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**THE GREYING OF THE
WORKPLACE**



The greying of the workplace

A study on the future and current demographic changes that affect the design of the workplace across four regions: Australia, UK, Asia and the Middle East.

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Article at a glance

While much has been written on population ageing and, in turn, the ageing of the workforce, less attention has been given to how the design of the workplace will need to respond to an increasingly multi-generational workforce. A review of studies aimed at understanding the needs and aspirations of mature-aged workers, highlights how the model for workplace design is set to change. If employers are to stay competitive in the future labour market they will need to re-think the design of their work environment to cater for the broad range of needs and abilities of a multi-generational workforce. Just as 'green' workplaces are considered responsible today, 'grey friendly' work environments will be a major draw card for attracting and retaining twenty first century knowledge workers.

There are two major changes taking place that are set to alter the workplace as we know it- and challenge organisations and designers in the process. Firstly, our population is ageing and for a range of reasons people will be staying in the workforce until much later in life. Secondly, new styles of work are emerging that foster different modes of exchange and sharing of knowledge between different generations.

The ageing of the world's population is set to become this century's defining demographic trend (Cairncross, 2004). With the baby boomers surging towards retirement age, and with the labour market starved of new talent coming through, we are facing a major skills shortage. It is predicted that by 2020 Australia will experience negative labour force growth, with a shortfall of 7500 employees (Boyd, 2008). Population ageing, the process by which older persons form a proportionally larger share of the total population (DESA, 2007), is a global phenomenon that will have an economic, political and social impact in Asia, Europe, Australia and the Middle East: the four regions in which Woods Bagot operates.

Jeremy Myerson, Director of the Helen Hamlyn Research Centre (HHRC) at the Royal College of Art in London, describes how the contemporary workplace is increasingly the setting for new styles of work. He reports seeing a shifting emphasis from knowledge gathering towards knowledge management (Myerson, 2005).

Furthermore, the rising value of 'knowledge capital' is an asset that is increasingly carried by the individual, not the institution. Through a culture of collaborative work situations we see trust relationships develop between individuals within the workplace. In organisational productivity, they form a distinguishing 'social capital' for the organisation which sees outputs combine in shared emotional experiences, which in turn create a unique 'intellectual capital'.

The exchanges between workers which contribute to this sense of intellectual capital will in part be characterised by greater sharing across different generations (Cardoso, Keates, & Clarkson, 2003). This interaction will bring contrasting values, skills and experiences. The challenge for organisations that seek to attract and retain workers in the competitive twenty first century job market will be to re-think the kinds of work experiences that will effectively foster knowledge sharing and interactions between an increasingly multi-generational workforce (Shen, Piit-Catsouphes & Smyer, 2007).

In order to support the intellectual exchange between a range of different generations, workplaces will need to be responsive to a much wider spectrum of values, needs and abilities and to be inclusive for workers of all ages. For designers and their clients to be able to better understand how to make a workplace the best fit for employees, new consulting tools need to be developed.

The rise of the over 60s

A fall in fertility rates, increased life expectancy and a surge of post Second World War baby boomers (those born between 1946 and 1964) are just some of the factors contributing to our ageing population (Caincross, 2004). The United Nations Population Division within the Department of Economic and Social Affairs (DESA) prepared a report in 2007 titled 'World population ageing'. This report highlights how population ageing will affect Australia, United Kingdom, Hong Kong and the United Arab Emirates.

Figure 1 shows the percentage breakdown of broad age groups predicted for 2025 and 2050 in the four regions specified. Figure 2 compares the percentage of people aged 60 and over specifically. The data in Figure 2 shows that in 2007 the UK had the highest proportion of people in the 60+ age bracket (21.8%), followed closely by Australia and Hong Kong with 18.1% and 16.1% respectively. The UAE had a significantly lower percentage at only 1.7%.

Between 2007 and 2025 all four regions will experience a significant growth in this demographic, with Hong Kong showing a sharp rise in the number of over 60s during this period. By 2050, the data shows that Hong Kong will have the highest proportion of people in the 60+ age group (38.7%), followed by Australia, the UK and UAE respectively. The region with the highest rate of growth during this period will be the UAE as the older demographic increases from 1.7% in 2007 to 23.3% by 2050.

