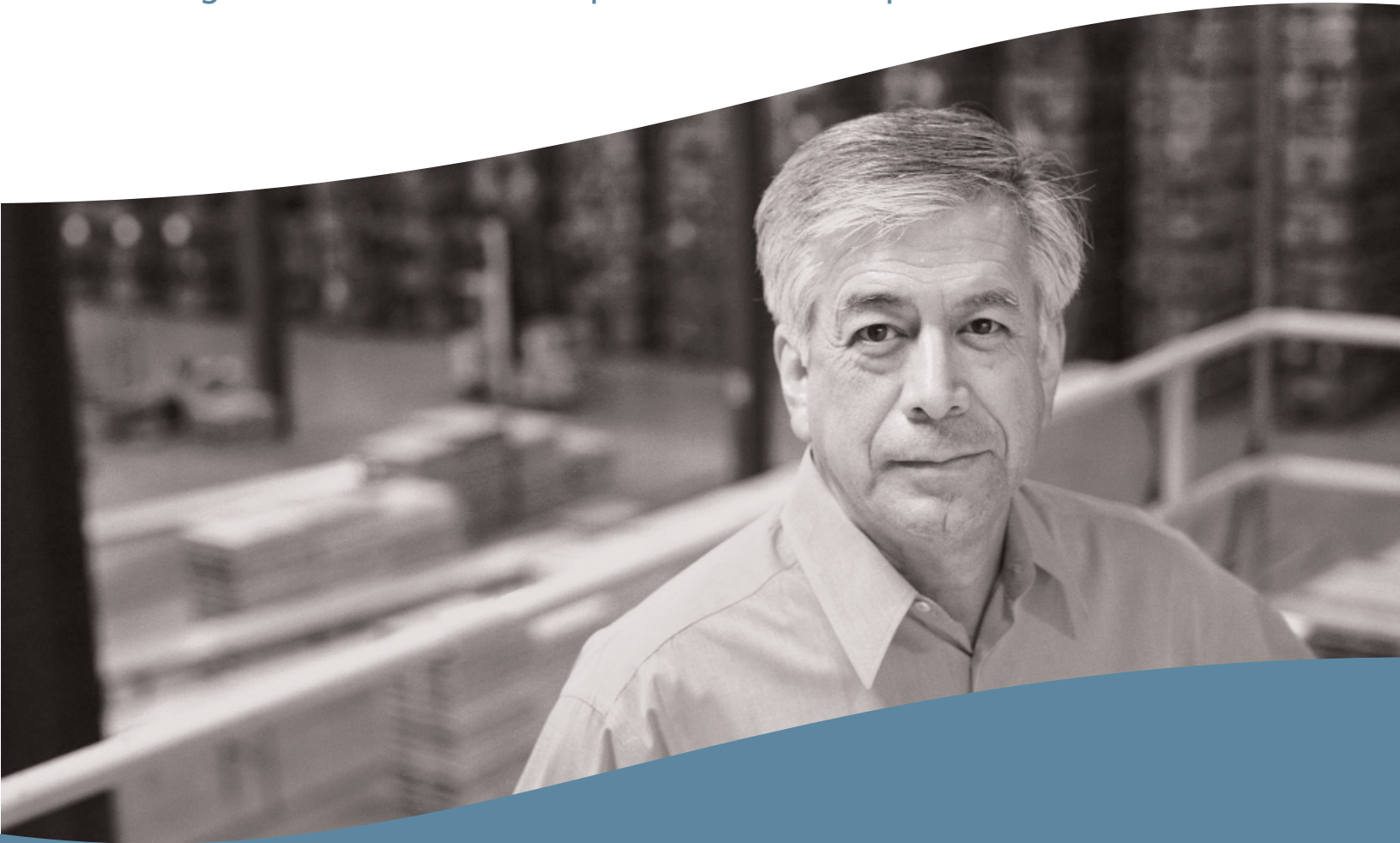


The Aging Workforce: An EAP's Perspective

Insights from the WarrenShepell Research Group



WarrenShepell


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EXECUTIVE SUMMARY

The Canadian labour force is aging. As employers come to depend more on older workers as the bulk of their workforce, they must recognize the unique stressors that are faced by older workers in addition to the strengths that they bring to the workplace. With this in mind, we conducted a study to examine and compare EAP utilization trends of younger versus older workers. Our EAP data review suggests the following:

