

AGEING
WORKFORCE
READY



LATE CAREER NAVIGATION

HOW TO MAKE THE MOST OF LIVING
AND WORKING FOR LONGER



We will be living a multi-stage
life, where activity and age
become disconnected

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ABOUT THE AWR PROJECT

The Ageing Workforce Ready (AWR) project is an innovative collaboration between Australia's largest industry superannuation fund AustralianSuper, and organisational psychology practitioners, Transitioning Well.

The project is funded through WorkSafe Victoria's WorkWell Mental Health Improvement Fund and aims to protect and promote the mental health and wellbeing of ageing workers in the public transport industry.

Improvements will be achieved through the delivery of resources and advice to a pilot group of Victorian workplaces and their employees.

This white paper has been written for people in their late career, and managers and HR professionals responsible for the wellbeing and performance of late career employees. While the AWR Project has an emphasis on the transport industry, many of the frameworks and tools are applicable across all industries and individuals.

For more information visit www.awrproject.com.au



TRANSPORT INDUSTRY AND THE AGEING WORKFORCE

Transport workers have particularly high rates of older employees. For example, in Australia the average age of a bus or coach driver is 55 years old.¹

Work in the transport industry may contribute to poor health as a result of high physical demands, long hours on the road, high stress and psychological pressure, and lack of work-family balance.² In a recent study researchers examined the relationship between truck drivers' health and retirement intentions.²

Results suggested that perceived work ability was reported to be one of the main concerns related to retirement intentions.² While most participants were in good health, they recognised that their health may deteriorate in the future, and as a result they may not be able to perform their job.

At the AWR project, we suggest that with more intentional late-career planning and employer support, employees' work ability can be extended while navigating their retirement transition proactively.

INTRODUCTION

Definition of late career: the work-related goals, decisions and experiences of older workers that are influenced by personal, social, economic and organisational factors.³



We are living and working longer than ever before. No longer are we required to work a 9 to 5 job until the day we turn 65, and then retire. The problem is, many people don't know how to sustain a longer working-life or how to transition to a fulfilling retirement.

In this paper we explore what late career is and how to think about it differently, with tools to help people navigate it better.

'Late career' has traditionally referred to that life-stage when individuals adjust to the prospect of retirement. Late career has been defined as 55-70 years of age, but these days two significant social changes are set to extend this late career stage.³

Firstly, as we are living longer and healthier lives, individuals are able to continue working well past any previous retirement age with very little physical decline. Secondly, not everyone is financially able to spend these extra years of healthy living without an income. Changes to pension entitlements and the practicalities of saving sufficient superannuation put limitations on our retirement years.

It is therefore important that individuals take time to reflect and plan for this stage so they can build on their life goals through their career and into retirement.⁴

People's experience of late career varies greatly. For some, it is defined by a period of growth as they consolidate everything they've learned in life to take on leadership and management roles.⁴ For others, late career may be a period of maintenance where they continue to work as they have always done. Others choose to ramp-down and begin to reduce their work hours.

Unfortunately, there is also a group of people who find that decisions about their late career are not within their control. Perhaps through redundancy or personal circumstances they are unemployed and unable to find work in this late career stage. Alternatively, events causing downturns in the investment market leave them with insufficient funds, and no choice but to return to work or keep working.⁵ This can be immensely challenging as people grapple with lost dreams, financial pressures, and often stigma and judgement from society.

Despite all these different circumstances, needs and aspirations, there are shared themes which define the 'late career stage', and tools to help navigate our careers through to retirement.

KEY TAKEAWAYS

- The late career stage can be characterised by four pathways: 1) Ramping down (slow), 2) Maintaining work-as-usual (stay), 3) Career growth or entrepreneurship (speed up) or 4) An unexpected change of circumstances (shift).
- Both work and non-work factors influence late career navigation. Work, wealth, home and health act as driving forces, or obstacles, to remaining in the workforce.
- Whole career navigation is increasingly driven by self-reflection and openness to opportunities, as opposed to being driven by age.
- The Career Navigation Framework is a guide to aid transitions across early, mid, and late career, and into retirement.

