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# An Ageing Workforce: The Employer's Perspective

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# Summary

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This summary briefly draws together key findings from the research and their implications for policy.

## Recruiting older workers

Drawing together the results of the qualitative and quantitative analysis, we found that, overall, around half of all employers had implemented a formal policy of equal opportunities in relation to age. The impact of such policies on day-to-day recruitment practices is harder to assess, since less than two-fifths of employers in the Workplace Employment Relations Survey (WERS) monitored their recruitment outcomes for age discrimination.

- Survey analysis findings indicate that a formal pro-age orientation is more common in large, unionised workplaces. Use of teams in the workplace is also associated with pro-age policies, possibly reflecting the benefits of age diversity in relation to work styles, perspectives, skills and experience in close-knit working groups.
- There is a strong gender dimension to the incidence of pro-age policies. Industries dominated by men – manufacturing and transport – were among those least likely to operate equal (age) opportunities policies with distinct implications for the prospects of men as they age.
- Opportunities for the recruitment of older workers are also constrained by the employment relations strategies deployed in around one-fifth (21 per cent) of establishments which operate internal labour markets, filling vacancies from within when possible. Younger workers, at entry level, have a distinct advantage in these circumstances.
- The absence of formal equal (age) opportunities is not necessarily a reflection of poor age-related practice, however. Depth interviews with employers of various sizes in a wide variety of industrial settings found that they recognised a range

of benefits associated with the recruitment of older workers including: loyalty, reliability, time-keeping, numeracy, customer focus, customer matching and managerial/supervisory skills. Most had recently recruited staff in the 50-plus age group, either because they were age neutral, had a need for specific traditional skills more commonly found among older workers or due to more general skills shortages which caused employers to cast their net as widely as possible.

- The majority of employers were familiar with the age discrimination legislation although they varied considerably in the extent to which they understood the detail of it and how proactive they had been. The small group of employers that only had a vague knowledge, or were less engaged, tended to be newer companies with a younger staff profile.
- Most had actively engaged in some way with the legislation, either reading literature sent them by head office or attending seminars run by ACAS or local solicitors. Some felt that they had been implementing age-positive policies before the legislation was introduced, particularly the medium and larger employers with qualified HR staff rather than directors with a HR role. They had taken on the 'spirit of the law' and were involved in the 'Employers Forum on Age', had incorporated discussions on age into their induction and training programmes or produced leaflets on equality to raise awareness amongst staff. For others, engagement was driven primarily by legal concerns.
- This positive picture of employers readily recruiting older workers was counterbalanced by a number of reservations expressed by employers. Firstly, where employers were motivated to recruit from all age groups due to skills shortages, the prospect that opportunities will retract for older workers arises during less buoyant conditions. There is also a distinct risk of occupational channelling when employers are pro-age primarily in order to match staff profiles with their customer base. Some employers were also adamant that the physical requirements of their operation precluded the recruitment of older workers. There was also a sense from some employers that for older workers to be recruited, they must be notably better than average to stand a chance.

## Flexibility and the older worker

- The survey analysis identified a strategic approach to managing an ageing workforce, defined by the number of pro-age policies an employer implemented. Strategic age management policies were more commonly associated with larger organisations, a higher density of professional staff, unionised workplaces and higher proportions of women in the workforce. The probability of an employer actively pursuing strategic age management policies



was significantly reduced in workplaces with: a high density of blue-collar staff or older workers aged 50 and over, and staff working in the hotels, restaurants and construction sectors.