- Older workers experience higher levels of personal and workplace stress;
- Personal and workplace stress are increasing among older workers;
- Older workers face a greater number of workplace relationship and conflict problems, but fewer concerns in the categories of marital/relationship and separation/divorce - the leading sources of personal distress among all other age groups;
- Older workers are less likely to access EAP services, including work/life services, and therefore may be missing out on the preventative benefits of these services.

While most research acknowledges that older workers experience a greater number of physical health problems that can escalate benefits and insurance costs, older workers have much to offer organizations (e.g., wisdom). Particularly, a wealth of research suggests that a core part of their competitive advantage is older workers' propensity for higher levels of positive affect and job satisfaction, important elements of overall 'well-being.' To fully leverage the talents of older workers, organizations and their EAPs must partner to address stress levels among this increasingly important workforce. The report offers insights on how this goal may be achieved.

THE ESSENTIAL WORKFORCE

The Canadian population is rapidly aging. The number of Canadians aged 65 years or over increased 17.5% between 1986 and 1991, from 2.7 million to 3.2 million. Those 75 years or over grew by 21.7%. Canadians are living longer, healthier lives in an era of historically-low birth rates, and thus, the 'grays' will continue to grow relative to the rest of the population. It is estimated that by 2026, there will be 7.8 million seniors in Canada, accounting for 21.5% of the population, up from 3.9 million or 12.6% in 2001.

As the population ages, so too does the labour force. Statistics Canada estimates that 305,000 people 65 years or over were employed in 2001 - a nearly 20% increase in five years. In 1991, 27.8% of Canada's working-age population was between 45 and 64 years of age. That figure reached 35.7% in 2002, and is expected to reach 38.8% by the year 2006. Most estimates have not factored in a possible end to mandatory retirement, which could augment the number of older workers. The practice, which is already banned in several provinces, is an item on Paul Martin's federal agenda.

One implication of the aging trend is that older Canadians have become an essential workforce. Their representation within organizations must be matched to their growing representation in the general population if organizations are to pursue further growth and productivity. Thus, the 'grays' are destined to swell their ranks from the mailroom to the boardroom. With little generational replacement, employers can no longer focus their attraction, recruitment and retention strategies on new graduates.

The Advantages of Older Workers

Older workers bring many unique strengths to the workplace. As people age, they become more conscientious and emotionally stable - two personality traits that increase work performance. As a result, older workers require less supervision. Older workers also generally have more skills, experience, corporate memory, and a history of creative problem-solving. As people age and produce greater quantities of work, quality also increases.

Additionally, many older workers have developed leadership skills, and since Gen X'ers are not numerous enough to fill the multitude of vacating senior positions, a leadership void is materializing. The unique skills and talents of older workers can be summed up as *wisdom*, a hot area in contemporary psychology. As North Americans grow older, social scientists are developing new approaches to conceptualizing, researching, and leveraging wisdom in society.¹

Perhaps the greatest strength that older workers bring to the workplace is their higher levels of well-being. It is a myth that well-being diminishes with age. According to Statistics Canada and decades of published research, older individuals report higher levels of life satisfaction and lower levels of life stress and depression.^{2 3} One reason why people become happier as they age is that they experience fewer disruptive life events. Their marriages also tend to be more stable and they have fewer outside responsibilities (e.g., children grown up, mortgages paid off).