LIFE PHASES

LATE CAREER

Drawing on data gathered by Transitioning Well as well as the research of others, we define four phases of late career:⁶

PHASE 1: TRANSITION COMMENCES

Career transitions commence as we make modifications towards achieving our goals. Depending on the goals and circumstances, this stage is characterised by one of four pathways:



Slowing down involves a gradual reduction in work demands, by opting for less challenging and demanding work, or by reducing work hours.

For example, people might choose to spend more time with their grandchildren, or learn a new language that enables them to travel and explore.

Staying is continuing work at the same pace, not cutting back or making significant adjustments.

For example, a retirement savings goal might require a few more years of steady income.

Speeding-up in late career may involve taking on additional work, stepping up into management roles, or forging a new path such as entrepreneurship.

For example, parents and carers who have been focussed on their families might choose to re-invest in their career and reach a certain level before retiring.

Shifting to come to terms with an unexpected change in circumstances requires a person to rethink their late career and retirement goals.

For example, someone who cannot find work following a redundancy might need to find alternative income streams, or different ways to invest their time.

We differ in our need or choice to slow down, stay, speed up or shift in our late career depending on numerous factors that impact our wellbeing and mental health.

PHASE 2: ALIGNING WORK, GOALS AND VALUES

As we commence late career we start engaging in activities that allow us to align work with our goals, values and hopes for retirement.

We might discuss our financial situation with our superannuation fund or a financial adviser, we might catch up with friends who have recently retired, we might mentor someone at work or find another way to leave our mark on our job or career.



PHASE 3: PLANNING BEYOND WORK

Prior to leaving work or looking for work, our focus shifts more strongly to the retirement phase. We plan activities beyond work that are aligned to our broader life purpose and goals.

This may involve finding a new hobby or volunteer work, moving to be nearer to family, getting around to those health check-ups, or planning an extended holiday.

We may find ways to work more flexibly and ramp down our work hours as we approach retirement.

PHASE 4: RETIREMENT

The final stage of late career is leaving our work, our career, and the labour market.

The option to 'unretire' and re-enter the workforce in some capacity is becoming more common. People choose to do this for both personal and financial reasons.¹²

Moreover, the Australian Bureau of Statistics estimates that about 12% of people do not want to retire at all.

The top three reasons retirees left their last job

46%

REACHING RETIREMENT AGE OR ELIGIBLE FOR SUPERANNUATION

21%

SICKNESS, INJURY OR DISABILITY

11%

RETRENCHED, DISMISSED OR NO WORK AVAILABLE

Australian Bureau of Statistics¹²
2018-2019



RETIREMENT

After navigating the fifth and final stage of late career we come to retirement. Retirement may extend for as much as 25 years and is a process which looks different for different people.

Although there is no typical retirement process, early research into the progression of retirement adjustment found that retirement can usually be defined by five phases:⁷

1. **Honeymoon:** this is the exciting time when we get some rest and tick off the ideas and goals on our bucket-list.
2. **Disenchantment:** a few months, or perhaps a year later we may start wondering why retirement isn't as much fun as we expected. We may be surprised at how retirees are viewed and the assumptions that others attach to that label. Others feel adrift and some may experience stronger feelings of depression.
3. **Reorientation:** as we navigate the disenchantment phase with the support of family, friends and professionals, we learn how to make retirement work for us. This phase is not necessarily easy, and investing in time for self-reflection is vital.
4. **Stability:** we settle into the rhythms and routines we want once we have some clarity about our new identity, friendship and support networks, day-to-day activities and the role we want to play in society.
5. **Termination:** this is the eventual loss of independence due to illness and disability.

More recent research highlights how adjusting to retirement is a dynamic and ongoing process,^{8,9} with multiple alternating periods of stabilisation and re-adjustment.

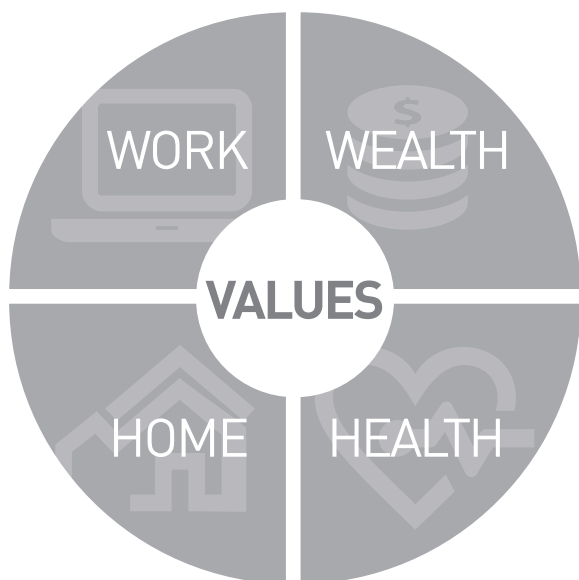
Further, research has established that putting some time and effort into planning is positively associated with life and retirement satisfaction.¹⁰ Those who plan and proactively approach their transition to retirement, are more satisfied than those who feel retirement is forced upon them and have not planned for it.¹¹