It is interesting then to compare the labour force participation of the over 65s across the regions, as shown in Figure 3. As the data shows, the labour force participation in the UAE is significantly higher than in Australia, the UK and Hong Kong. Labour force participation rates in Hong Kong are predicted to largely remain stable in all regions through to 2020.

In summary, Australia and the UK have an immediate need to attract and retain older people in the workforce. Over the next decade Hong Kong will experience a sharp increase in the population of their older people while also facing lower workforce participation levels than the other regions. The UAE will not experience the impact of a rapidly ageing workforce for another 50 years.

Figure 1: Broad age group percentage (DESA, 2008)

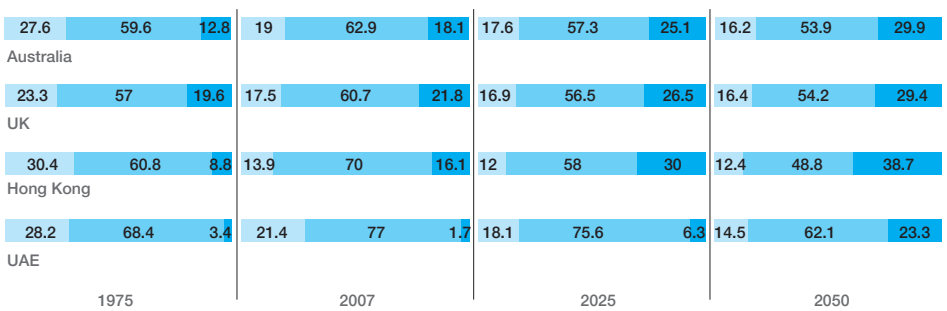


Figure 2: Percentage in 60+ age group (DESA, 2008)

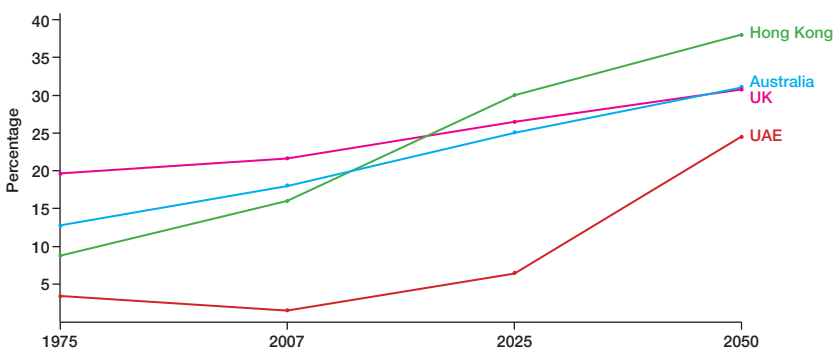
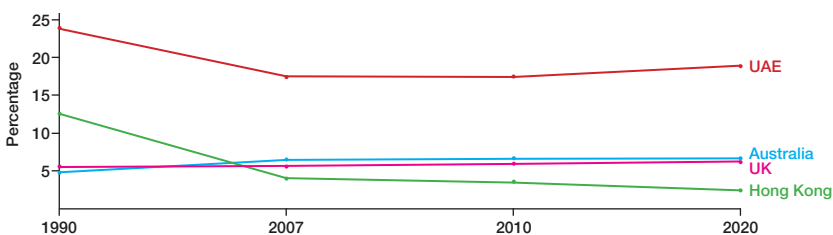


Figure 3: Labour force participation in 65+ age group (DESA, 2008)



“Boomers are set to re-invent retirement and are likely to cycle between periods of work and leisure well beyond the age of 65”

Skill shortfall

The outcome of these alarming statistics will impact our economy, as businesses will be forced to operate below capacity if they do not act strategically (Boyd, 2008). Some industries including healthcare, engineering, public services and the government will be particularly affected, as they tend to have a large proportion of workers aged 50 and over.

So what are some solutions to ease the pressure of a labour shortage? A 2006 article published in *The Economist* titled, 'How to manage an ageing workforce' suggests solutions such as moving production offshore, utilising cheap labour from other countries, relaxing immigration laws, and using technology to increase productivity. An alternative is to utilise the abundance of older workers. With 100,000 unemployed people aged 45 and over in Australia at the end of 2007 (Boyd, 2008), this is a largely an untapped labour market that all savvy twenty-first century organisations will want to attract and retain.