Older workers bring their well-being to the workforce. Many studies attest to their lower levels of work stress and absenteeism. They have higher levels of job satisfaction regardless of demographics, pay, job level or tenure. They also tend to have higher positive affect, which broadens a person's thought and action repertoires. Positive affect enhances creativity, long-term planning, problem-solving perseverance, and the body's ability to buffer the ravages of stress.⁴ Above all, positive affect leads to higher work performance, as demonstrated in new research on the 'happy-productive' worker.⁵

On the topic of performance, it is a myth that younger workers out-perform their older colleagues. Although a number of sensory, perceptual, and motor deficits are associated with aging (e.g., visual and auditory functioning, speed of thought and behaviour, muscular strength), hundreds of studies have found no consistent relationship between age and work performance.^{6 7} Older workers perform well when there are few time pressures and when quality of work is judged over quantity. They especially thrive when they are allowed to compensate for age-related changes and employers are willing to accommodate them (e.g., ergonomic changes).

The Costs of Older Workers

Older workers are not without their costs. With age comes physical changes in musculoskeletal, cardiovascular, respiratory, and digestive systems. According to Statistics Canada, older people report more physical health problems, including pain or discomfort, vision and hearing problems, diabetes, and markedly more arthritis and hypertension. They also report more activity limitations due to physical and mental health problems. Overall, older Canadians report more moderate to severe functional health problems and less self-rated overall health.⁸ It is estimated that over 30% of Canadians between 65 and 74 years of age have some form of disability. All of this can translate to higher benefits and insurance costs for employers (e.g., drugs, short- and long-term disability).

The Power of Older Workers

Although older workers are increasing in number, they are also poised for retirement. Ironically, the workforce that is becoming most available is available only for a short period of time. Today, the oldest boomers are in their late fifties, a time when most people are downshifting their lives. The 'near-retirement rate' - the percentage of workers that are within 10 years of the median retirement age - is set to increase as boomers enter their pre-retirement years.

Particularly troublesome for employers is the problem of early retirement. Despite a mandatory retirement age of 65 in many organizations, the average Canadian is retiring at 61 years old. Many long-term employees can retire with full benefits at age 55. A number of these employees are also looking forward to collecting Old Age Pensions in the near future. The pooling of pensions within households enhances their financial clout. Many older workers have become financially-stable enough to decide when they wish to leave the workplace. Those older workers who stay or return to the workplace will have the freedom to choose the work they do in their remaining productive years, and employers will have to compete to attract and retain them. As stated in a recent Harvard Business Review article, "The challenge is to find a way to reconnect with these employees before they're ready to take a retirement package and run - perhaps to a competitor."⁹

THE CURRENT STUDY

It is our position that older workers are a net benefit to employers when jobs and workplaces are healthy, and when services and programs are in place to address their work and non-work challenges. On the upside, older workers have a distinct competitive advantage and much to offer their employers. On the downside, this advantage can be undercut by the benefit and insurance costs associated with physical and mental health problems. A deeper understanding of the challenges that older workers face is required to attract, retain, and fully leverage the strengths of this workforce. The current study outlines these challenges and provides insight on how they may be managed or overcome by employers, employees, and EAPs.

EAP Trends

The study was conducted to examine patterns of EAP access among younger and older workers and to identify differences among them. Three years of WarrenShepell proprietary data were used (2001-03). For practical reasons, we concentrated our focus on two age groups:

- Younger workers (i.e., 49 years and under)
- Older workers (i.e., 50 years and over)

As a rule, when group percentages are compared (below), the younger group always precedes the older group. For some analyses, we broke out the younger group (i.e., 49 years or under) into smaller groups.

Average Utilization

Overall, older workers access EAP less often than younger workers, accounting for 9.45% of all EAP accesses (three-

year average 2001-03; see Figure 1). This could reflect a smaller number of older workers in organizations. However, it is also widely-known that older people are less likely to seek help for psychological problems. In nation-wide studies, older Canadians report fewer contacts with mental health professionals. Thus, low access does not necessarily imply a lack of need for EAP on the part of older workers. Access is also increasing for older workers (8.39% in 2001 to 10.48% in 2003). This may reflect both the aging population and/or a growing willingness to access EAP. With reference to younger workers, 30-to-39-year-olds account for the greatest number of accesses (three-year average 40.83%) followed by 40-to-49-year-olds (three-year average 30.16%).