Organisations have an important role in providing retirement transition tools and support to their employees. It can be particularly hard for people whose circumstances change unexpectedly and are forced to retire due to sickness, injury or lack of available work.

The late career frameworks and factors outlined in this paper can be applied by organisations to provide much needed support and resources for their older workers.

LATE CAREER FACTORS

In this section we outline Transitioning Well's Late Career Factors which help us think more clearly about late career navigation.



These factors—work, wealth, home, health—can act as driving forces or obstacles to remaining in the workforce, and can help us decide whether to slow, stay or speed up. They can also help us to regroup and move on if we find ourselves needing to 'shift'.

How we think about these factors and apply them to ourselves is anchored in our personal values.

Work: Is work (paid or unpaid) meeting your needs?

Do you feel safe and respected at work? Can you contribute meaningfully? Do you have the flexibility you need? Do you have the opportunity to develop your skills and to pass on your knowledge to younger workers?

Wealth: What is your financial situation?

Do you have a clear understanding of your assets and liabilities? How much do you need to fund your retirement plans? Are you eligible for government payments? Have you put together a realistic budget? If you find these kind of questions overwhelming and don't know where to start, who do you trust to help you?

Home: What do you want your home life to look like in late career?

What plans or expectations does your significant other have, do friends and family rely on your support? How much do you want or need to invest in your group memberships (such as community or sporting clubs)? What impact do transitions in your late career have on your personal connections? Are there some conversations you need to have?

Health: How happy are you with your physical and mental health?

Do you have specific health issues that you need to see to? Do you have the capacity to keep performing the roles you currently have? Are there lifestyle changes you want or need to make?



WORK

The extent to which work meets our needs, and our decision to keep working or not, depends on how we feel about ourselves in relation to our job. Researchers call this perceived work ability, and have found it is a good predictor of our decisions about whether to remain in the labour market as we become older.¹⁰

It is normal to experience some cognitive and physical decline as we age, however, for the most part, the decline should not impede on our work ability.¹⁴ Employers can create ageing ready workplaces that are physically and mentally supportive of older workers, and as employees we can adopt strategies to ensure we remain safe and productive at work as we mature.

The Age Difference, another AWR Project white paper that can be found at awrproject.com.au, describes how employers can best create a workplace that is 'ageing workforce ready'.

As employees, one strategy is to focus on the aspects of our career or job that are most important to us. If we focus on what we value most, we can adapt so that we achieve goals in this area.¹⁰ Often this strategy helps us compensate if there are areas of our job that we find harder to manage as we age.

“ THREE IN FOUR OLDER AUSTRALIANS FEEL THAT THEY HAVE MUCH TO OFFER SOCIETY AS AN OLDER PERSON, GAINED THROUGH THEIR LIFE EXPERIENCES.¹³

A closely related strategy is job crafting, which refers to the conscious effort we can make to adapt our jobs to our own skills and abilities.¹⁵

Job crafting puts the responsibility on us as employees to actively shape the characteristics of work.¹⁶

The changes may be formal or informal, for example flexible work arrangements are an example of formal job crafting; creating mentoring relationships can be formal or informal.

Moreover, job crafting can be more subtle, such as changing our mindsets about our work environment; for example ignoring times when we feel like we're being stereotyped, or looking at the situation differently by taking a different perspective.

“ FOR PEOPLE INTENDING TO RETIRE, THE MAIN FACTOR THAT WILL INFLUENCE THEIR DECISION ABOUT WHEN TO RETIRE WAS FINANCIAL SECURITY.¹²

WEALTH

Research has found that financial security is the main factor influencing our decision to retire.¹² Insufficient savings and superannuation are often a driving force for older workers to remain in employment, increasing the length of our late career stage.