Despite approaching retirement, research suggests that the majority of older workers would rather remain in the workforce (Hudson, 2006). Boomers are set to re-invent retirement and are likely to cycle between periods of work and leisure well beyond the age of 65 (Cairncross, 2004). Older workers are now realising that they won't get the comfortable retirement lifestyle they planned for. Higher life expectancy is increasing the potential length of retirement and if retirees want to spend their golden years in the way they planned, financial imperatives will push them back to work (Shacklock, 2007). Financial pressures aside, many employees want to stay in the workforce longer for the mental stimulation it offers, as well as to stay active and productive in society (Boyd, 2008).

So if employers need more skilled workers and older workers want to stay in the workforce, what's the problem? There are a number of issues standing in the way of older workers being hired and/or retained.

Attitudes at work

Labour markets generally don't work well for older workers; attitudes toward older employees can be negative and recent age discrimination laws (particularly in Europe and the US), whilst making it harder for employers to dismiss older workers, can also make it harder for them to be hired in the first place ('The ageing workforce: Turning boomers into boomerangs', 2006). In addition, governments need to revise pension schemes and raise the age that people can receive entitlements to encourage them to retire later.

Of all these hurdles, employer attitudes will have to change if they want to retain workers- and knowledge capital. Perceptions that older workers are less productive, adaptable, creative, and are more costly to manage, are largely false (Shacklock, 2007). In fact evidence suggests that older employees are better knowledge workers, give longer and more reliable service, offer a greater depth of skills and experience, and are less likely to take time off work due to illness, accidents or injuries than their younger counterparts (Wilson, Parker, & Kan, 2007).

What older workers want

In 2005 an Australian Bureau of Statistics survey of workers aged 45–54 found that 90% thought that part-time and flexible work conditions would encourage them to stay in the workforce. One hundred per cent of people surveyed would like to work 2–3 days per week or work by assignment, such as three months full-time followed by a break.

“With the baby boomers surging towards retirement age, and with the labour market starved of new talent coming through, we are facing a major skills shortage.”

Their reasons for wanting flexibility in their work hours include less stress, more time for personal activities (including caring for grandchildren and travel), and to work on tasks or projects that best utilise their skills and knowledge.

Recruitment company Hudson published a research paper, ‘The evolving workplace: The seven key drivers of middle-aged workers’ (2006), which identifies the workplace motivations and aspirations affecting older workers’ participation in Australia and New Zealand. The survey of 1135 workers aged 40–70 years found that if offered more flexible and attractive work conditions only around 1% would choose to retire. Forty-seven per cent would be prepared to work full-time, 21% would work part-time and a further 20% would choose to stay employed on a contract or consulting basis. The key drivers affecting this choice include commuting time to work per day, pay conditions, a friendly work environment, feeling challenged at work, recognition, flexible working hours and the ability to work from home.

According to a 2006 survey (also conducted by Hudson) 40% of employers were starting to think of ways they could attract and retain mature-aged staff (Boyd, 2008). Some companies are opting to use a revolving door approach. IBM, for example, has a network of retired workers that they use as a recruitment pool for their contract work. Similarly, Ernst and Young have alumni of over 30,000 ‘boomerang’ employees (‘The ageing workforce: Turning boomers into boomerangs’, 2006).

Most research to date indicates that a flexible work life is a key retention and attraction strategy that employers will have to offer. The upside of this is that flexibility appeals to all ages and will further reduce the labour shortage pressures by attracting older workers, particularly women, back to the workplace.

Designing the multi-generational workplace

With the combined forces of an ageing population, changes in retirement trends, and a push to retain knowledge and expertise, there is no doubt that older workers will stay in the workplace longer, increasing the age difference of people working in the same environment to as much as 60 years (Harriss & Winstanley, 2005). The problem with contemporary workplaces is they too often cater to the tastes and needs of Generation X and Y, and are ill-equipped to meet the needs of a multi-generational workforce. As Jeremy Myerson describes in Woods Bagot’s publication *Public #4: 21st Century Guide to Life* (2008), “all that glass and steel, all those hard surfaces and glaring overhead lighting grids and precarious office stools ... the modern workplace adds up to an acoustic, visual and physical nightmare for an ageing workforce”.

So the question remains, how will designers respond to the needs of an ageing workforce? It would seem that the solution is to design work environments that predominantly cater to an older demographic. However this approach is not socially sustainable as it does not take into account the needs of a multi-generational workplace. It is this approach, of finding ways to design inclusive workplaces, appealing to the widest range of ages and abilities, that researchers at the Helen Hamlyn Research Centre (HHRC) have been investigating.