Mainstream Counselling Presenting Issues

Among personal and emotional issues, older workers report slightly more personal stress than younger workers (three-year average 10.63% vs. 11.20%; see Figure 2). This is also trending up slightly for older workers. Older workers also report more grief (three-year average 2.44% vs. 4.37%). This is understandable as older workers may experience greater losses of family and friends. Among relationship issues, older workers report fewer marital and relationship problems (three-year average 23.42% vs. 16.21%) and fewer separation-related problems (three-year average 5.40% vs. 3.40%). This reflects the greater degree of stability that characterizes long-standing relationships.

Figure 1: Age Differences in EAP Utilization

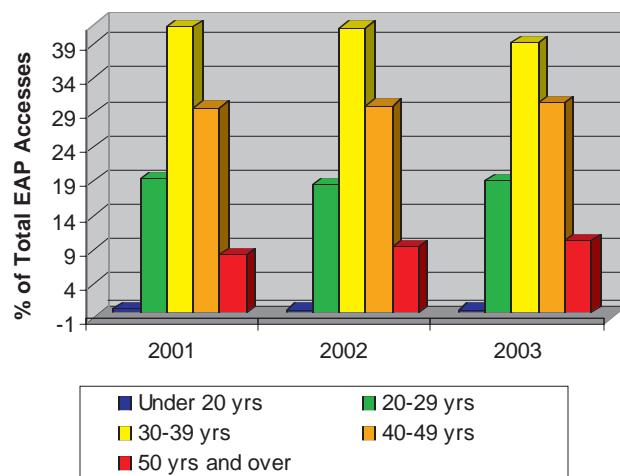


Figure 2: Personal Stress
Older vs. Younger Workers

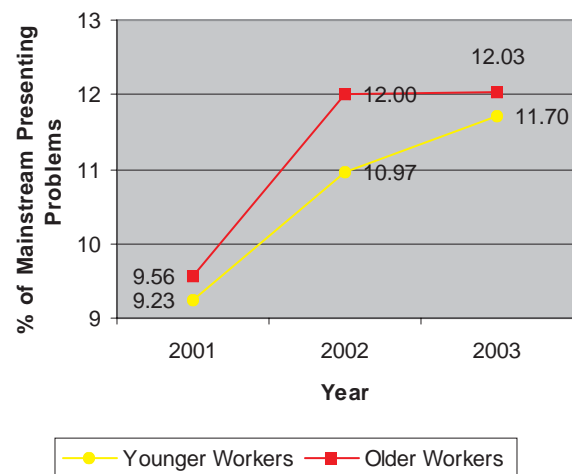


Fig. 3: Work Relationship & Conflict Problems
Older vs. Younger Workers

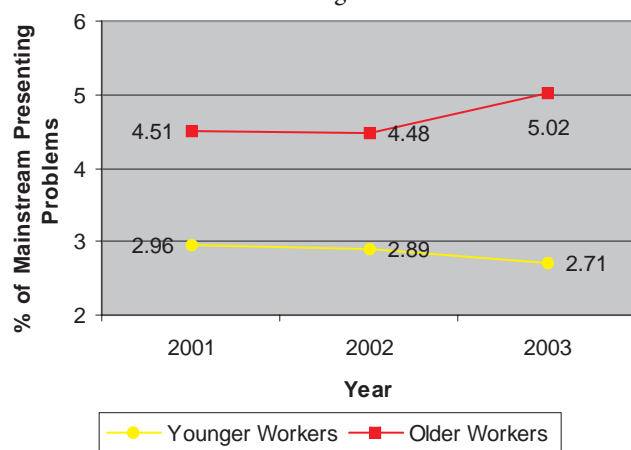
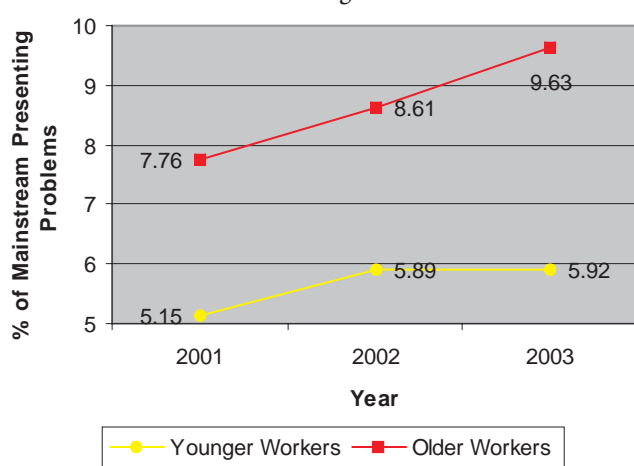