The financial needs of family members can also influence decisions made in the late career stage. For example, some of us may care for or provide financial support to a retired spouse, our children or grandchildren.

It is important to take time to understand and plan our finances if it's not something we have done already.

SOME HELPFUL RESOURCES INCLUDE:

- [Moneysmart](#)
- [National Debt Helpline](#)
- Free Financial Information Services appointment (through [Services Australia](#))
- Your own superannuation fund
- A reputable financial advisor



HOME

A study of older couples in Australia found that 20% coordinated their retirement with their partner.¹⁷

Furthermore, a US study found that approximately half of spouses tend to retire within two years of each other.¹⁸

There is no right or wrong in whether we retire at a similar time to our significant other, but it is important to think through the implications of retiring together (synchronised) or separately (unsynchronised).

If there is a significant other in your life, don't make assumptions about their late career plans—they may not want the same things as you, or even the things you expect! Start the conversation early and stay curious when discussing ideas and possibilities.

Home life also extends to membership of social groups, such as friendships groups, sporting and community clubs. Membership of multiple social groups has been found to be a supportive factor for individuals transitioning from late career to retirement.¹⁹

Late career can be a time to become more active in an existing social group or explore new interests.



“ THE KEY IS HOW YOU RESPOND AND TAKE CONTROL OF A HEALTH ISSUE.²⁰ ”

HEALTH

Health encompasses both physical and mental aspects, and can impact what we can do, and want to do, within work and in our leisure time.

It may be that work is becoming too physically demanding, and while reasonable work adjustments can always be explored with employers they are not always possible. Conversely, many of us derive health and wellbeing benefits from our work.

While financial drivers can't be ignored, many people choose to continue working because of the meaning and satisfaction we get from what we do and who we work with.¹⁵

Irrespective of our current levels of health, it is important to take control of any issues. Perhaps you're behind on a checkup, or there's a history of illness in your family you have avoided being tested for, or perhaps there's some symptoms you've deliberately ignored.

The fact is we're happier when we are healthy, so it is important to be proactive when it comes to our health.

**ASK,
DON'T
ASSUME!**

CAREER NAVIGATION FRAMEWORK

As Gratton and Scott describe in *'The 100-year life'*, going forward “we will be living a multi-stage life, where activity and age become disconnected.”

The traditional three stages of study, work and retirement will no longer exist. A sustainable career over a longer lifespan will involve exploration, re-creation, self-reflection and transformation; we will re-invent ourselves several times over.²¹

As such, career progression no longer has to be driven by age. Rather, careers will be driven by goals and opportunities. Self-reflection, diverse networks and openness to possibilities will be the new fundamentals of a sustainable and enjoyable career.

