The Ageing of Small Business

A perfect storm?

Geoff Pearman

- Ageing owners

- Ageing workers

- Ageing customers

A "perfect storm" is an expression that describes an event where a rare combination of circumstances will aggravate a situation drastically

A Perfect Storm?

"SME's will be at the forefront of dealing with these changes, as in both NZ and Australia they represent 95% of all enterprises. SME's are also the largest employer group and this means their executives and owners need to anticipate these demographic shifts and react in ways that advantage their business's future operations."
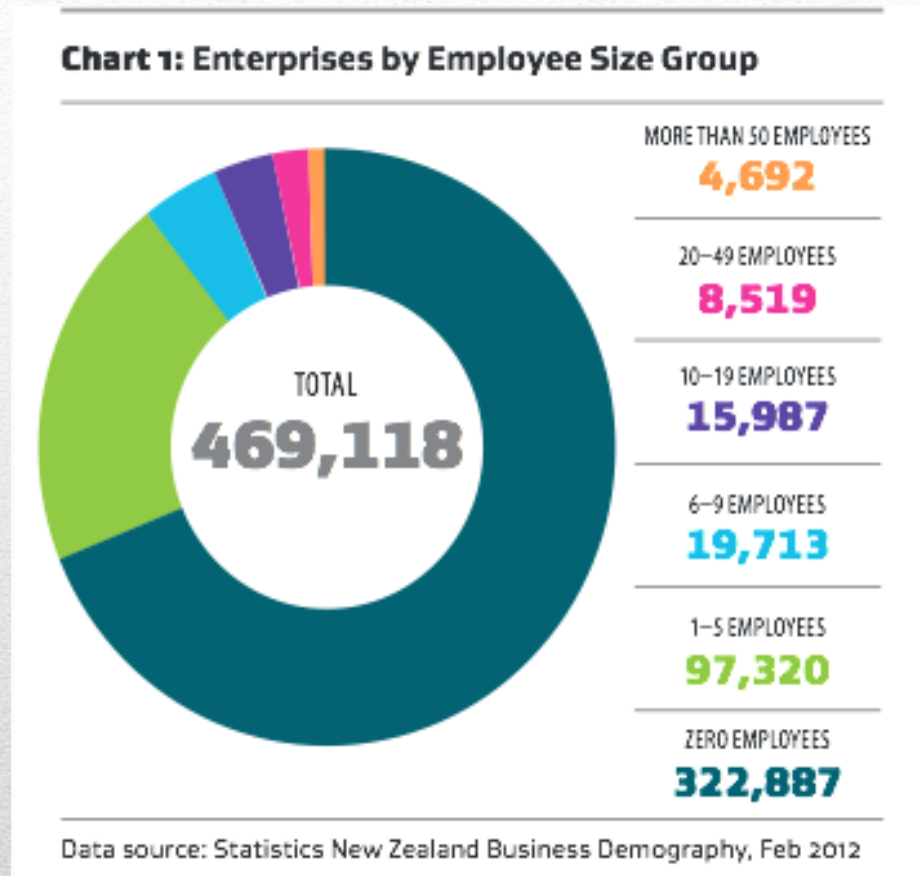
The Executive Connection 2014

1. The health of the economy dependents on strong SME's
2. SME owners are ageing
3. SME's workforces are ageing
4. A challenge not to be avoided but engaged with

4 Key Messages

New Zealand

- 97% of enterprises have fewer than 20 employees

- 1% of enterprises have more than 50 employees

- 30% of all employees work in these small businesses

- Produce 28% of New Zealand's GDP (2009)