Fig. 4: Workplace Stress
Older vs. Younger Workers



Among work issues, older workers are slightly more likely to report work relationship and conflict (three-year average 2.85% vs. 4.67%; see Figure 3) and workplace stress issues (three-year average 5.65% vs. 8.67%; see Figure 4). While the latter is trending up for both age groups, it is increasing at a faster rate among older workers (7.76% in 2001 to 9.63% in 2003).

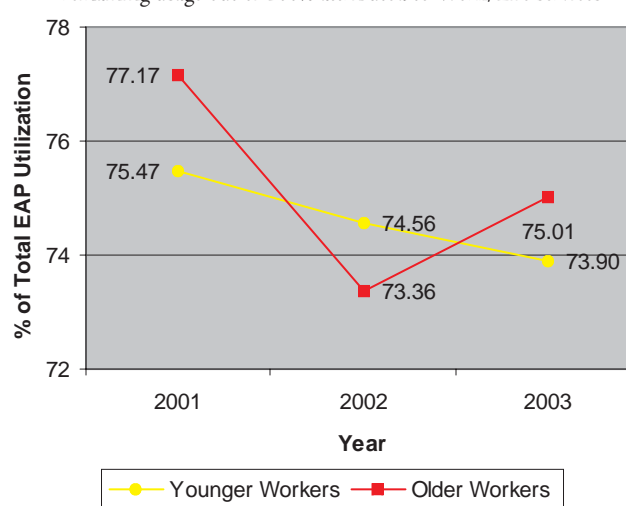
Younger and older workers did not differ significantly in their reporting of substance use problems. Alcohol (three-year average 1.86%) and smoking-related problems (three-year average 0.39%) constitute a small percentage of mainstream presenting issues for older workers. However, these two problems are trending up slightly for older workers.

EAP and Work/Life Services Utilization Ratio

Younger and older workers were compared on patterns of mainstream counselling and work/life service utilization. The groups did not differ markedly in their utilization of mainstream counselling as a function of total EAP access (three-year average 74.64% vs. 75.18%; see Figure 5).

Fig. 5: Trends in Mainstream Counselling*
Older vs. Younger Workers

* remaining usage out of 100% attributed to Work/Life services



However, while work/life service use is trending up slightly among younger workers (24.53% in 2001 to 26.10% in 2003), there is no consistent trend among older workers. When work/life service use is broken out by separate services, younger workers are found to access slightly more medical services (three-year average 1.41% vs. 0.80%), legal services (three-year average 15.97% vs. 13.70%), and significantly more childcare services (three-year average 2.21% vs. 0.19%) as proportions of overall EAP access. Younger workers are more likely to be recent parents who are juggling a new mix of work and non-work stressors. Older workers access more financial (three-year average 3.66% vs. 6.81%), and eldercare services (three-year average 0.50% vs. 1.34%), suggesting more concerns around retirement and care for their own aging parents.