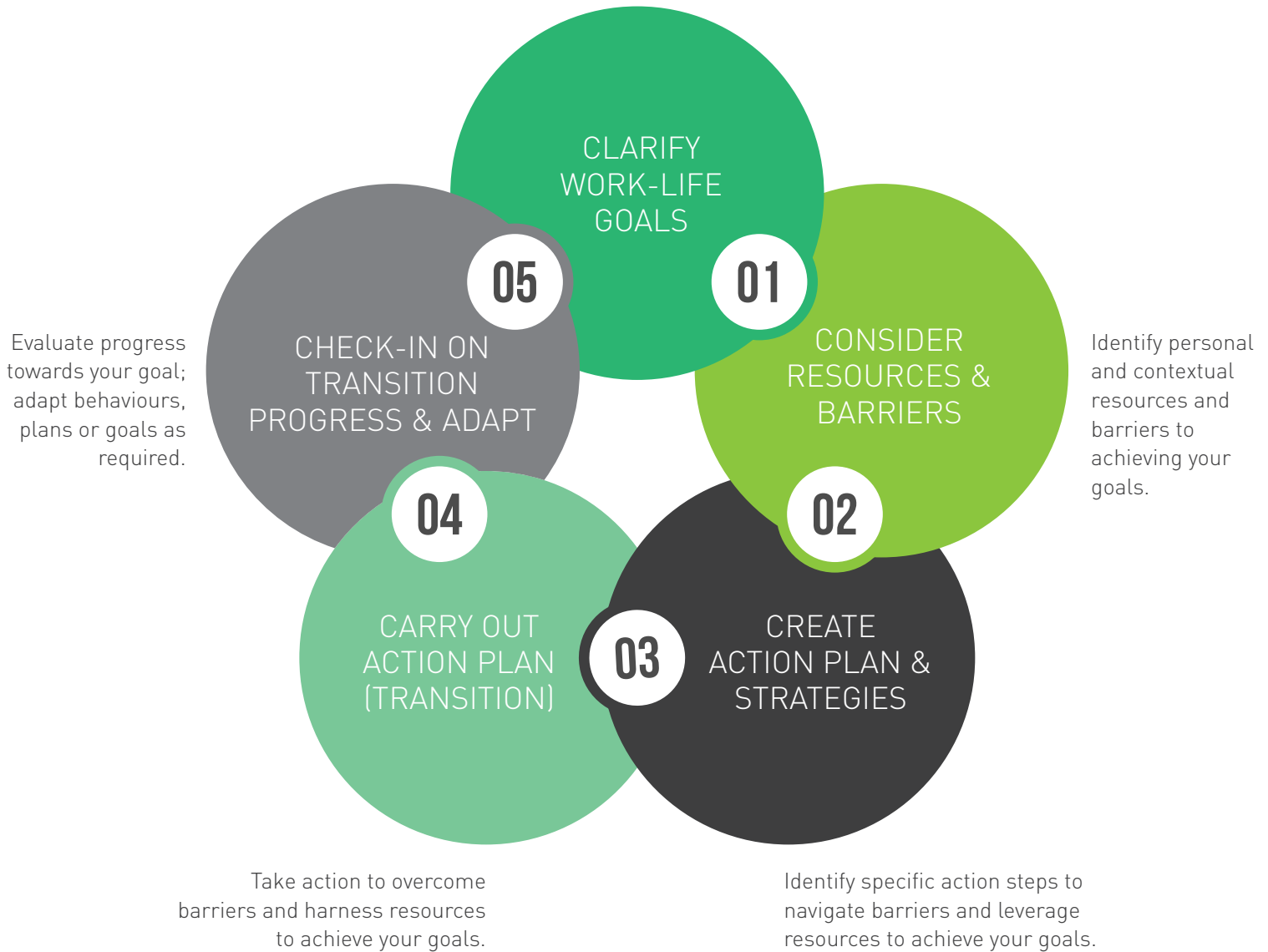
Self-reflection involves looking back on our past achievements and our current strengths, weaknesses, resources and barriers. Self-reflection also involves looking to the future and what we want to achieve as we move forward in our careers.

Transitioning Well's **Career Navigation Framework** is primarily a self-reflection tool. It can be used at transition points across our life spans, such as: deciding our next career phase, family-transitions, embarking on further study, moving into a new career, taking a travel break, changing employer or becoming self-employed, and transitioning to retirement.

“ WE ARE MORE LIKELY TO TRY NEW CAREERS, TAKE BREAKS, MOVE TO NEW CITIES AND RE-INVENT OURSELVES SEVERAL TIMES OVER.²¹ ”



Reflect on what you aim to achieve in work and life; what has changed?



APPROACHING RETIREMENT

Use of the **Career Navigation Framework** is not driven by age and is relevant across our life span at all career stages. However, the specific reflections and questions will change over time.

This table is an example of how the framework might be used during late-career, and some important questions we can ask ourselves as we approach retirement.



STEP 1

CLARIFY WORK-LIFE GOALS

What do I want to be remembered for at work and in life? Is there anything I can teach others before I retire?

- Mentoring others could be part of your work legacy. How can you share your wisdom and experience?

What assumptions am I making about retirement?

- In this document we have challenged traditional views about work and retirement: what new possibilities do these ideas introduce for you at this life stage?

How do I want to spend my time now and in retirement? What can I do now to bridge that gap?

- Common examples of retirement activities are joining a community group or club, volunteering, discovering new hobbies, study, spending time with family and friends, travelling.
- People don't need to retire at a certain age, and may 'un-retire' and resume paid work sometime after they formally retire.

How much money do I need to save before I retire?

- Different people will approach this differently but having some sort of plan is helpful for most people.
- Make sure you are well informed and seek professional advice (see 'wealth' section for suggested resources).

What about my physical, cognitive, emotional and social needs, what do I want to achieve in these aspects of my life?