Under the guidance of Myerson, a research program of industry-funded studies into design for older workers, entitled ‘OfficeAge’, has been conducted over the past four years. This research aims to explore the ergonomic, psychological and physiological needs of ageing knowledge workers, as well as their motivations and ambitions for life beyond work, and to consider the needs and hopes of older workers within the context of current trends in work technologies and workplace structures (Myerson in Skirbekk, 2003).

“To be satisfied with sparsely articulated ‘loose fit’ office spaces, incorporating less than ideal work conditions for ageing workers, does not correlate with twenty-first century innovations concerning work.”

In their most recent project ‘Welcoming Workplace’, researchers examined three locations; the UK, Japan and Australia. These are respectively the oldest working population in the world, the fastest ageing population in the world, and the youngest community in the developed world. ‘Welcoming Workplace’ explores the opinions of older workers in Australia, Japan and the UK and their needs in the design of their workplace. It contrasts much of the research on design and ageing in Australia, that centres on clinical analyses of ergonomics, with particular reference to the increased use of computers and their effects in our daily work life.

The World Health Organisation’s ‘Study of Ageing and Working Capacity’ (1993) found that changes in motor and visual systems associated with ageing will affect working needs. For example, older workers appear to be more sensitive to heat, cold, noise and light changes. The studies undertaken by the HHRC have begun to identify ways in which the workplace can respond to these changes. Through these and other findings, mature-aged workers are calling for lighting and acoustics that are more comfortable, furniture and equipment that is adjustable and has better ergonomic features and technology that is ‘softer’ or more intuitive. Older workers are concerned with health and want access to organic and tactile environments, green spaces and natural light, as well as environments which actively monitor health and encourage healthier work habits. They want greater control over where and how they work with access to comfortable and varied settings for both private and collaborative work (Myerson, 2008).

If designers can respond to these needs workplaces will not only be easier and more enjoyable to use for older workers, but for people of all ages. Everyone will benefit from increased levels of comfort, flexibility and useability.

To be satisfied with sparsely articulated ‘loose fit’ office spaces, incorporating less than ideal work conditions for ageing workers, does not correlate with twenty-first century innovations concerning work. By observing the movements and motivations of older workers the findings of ‘Welcoming Workplace’, which is now at the stage of data analysis, will play a valuable role in guiding the design of new environments that are suited to workers of all ages.

Investigation of new tools

A shift in the office design model will inevitably require tools to guide designers and clients on what a multi-generational workforce requires of their work environment. Woods Bagot is developing their existing suite of tools to evaluate workplace design and flexibility for older workers. Woods Bagot’s Workplace Evaluation Survey (WES) collects age data we are in the process of analysing our existing database of results according to age in an attempt to identify environmental features that are more salient for certain generational groups.

Woods Bagot is investigating the development of a new tool which will help assist designers through a series of observations and evaluations of a particular work environment. The first part will involve a checklist that will prompt a rating by the user of the physical attributes of the workplace, such as lighting and acoustic flexibility and the ergonomics of furniture and equipment. The second part of the tool will gather insight into the specific types of knowledge worker tasks and behaviours regularly called upon within different areas of the workplace.

Though this tool is still in the very early phases of development and will require rigorous testing, evaluating and trials, it will assist consultants in evaluating how well the physical environment supports and inspires a multi-generational cross section of workers. In particular, it will assess how the environment positively and negatively impacts on their ability to perform comfortably and effectively in their workplace.

Concluding thoughts

There is no doubt that the workplace is greying. It is a demographic reality that will affect – to varying degrees and within differing timeframes – the four regions in which Woods Bagot operates. Just as environmental sustainability is at the forefront of workplace design today, socially responsible workplaces that consider the needs and abilities of a multi-generational workforce will lead the way in the workplace designs of tomorrow.

Whilst research into how the physicality of workplaces will need to respond to an ageing workforce is still in its infancy, designers need to now make this issue part of their dialogue and start to consider how the future workplace might look, as well as what tools they might need to help them design for a multi-generational workplace.

If workplaces can be designed that cater to a wide range of needs, abilities and values, work environments will not only be more comfortable and enjoyable for everyone to use, but will encourage our most experienced and knowledgeable workers to stay and ‘play’ a little longer.

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