- Most employers interviewed had almost no experience of an employee asking to reduce their hours or change the nature of their job simply because they were older. This tended to be assumed to represent a lack of demand on the part of the workforce. This was particularly true in blue-collar occupations where the assumption was that the (largely male) workforce wanted to maximise hours and earnings rather than reduce them.
- Those employers who were able to offer flexibility to staff generally did so informally or on a case by case basis and there was no monitoring. However, they did not view age as important in their decision making. More important was the nature, demands and costs of a particular role. Reflecting the survey findings, blue-collar staff working shifts in construction and manufacturing had little flexibility. Even employers at the flexible end of the spectrum, where formal policies appeared to be embedded, argued that there were some roles for which flexibility was simply inappropriate and several were able to provide examples where they had refused requests for flexible working for operational reasons.
- Employers varied in their views on what constituted legitimate reasons for employees requesting flexible working. Some were clear that they would do their best to accommodate requests if they were a result of caring or health needs but not for reasons deemed to be inappropriate. Others, however, did not differentiate between the reasons why flexibility might be needed and care, childcare, a long commute, or simply being 'not a morning person' were all seen as legitimate reasons for changing someone's hours.

## Managing health issues among the older workforce

WERS analysis highlighted the risk factors that can precipitate mental ill-health and musculoskeletal disorders in particular. More widespread knowledge and awareness of the working environments which can trigger ill-health may lead to the wider adoption of preventative interventions.

- Professional, managerial and other jobs characterised by high levels of autonomy, most notably in male-dominated working environments, are associated with a higher incidence of stress and other mental ill-health. These jobs are typically well paid and interesting and often functionally flexible but can, nevertheless, be stressful and associated with unmanageable workloads. The health sector, ironically, stands out as being more unhealthy than other sectors.

- Having control over start and finish times and other flexitime arrangements can, however, partly offset the impact of more adverse working conditions. Teams can also spread the pressure provided team members are not co-dependent to effectively perform their tasks.
- In terms of musculo-skeletal disorders, risk-enhancing characteristics include: a larger proportion of older staff, use of performance-related pay, shift working, long hours and multiple but repetitive tasks.

The employers in the qualitative research spanned a wide range, both in terms of the extent of work-related health risks, and the availability and use of preventative health measures. We found that:

- Retention of older workers with health problems depended on the demands of the work, in terms of both hours and content, and on the extent to which employers were able or willing to modify these to take account of individual health needs.
- Larger employers tended to have more day-to-day experience in dealing with ill-health issues among the older workforce, but despite this, line managers often struggled to meet particular situations flexibly because of operational and regulatory demands, so sector and industry type may be more important factors than size.
- Older workers in skills shortage areas or with tacit knowledge are recognised as a valuable resource and employers are keen not to lose them, but this does not apply in sectors with a lower skills base and no shortage of suitable applicants.
- Small firms clearly face greater pressures in responding to issues such as ill-health, and can find it particularly difficult to absorb the costs of long-term sickness or to manage the workload in the absence of the person concerned.
- Because some of these situations are not encountered very frequently, especially in small employers or younger companies, there is potentially a major role for increasing information about how health issues for older people in the workplace can effectively be managed.

## **Managing retirement**

- Some employers in the qualitative sample had little or no experience of their staff retiring. Those with no experience tended to be small businesses with few staff and thus low numbers who reached retirement age or relatively new businesses with a young workforce. Many of this group had little knowledge of the recent changes in policy and legislation or of how the retirement processes might operate for them if they ever did have an older employee.