Chart 1: Enterprises by Employee Size Group

MORE THAN 50 EMPLOYEES
4,692

20–49 EMPLOYEES
8,519

10–19 EMPLOYEES
15,987

6–9 EMPLOYEES
19,713

1–5 EMPLOYEES
97,320

ZERO EMPLOYEES
322,887

TOTAL
469,118

Data source: Statistics New Zealand Business Demography, Feb 2012

The Big Picture

- Average age of business owners 58 (2011)
- 29% of workers over 55 self employed (2009)
- 15% of self employed over 60
- 28% of self employed 50 - 59
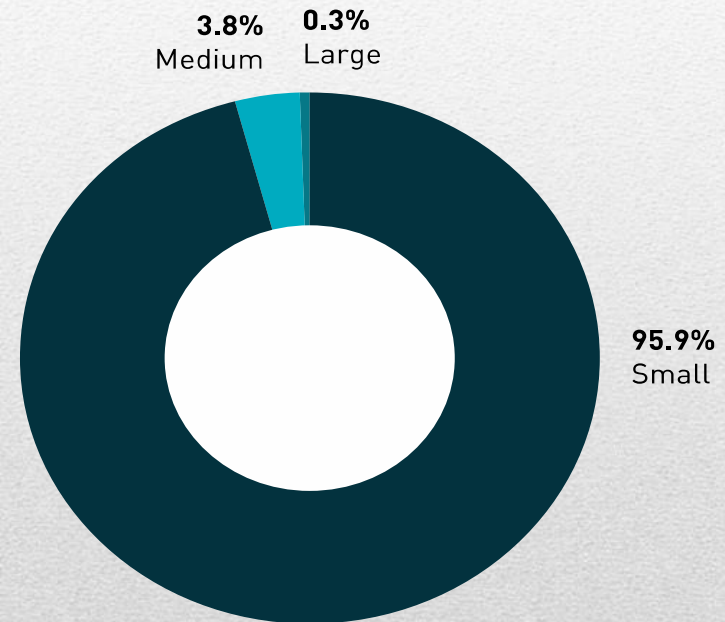
Chart 11: Self-Employed by Age
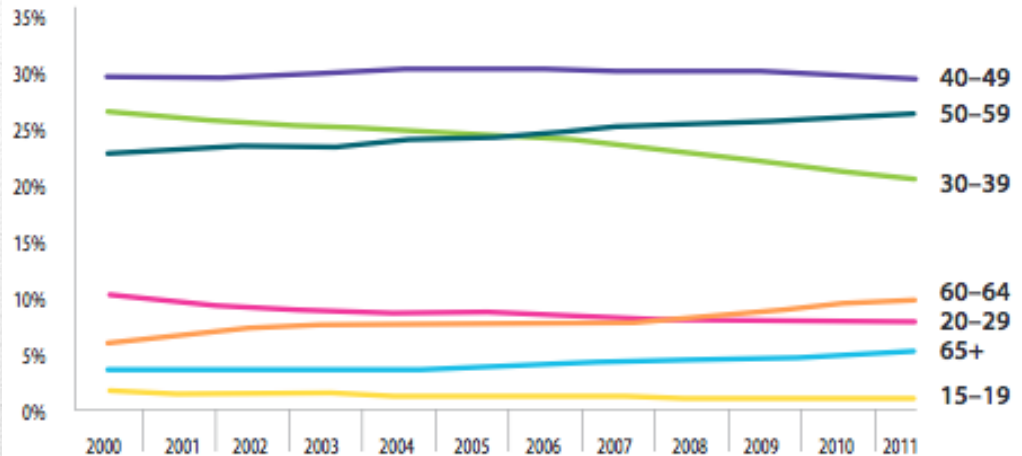
Data source: Statistics New Zealand Linked Employer-Employee Data, 2000–2011
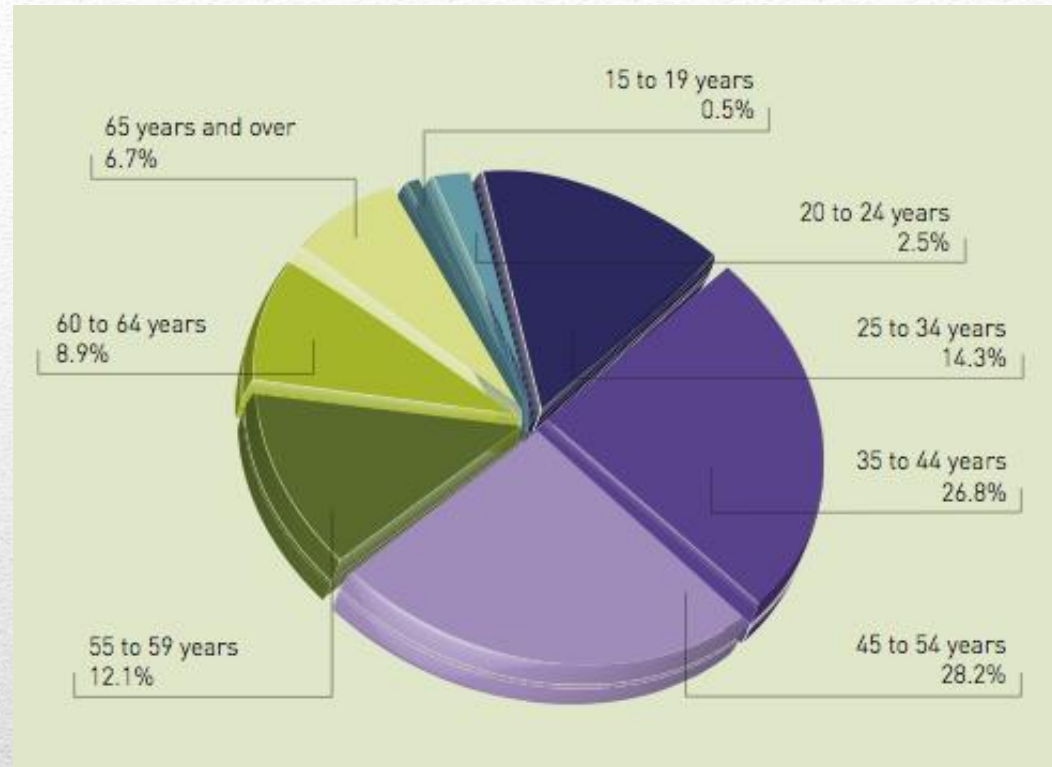
Ageing of SME's