- Wellbeing is about more than just work and money, consider what is important to you all multiple domains of life.

<p>STEP 2</p> <p>CONSIDER RESOURCES AND BARRIERS</p>	<p>What more can I do to look after myself, both physically and mentally?</p> <ul style="list-style-type: none"> Achieving your retirement goals may be more difficult if you're not healthy. If you're not happy with your health, what's stopping you doing more to look after yourself? <p>If there's a significant other in my life, what are their thoughts about late career and retirement?</p> <ul style="list-style-type: none"> A partner or significant other can be both a resource and a barrier to a fulfilling retirement. It's important not to make assumptions and talk with them about their hopes and dreams (if you haven't already). <p>What might my network of friends look like after I retire?</p> <ul style="list-style-type: none"> Not only do friends provide social support, but they are also important to your health and wellbeing. How can you create friendships during late career that will carry on into retirement? <p>If I want to keep working for now how can I make that happen?</p> <ul style="list-style-type: none"> Consider whether you need reasonable work adjustments to accommodate any physical or cognitive decline you're experiencing; options might include flexible work, small changes to your responsibilities, or access to physical aides that enable you to continue working. <p>What have I learned from my experiences? To what extent am I open to more growth and learning?</p> <ul style="list-style-type: none"> A lot will change as you transition through late career into retirement. Reflecting on past transitions and what worked and didn't work can help. Being curious about the future, and open to more experiences and learning new things can help with your transition.
<p>STEP 3</p> <p>CREATE ACTION PLAN AND STRATEGIES</p>	<ul style="list-style-type: none"> How can I better leverage my resources and strengths? How can I navigate the barriers currently in the way of achieving my goals? What can be done to reduce the barriers, or get rid of them altogether? What is the best way to inform management and colleagues of my retirement? Is succession planning in place, will additional training be needed for any new workers taking on my work role after I retire? Do I have a well thought-out action plan for approaching retirement, which includes a timeline of when things will happen? Does my plan include strategies to facilitate the transition?
<p>STEP 4</p> <p>CARRY OUT ACTION PLAN</p>	<ul style="list-style-type: none"> Am I following my action plan and sticking to the timeline of when things will happen? Are my strategies helping me progress toward my goal? Am I leveraging my resources and strengths? Am I navigating barriers which were previously in the way of achieving my goals? Does my goal appear achievable as I work towards it?
<p>STEP 5</p> <p>CHECK IN ON TRANSITION PROGRESS AND ADAPT</p>	<ul style="list-style-type: none"> Have I followed my action plan and has this led me to my goal? What strategies have worked well so far, and what aspects of my action plan have I accomplished? Are there additional barriers hindering my progression towards my goal which I didn't foresee? Have I leveraged all my resources, or are there additional resources which will further my progression? How can I adapt my behaviours or plans to meet my goal?

CONCLUSION

Late career is the life-stage where older workers set goals and make decisions that influence their personal, social, economic and organisational situation in preparation for retirement.³

It is an important stage of life as we make work-related choices that carry us through to a fulfilling retirement.

Research into the dynamics of careers has shown that late career can be defined by five key phases, and at the conclusion of the fifth stage we find ourselves leaving paid work and starting the next stage of our lives—retirement.

Everyone's experience of late career is different and self reflection is key. This process may involve asking questions such as:

- Is this a time you want to slow down, maintain or speed up?
- Have circumstances thrown unexpected changes your way that you now need to deal with?
- What do you hope to achieve through the remainder of your career and in life in general?

Transitioning Well's **Late Career Factors** are a starting point for identifying strengths and opportunities in navigating our transition to retirement.

These factors include work, wealth, home and health and are useful in helping us decide whether to ramp down (slow), maintain work-as-usual (stay) or undertake career growth or entrepreneurship (speed up). Further, they can also help us to regroup and move on if we find ourselves needing to rethink our late career and retirement goals (shift).

The **Career Navigation Framework** presented in this paper is a useful tool that can be used to navigate key transition points throughout our careers, and especially during late career. By taking the time to honestly answer some important questions we can be better prepared mentally (not just financially) for retirement.

For further resources visit www.awrproject.com.au

“ EVERYONE'S EXPERIENCE OF LATE CAREER IS DIFFERENT AND SELF REFLECTION IS KEY.



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