- In contrast to these organisations, larger and more established employers with an older workforce were more familiar with the retirement process and had policies in place which they understood as meeting the requirements of the legislation. A small number simply had no normal retirement age; staff just carried on.
- Few of those we interviewed saw the recent age discrimination as having had a major impact on their policy and practice in relation to retirement. This was partly attributable to the timing of the research, as the proposal referees had anticipated, but a more important factor appeared to be that the employers in the sample either tended to be age-aware and have implemented appropriate measures well in advance of the legislation, or to have a younger age profile and be largely unaware of the requirements of the legislation. Awareness of other employment legislation, such as the Disability Discrimination Act also appeared to be low among this group. This polarisation in the sample should also be borne in mind when considering their (largely positive) views on the possible abolition of the normal retirement age.
- Only a few employers in our sample enforced retirement at 65. These tended to be larger employers with access to legal advice who had interpreted the legislation in a particular way or employers in particular sectors, such as teaching, with a history of early retirement. Some attributed this policy to age discrimination legislation. They assumed a deterioration in functioning of older workers and saw enforced retirement as a way to avoid having to implement performance measures with this group.
- Many employers would be happy to see the compulsory retirement age abolished although they did not always have management experience of older workers. Some were positively disposed towards this change because they had experience of a friend or family member successfully working after 65. These decisions were often seen to be job specific, with most office jobs viewed as unproblematic, but jobs involving heavy manual labour or where safety was a factor being seen as less suitable.
- Many employers were either employing someone over state pension age or had done so in the recent past. Those with significant numbers were often employers with skills shortages who had gone to some lengths to accommodate them or those with a high degree of flexibility such as short shift patterns. Other employers did not receive many requests from staff to continue and the formal letter was not always enough to signal to employees that they had a choice. As with flexible working, employers expressed concern that they could not accommodate all requests to continue if a large proportion chose to do so.
- Several organisations, often those which enforced their normal retirement age, had ways of employing people after state pension age, usually through hiring

back ex-employees as consultants, contractors or bank/agency staff. In some occupations this appeared to be a normalised practice for staff and employers.

## Implications for policy

### Discretion vs rights

- There was little evidence of employers advertising the fact that adaptations to working practices were a possibility even where modifications were willingly implemented in response to individual need. Employers and managers showed a clear preference for responding to changing needs on a discretionary, case by case, basis rather than instituting more standardised rights in the lead up to retirement.
- Managerial reticence in relation to institutionalised flexibility reflects a host of operational obstacles, including shift working, team working, the need to cover specific locations and hours, inflexibility associated with small staff numbers and other business exigencies. Even apparently 'good' employers, who did accommodate particular needs, indicated that they would manage non-standard arrangements only for what they perceived to be a worthwhile reason and provided they were not inundated by requests. Under these circumstances it is perhaps not surprising that few employees make such requests.
- The Flexible Working Regulations extension (2007) broadened the right to request flexible or reduced hours to carers of *dependent* adults if the older parents were living with the carer. There is support for extending the right further to allow all older workers opportunities to downshift as they approach retirement age. Individuals may be more prepared to ask for changes if they feel they have the *right* to make such a request (while recognising that an employer can refuse on business grounds).

### Improved communication

- Employers need to communicate that alternative working arrangements are a possibility and that staff have some degree of choice, and scope to make changes, in the run-up to the default retirement age. Alongside the requirement to write to staff in the year before the default retirement age, good practice might therefore also include routine consultation with staff once they reach, perhaps 60, to establish health and other needs and to alert staff to the possibility of alternative working arrangements, implications for pensions, and the possibility of pension drawdown to support choices.

- Government also needs to better communicate to individuals their rights to and eligibility for flexibility, opportunities for pension deferral, and the option of pension drawdown.
- With adequate two-way communication, supported by legislated rights, employers and employees can better consider their range of options, and thereby make informed preparations for the future.

## Health at work

- In keeping with findings from other studies, secondary analysis of WERS indicated that workplaces with larger proportions of staff aged 50 had a heightened incidence of absences due to work-related ill health (WRI). This implies a need to take steps to ensure that workplace practices and the organisation of work is adapted to prevent WRI which may lead to early labour market withdrawal.
- The Black Review has recently emphasised the importance of occupational health services to prevent job loss. Findings from the study suggest that much work is needed to implement the range of measures proposed following the Black review, including; a national centre for working age health and well being and a challenge fund to encourage local workplace health initiatives. Any take-up of employer led initiatives will be starting from a very low base and will depend upon a widespread change of attitudes. Health is still largely regarded as a private, individual matter and not a concern for employers, beyond specific work environment factors.