Australia

- 96% of all businesses employee less than 20 staff

- 4% employ 20 – 200 staff

- Small business (< 20) employ 46% of all private sector workers

- Medium business 20 - 200 = 24%

3.8%
Medium

0.3%
Large

95.9%
Small

28% of business owners over 55

SME Corporate Champions

Australian Government Initiative

Case Study

Policy Setting

- Increase participation rate of people over 45
- Experience + Program
- Corporate Champions program
- 6 months support
- $5000 to contracted providers per SME

Requirements

- Assessment of recruitment and retention practices
- Analysis of relevant organisational data
- Developing an Action Plan
- Provide general information and advice/support
- Completion of a Case Study

Corporate Champions

1. Wake up, the world is changing
2. Understand your business and aspire to best age friendly practice
3. Listen to your older workers
4. Take action – know your risks and have strategies
5. Learn from each other

Program Design

4 SME's per cluster	3 x 2 hour workshops
2 people per SME	1 x 4 hour workshop
Non – competing companies	3 x workplace exercises

Cluster Model

Engagement	**Workshop 1** Setting the Scene	**Workshop 2** Workforce Planning
Workshop 3 Practices and Policies	**Workshop 4 [1]** Mature Workers	**Workshop 4 [2]** Strategy
Workplace Coaching and Support	Case Study	Workplace Projects

Program Structure

Sectors

- Social Services x 6

- Training & Education x 3

- Transport x 2

- Financial Services x 2

- Manufacturing x 2

- Trade Association x 1

- Property Management x 1

- Tourism x1

- Sport x1

Company Sizes

- 34, 40, 54, 70, 66, 94, 100, 164, 280…….

Participants

- CEO

- Owners

- Health and Safety Manager

- HR, OD Managers

- Operations Managers

Rogers Transport Pty. Ltd. A.B.N. 12 874 280 054 — Warehouse & Distribution Specialist

Master Electricians Australia

The Plant Management Company

ACCCO — australian child care career options

IFAA

Horizon foundation inc.

T3 Australia — People Service Systems

artius — HEALTH & EMPLOYMENT SERVICES

bernafon — Your hearing · Our passion

Queenslanders CREDIT UNION — banking that's personal

communify Qld — together we can

DARYL DICKENSON TRANSPORT

WILDLIFE CURRUMBIN SANCTUARY — GOLD COAST · AUSTRALIA

RGT — Your Career... Our Commitment!

HELP enterprises

BURLEIGH BEARS — BURLEIGH HEADS RUGBY LEAGUE CLUB

G&B STAINLESS

Risks

- Skill shortages
- Financial costs
- Increased injury
- Reputational damage
- Disengagement
- Loss of knowledge
- Succession

Strategies

- Retention
- Health and wellbeing
- Succession
- Awareness and Education
- Transition planning
- Recruitment

Planning

"When we joined Corporate Champions I was excited to learn something new and to gain an awareness and understanding of our mature employees since we will all be there someday." CEO

- Recruitment and advertising

- Injury management sheets

- Toolbox talks

- Wellbeing reviews and initiatives

- Knowledge transfer - mentoring

- Transition discussions

- Policy changes

- Board and Executive succession

- Awareness building

Actions

"As a medium sized company when faced with an ageing workforce, we will look at different and innovative solutions to retain our valued workers."

"Some of the issues for older workers hadn't even crossed my mind. It challenged my stereotypes as a younger HR person."

"My being involved in the Corporate Champions program has sent a message to our mature staff that they are being taken notice of and that we acknowledge them."

"We are now much more aware of age as a factor including acknowledging and understanding different needs for people in various age groups or stages in their lives."

"I learnt that I need to ask older workers what is important for them and not to assume I know, I don't. Conversations are important."

"Participation has meant we are now thinking more broadly about age groups in the staff and have started thinking more about our people as individuals and their lives….As an executive we play with things, now we have the tools to start doing something really good."

"I got a much broader view of what was going on demographically, it just blew me away."

"The program gave us an opportunity to focus on the mature employee. Previously we were reactive just dealing with issues as they arose. It has increased our awareness of the issues and challenges we face and it has got us focussed." OD Manager

"It has started new conversations that we didn't previously have in the Executive."

"I had real pride in reporting last week that we had we employed Jenni, and she is 67"

"We have new tools and ways of thinking. We have a better understanding of how mature aged workers think and what's important to them, in the past we just guessed. We want to more actively promote [name] as an age friendly workplace"

"We love our older workers, they are loyal, they turn up, we don't have to tell them what to do and they just get on with the job."

"For me the past 6 months have given me direction about how we need to go from here. I have got some things to work on."

- Readiness of SME – some get it, some don't

- Power of group learning

- Using risk analysis to engage

- Importance of evidence based strategies

- Helping the SME build its own story

- Importance of talking to older workers

- Engagement of the CEO/Business Owner

- Ripple effect – businesses have clients

- Every business is unique

- No simple answers

What we have learnt

Acknowledgments

- The 19 Corporate Champions we have worked with
- BUSY At Work
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- Janet Emerton

Further Information

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Thanks