Among legal presenting issues, younger workers present more custody/visitation (three-year average 6.99% vs. 2.58%) and child support issues (three-year average 6.00% vs. 3.42%) than older workers. This makes sense, given that

divorce tends to occur earlier rather than later in marriage. Older workers present more issues related to wills (three-year average 3.38% vs. 6.61%). Among financial presenting problems, younger workers present a prevalence of debt/credit problems (three-year average 66.78% vs. 40.04%) - a more than 25% difference. Understandably, older workers present more problems related to retirement (three-year average 4.62% vs. 38.82%).

On the nutrition front, younger workers indicate more problems around healthy eating (three-year average 33.12% vs. 20.68%). As younger workers age and take on more responsibility, they may seek a change in diet to afford them better health and more energy. Their older cohorts present a greater number of disease state management problems (three-year average 13.89% vs. 24.21%). This has also increased 8% in the past three years. Older workers may be facing the emergence of chronic, age-related diseases.

Other Trends

Interestingly, older workers report a slightly higher level of medical situational stressors (three-year average 1.05% vs.

2.34%). This is also trending up slightly. Yet, as mentioned previously, they access medical work/life services at a lower rate than their younger colleagues. This suggests that older workers may be less willing than younger workers to proactively address their physical health problems. A similar difference was found with respect to nutritional service use, whereby younger workers appear more proactive (i.e., healthy eating) than older workers (i.e., disease state management) in staving off nutrition-based health problems.

On a final note, older workers are slightly more likely than younger workers to report high stress at intake (three-year average 42.94% vs. 45.64%). Additionally, although the majority of older workers who access EAP are female, there is a slightly greater representation of males among older workers when compared to younger workers (three-year average 36.43% vs. 40.30%). This is consistent with life-span developmental theories which suggest that males become more 'passive' and interdependent as they age, while women grow more assertive and independent.

TRENDS AND APPROACH TO ORGANIZATIONAL HEALTH

The present findings suggest that older workers are experiencing slightly higher levels of distress relative to younger workers. This contradicts past findings suggesting that older workers have higher well-being relative to younger workers. There are a number of possible reasons for these findings. For example, it is possible that because older individuals seek help less often, their problems tend to be more severe when they do seek help (this may be suggested by their higher stress at intake). The findings may also reflect 'real' trends in occupational health among older workers.

With respect to the latter possibility, older workers may be reacting to increased ageism in organizations. Between 2001 and 2002, the number of age discrimination complaints in Canada increased by 71%. Stereotypes associated with older workers continue to persist, e.g., reduced learning capacity, skills obsolescence, resistance to change, slower decision-making, and lower productivity. These and other stereotypes formed the rationale for mandatory retirement legislation in the late 19th century. Research indicates that the elderly, in particular, are perceived by the average person to be warm but

incompetent - similar to how the developmentally-challenged are viewed.¹⁰ Also, with a greater retention of older workers in organizations, younger workers may begin to feel economically displaced, leading to more intergenerational conflict.

Older workers may also be presenting more stress and conflict as a function of the changing nature of work in organizations. Globalization, information technology, increased customer focus, and increased competition has led to work intensification. Canadians are not only working longer, but also faster. Many studies indicate that older workers do not perform as well on tasks involving speed or reaction time. Additionally, age differences in performance that have been noted disappear when older workers are familiar with job tasks and are trained for longer periods of time - luxuries that may be hard to come by in an increasingly-chaotic world of 'fast-turnarounds' and 'just-in-time' production schedules. Finally, it has been noted that older workers can perform on par with younger workers when they can personally compensate for declining cognitive, sensory, and perceptual skills. These interpretations

are not without merit. In one study, older workers cited "amount and haste of work" as the single most important factor leading to their *unnecessary* early retirement.¹¹

The differences among younger and older workers noted in our study are slight. However, they should not be dismissed as insignificant. It is possible that older workers with more serious problems are actually underrepresented in the study because they are not help-seekers (e.g., did not access EAP). Additionally, the cut-off for younger and older workers was set by the available data (i.e., 50 years of age). A finer resolution may have led to more pronounced age differences (e.g., 60 years or over). The small differences may also be indicative of emerging trends. As the aging workforce grows, mandatory retirement disappears, and some retired workers return to work, the absolute number of older workers with psychological problems may increase. Finally, if the current results are accurate in depicting older workers as only 'slightly' more distressed than younger workers, the reader is reminded of the repercussions of losing the competitive advantage of older workers by not managing their well-being (and triggering higher benefits and insurance costs).