## Lifelong learning - whose responsibility?

- While most employers had positive views of the skills, reliability, and work ethic of older people, some felt that the physical demands of their available jobs were incompatible with the recruitment of older workers. Older workers were also regarded as a potential health risk in a number of instances. Other employers had experienced a number of absences attributable to physical demands which were generally seen to become increasingly challenging with age. In terms of policy, therefore, individuals need to be provided with opportunities and, perhaps, financial support, to undertake training and learning in preparation for career change particularly if their jobs involve challenging physical work.
- Small organisations can rarely offer alternative jobs or redeployment and, as a consequence, responsibility for lifetime employability tends to fall to individuals. Improved information and advice on lifelong learning, career

alternatives, training requirements, availability of grants, and where courses are offered, would be invaluable for older workers in this position.

- Being prepared and taking steps years in advance of jobs becoming difficult or tiring would promote smooth transitions to alternative occupations. To this end, employers can play a role by supporting their staff either financially or in terms of leave of absence to enable them to prepare for the future.

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# 1 Introduction

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## 1.1 Background to the research

In response to a number of key demographic and labour market trends, the prospects and experiences of older people have assumed an increasingly high profile within the UK policy agenda. As elsewhere throughout the world, the UK has an ageing population. Europe and Japan are the most affected by these trends, with Spain and Italy predicted to have the oldest populations by 2050 (Taylor, 2008). In the UK, between 1971 and 2006, the population aged 65+ grew by 31 percentage points while the proportion aged 16 and under declined by 19 points. It is anticipated that one-third of the nation will be over age 50 by 2020 (Dean, 2004). At the same time, a declining birth rate is leading to falling support ratios. UK fertility rates peaked at nearly 3 children per women during the 60s 'baby boom' era but fell to 1.63 by the turn of the century. By 2006, there were 3.3 people of working age for every person of state pension age. This ratio is projected to fall to 2.9 by 2031 (Organisation for Economic Co-operation and Development (OECD), 2006; Zaidi and Fuchs, 2006).

Trends in employment among older workers have also caused concerns. A dramatic decline in the labour market participation of men in particular during the 80s and 90s raised the prospect of a pensions shortfall, and the possibility taxable income from those of working age will be unable to meet the pension and other benefit costs of those above state pension age (SPA) in the future. Although people are living longer, they are spending a relatively lower proportion of their lives in work than previous generations due to longer periods in education and 'retirement' at earlier ages. Consequences arise both for the economy and for the ability of individuals to make adequate provision for later life.

More recently, rates of employment have begun to increase again but a number of analysts have suggested that the reversal in trends since the turn of the century have merely reflected a buoyant economy (Bridges and Disney, 2005; Whiting, 2005) and their prospects during the current downturn will become increasingly precarious.

In response to the projected consequences of an ageing population, a corresponding drop in support ratios for pension provision, escalating costs to state benefits, and an increasing number of older people in poverty, extending working life has become a policy priority for government. A range of measures have been introduced over recent years to facilitate and prolong employment including; age discrimination legislation, raised state pension ages, an extension of flexible working regulations to carers, pension and welfare reform. The state pension age will rise to 65 for women between 2010 and 2020. The Pensions Act 2007 made provision for State Pension Age for men and women to increase to 66 between 2024 to 2026, to 67 between 2034 to 2036 and then to 68 between 2044 to 2046. Age discrimination legislation, introduced in October 2006, now gives employees the right to request to work beyond the default retirement age and prevents employers dismissing employees before the age of 65 unless they can objectively justify doing so.

The factors associated with early exit are multi-faceted but the most significant drivers relate to workers' ill health, caring for elderly relatives, and, among the more advantaged, a desire to leave early to pursue other lifestyles and activities. Work-life balance policies and flexible employment (whether working from home, flexitime, reduced hours, career breaks or work adjustment opportunities) can provide the means of prolonging labour market engagement in such cases. As Vickerstaff (2003) observes, changes in retirement behaviour will therefore originate primarily from the demand side – ie employers' policies. In order to enable longer working lives it is necessary to understand the circumstances which facilitate sustained working and the role played by employers.

