

## UK research: An ageing workforce: The employer's perspective

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How are employers responding to issues of health and the demand and need for flexibility by older workers? What are the opportunities (eg for downshifting, job redesign) and obstacles to addressing the needs of older workers? What is the extent of flexible work options available to older workers? How are employers responding to the recent age discrimination legislation introduced in the UK?

While recent research by Barnes, Smeaton & Taylor (Institute of Employment Studies) was not conducted specifically to examine the impact of the GFC on age discrimination, some of the data were collected during this period. The findings also have implications for responding to some of the shifts that have occurred as a consequence of the GFC and for approaches organisations could take as the economy recovers and skills shortages and recruitment become critical workforce planning issues.

In this context, this research provides interesting insights from an often-neglected viewpoint -- the perspective of employers.

### **Aims**

The project was funded by the Nuffield Foundation and was conducted jointly by the Institute for Employment Studies and The Policy Studies Institute. The major objective was to investigate the range of current policies and practices designed to prevent early retirement and enable staff to remain in employment to pension age and beyond.

Of particular interest was the degree to which employers have adopted a preventative approach, the extent of progress and difficulties encountered, and the identification of additional policy solutions. The study was also designed to examine differences in responding to workforce ageing across different types of employers, particularly size and industry sector.

### **Method**

Data for the study were drawn from two different sources:

- i. First, a secondary analysis of the **2004 Workplace Employment Relations Survey** (conducted two years before the introduction of UK age discrimination legislation). This is a nationally representative survey of 2,295 managers from workplaces with five or more staff. The intention behind this analysis was to provide a contextual background of how age has been managed across a diverse group of UK organisations, and the extent to which there are "pro-age" policies and practices (eg flexible work practices).
- ii. Second, qualitative interviews were conducted with **42 employer representatives in 34 organisations**. These were selected based on the findings from the 2006 Equal Opportunities Commission survey on 'the future of work and workplace transformation'. Organisations were selected based on size, type and sector, as well as a flexibility measure: high levels of flexibility evident, medium, and low levels of flexibility evident. The intent behind these interviews was to conduct an

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in-depth investigation of the motivations behind specific age management strategies, to identify the different problems experienced in different industry sectors, and to highlight specific tensions encountered by employers.

## **Findings**

Findings were summarised in terms of four issues:

- (i) Recruiting older workers;
- (ii) Flexibility and the older worker;
- (iii) Managing health issues among the older workforce;
- (iv) Managing retirement.

### **(i) Recruiting older workers**

While 54% of workplaces had implemented a formal policy of equal employment opportunities for age, far fewer monitored age discrimination in relation to recruitment (18%), promotions (6%) or pay rates (5%).

Pro-age approaches were found to be more prevalent in workplaces that: are large, unionised, team-based, and that are dominated by women (61% had EEO for age).

Industries dominated by men (eg manufacturing and transport) were much less likely to have equal opportunity policies for age (45%).

Almost all of the managers who were interviewed identified benefits associated with recruiting older workers. These included: reliability and a strong work ethic, reliability and punctuality, and maturity of attitude and the ability to cope under pressure. At the same time, many expressed reservations about recruiting older workers. These included: aptitude, attitudes (eg "set in their ways"), having the necessary skills (eg IT), physical demands of particular jobs and health problems.

The majority of those interviewed were familiar with the age discrimination legislation and had engaged with it in some way (eg had read about it or had attended a seminar).

### **(ii) Flexibility and the older worker**

There was considerable variation both in the range of offerings of flexibility (eg working from home, part-time work, job-sharing, flexitime, sabbaticals), whether or not they were formalised or offered on a case by case basis, or whether the reasons for flexibility were important (eg because of health needs).

An important finding was that employers did not consider age as a critical criterion in making decisions about flexibility (business factors were more critical). Interestingly, most of this group of employers had not experienced an employee requesting flexibility on the basis of their being older, and many interpreted this as indicating a lack of demand and having a priority on maximising hours and earnings as opposed to reducing them (this assumption was especially prevalent in male-dominated blue-collar workforces).

### **(iii) Managing health issues among the older workforce**

Higher levels of stress and mental ill health were found in professional, managerial and

other jobs with high levels of autonomy and unmanageable workloads, and male-dominated work environments.

Other indicators of enhanced health risks and absences associated with ill health were: having a large proportion of older workers, performance-related pay, shift working long hours and multiple repetitive tasks.

Factors that helped to reduce these negative health outcomes included: having control over start and finish times and other flexitime arrangements and working in a team environment.

Very few organisations, however, showed evidence either of adopting preventative measures to reduce the health risks for older workers, or adopting an active approach to retaining older workers with health problems.

#### **(iv) Managing retirement**

Very few employers in this study enforced retirement at 65 years, many were either employing someone over state pension age or had done so recently and many indicated that they would be happy for the compulsory retirement age to be abolished.

Very few (and they were mainly large employers) offered either retirement planning seminars or pre-retirement courses, and most of these had a narrow focus on pensions and financial management. Note that in workplaces that were downsizing there was no evidence of older workers being targeted for redundancies.

### **3.4 Conclusions and recommendations**

Conclusions and recommendations made by the authors or are implied by the findings include:

- *Be proactive:* Employers need to be more proactive in addressing the needs of older workers, eg by communicating that alternative work arrangements are possible and by [institutionalising flexibility](#)<sup>1</sup> across the life-course.
- *Encourage openness:* The workplace culture needs to be more open to enable staff to communicate with their managers and employers about caring or health issues and what their needs are for flexibility. This could reduce the number of older staff leaving and the risks of ill health.
- *Be clear:* Separate out issues associated with the management of age and retirement, and performance management.
- *Act now:* Adopt a preventative approach to reduce risks associated with physical and mental ill health. This could involve improving safety and reducing physically demanding tasks, job redesign, and offering [retirement planning](#)<sup>2</sup> and health education seminars appropriate to older workers. The authors make particular mention of the need for more research into the impact of job redesign, target setting cultures and management styles on the sustainability of working lives.

To download a copy of An ageing workforce: The employer's perspective visit [www.employment-studies.co.uk](http://www.employment-studies.co.uk).

<sup>1</sup> [www.workplaceflexibility.com.au](http://www.workplaceflexibility.com.au)

<sup>2</sup> [www.sageco.com.au](http://www.sageco.com.au)