What can organizations do to address psychological distress among older employees? One way is to ensure that older workers are in jobs and work environments that are healthy and engaging. Younger and older workers are engaged by many of the same things - autonomy, clear feedback, decision input, challenging but realistic demands, and growth opportunities. Employers should grant 'equal opportunity' to these job characteristics. By giving older workers entrepreneurial freedom, employers also provide them with tools to perform under ideal conditions and dispel ageist stereotypes. Other things that engage older workers include flexible work schedules, flexible forms of retirement, similar training opportunities available to younger workers, cultures that value their unique strengths, and practices that accommodate their sensory and perceptual changes (e.g., softer lighting, memory training).

Employers can also create engaging work environments for older workers by appealing to what motivates people as they age. While younger workers are motivated more by compensation, older workers are looking to teach, mentor, and generally 'give back' to a society. This need to be 'generative' at later ages is a component of Erik Erikson's theory of psychosocial development - currently a hot topic

in psychology.¹² As people age, they also look to solidify their social networks and seek out warm and trusting relationships. If employers cultivate these conditions in their organizations, they will serendipitously create an environment that promotes 'successful aging.' Psychologist Carol Ryff identifies self-acceptance, positive relations with others, autonomy, environmental mastery, purpose in life, and personal growth as characteristics of positive functioning at later ages. Work that promotes these states maximizes the physical and mental health of people as they age.¹³

Finally, employers can ensure the availability of services like EAPs that allow employees to proactively address work and non-work problems that are not addressed by organizational adaptation and re-design. People bring as much stress to their jobs as they take from their jobs. Both employers and EAPs must partner in promoting the well-being of older workers and enable them to apply their unique strengths. Otherwise, the value-add of older workers may be squandered when higher benefits and insurance costs are triggered - a 'double whammy.' Employers and EAPs must also recognize that older workers are not traditionally help-seekers. Research suggests that older populations employ more passive strategies for coping with stress, such as dealing with it internally, distancing themselves, and avoiding the issues altogether.¹⁴ Part of the employer-EAP partnership must involve devising strategies for overcoming these barriers to seeking help.

Given the advantages and costs that have been linked to older workers, it is our position that older workers are a net competitive advantage rather than a liability for employers. The advantages outweigh the costs when workplaces are healthy, and programs and services exist to address their unique needs and issues.

In time, younger, but smaller generations of Canadians will steward the business and government legacies left behind by the boomers, the most numerous and prosperous generation in human history. However, with life expectancies increasing and the end of mandatory retirement looming, this inheritance will likely not happen any time soon. The youngest boomers may not retire until the year 2044 at the ripe old age of 80. As American aphorist Mason Cooley once said, "Age must give way to youth, no doubt. But not yet, not yet."

END NOTES

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THE WARRENSHEPELL RESEARCH GROUP

The WarrenShepell Research Group has been formed to gather, analyze and provide commentary on organizational health trends that affect our clients, their employees and families. Collecting and disseminating data about mental health issues, linking with some of the industry's highest profile research institutes and individual scholars, and drawing from our 25 years of expertise in the industry, the WarrenShepell Research Group's mandate is to help our clients and the broader business community understand the intricacies and the impact of poor mental health, work/life imbalances and related issues in our workplaces and in our communities.

The findings contained in this report are based on WarrenShepell proprietary data. The findings are supported by information from a variety of academic, government, and private research institutions. Most references have been omitted for space considerations and are available upon request.

This study was conducted by Paul Fairlie, Director of Research with the WarrenShepell Research Group. The WarrenShepell Research Group is overseen by Karen Seward, VP Research and Development. Questions or comments may be directed to Karen Seward at 1-800-461-9722.