### **1.2 Health pressures as a driver of early exit**

Hirsch (2005) has identified the need for early interventions to prevent problems associated with long-term sickness, which accounts for half of early retirement decisions. Health problems are widely identified as the most important cause of the decline in employment rates among older workers (Walker, 1985; Meghir and Whitehouse, 1995; Tanner, 1997; Lissenburgh and Smeaton, 2003; Humphrey et al., 2003; Disney et al., 2006; Berthoud, 2006). Indeed around one-third of the workforce is managing a chronic illness by age 50 (Munir et al., 2005). Among older workers in particular, work-related musculoskeletal disorders (WRMSDs) are one of the most common causes of absence and long-term incapacity and despite a wide range of EU directives and guidelines, it has been reported that WRMSDs are increasing (European Foundation, 2006; Sapir and Koukoulaki, 2001). Recent analyses of the English Longitudinal Study of Ageing (ELSA) support these findings and emphasise that the older poor tend to retire earlier than middle income older workers for reasons of ill health and disability (Banks et al., 2006; Banks and Tetlow,



2008). Yeandle (2005) has identified a twenty year 'illness gap' with men in their 50s in unskilled or manual jobs reporting long-standing illnesses to an extent not found among men from professional and managerial backgrounds until their 70s. Amongst men from professional and managerial backgrounds this degree of ill health is not found until they reach their 70s.

### 1.3 Work-life balance and job quality among older workers

Work-life balance considerations remain central to the retention of both carers and the more advantaged workers who are in a position to choose whether to remain in work or not. Others may want more time to travel while they are fit enough or spend time volunteering or on their hobbies – all these require flexible approaches to work. Elder caring roles typically begin between the ages of 45 and 64 (Hirst, 2002) and the ability to reconcile the roles of worker and carer is highly dependent on the availability of flexible working hours or adaptable start and finish times. Support from colleagues and managers is also important (Arksey and Glendinning, 2008). The lowest paid and least skilled, who also tend to have the poorest health, generally exercise little choice and retire earliest (Whiting, 2005). Higher earners, often with good pensions, exercise choice to a greater extent than other groups but also leave the labour market earlier than average. (Banks et al., 2006; Banks and Tetlow, 2008). Among those *choosing* to retire early, often well qualified with professional and managerial backgrounds, their retention is dependent upon job quality, terms and conditions. As these workers pass through their 50s they increasingly have more choice over whether or not to work and:

*'... retirement exerts a significant pull on those who dislike the terms of their current work. If employers make jobs more attractive, offering greater flexibility and control, allowing employees to move to pt and flexible working, to take up new challenges or to downshift in terms of responsibilities without disproportionate financial penalties, workers are likely to stay.'*

(McNair, 2006:492)

A study of the attitudes of 96 men and women aged 60–64 by Vickerstaff (2008) also emphasised the importance of job quality at older ages. She concluded that most of those interviewed felt that they 'had done their bit' and it was now time to rest. The availability of part-time work was not always enough of an incentive to remain with many women in particular bored in their unfulfilling part-time jobs and therefore keen to leave.

A preference for reduced hours or downscaling of responsibilities is fairly widely reported among older workers (Vickerstaff et al., 2004; McNair et al., 2004) but flexible working is not, as yet, widely practised (Loretto et al., 2005) although it is

growing in availability more generally, although mainly for child care responsibilities (Smeaton et al., 2007). The use of flexible or part-time hours to facilitate a more gradual transition from full-time employment to retirement, often referred to as bridge jobs, are claimed to promote well-being, aid the retirement adaptation process, and improve life satisfaction (Kim and Feldman, 2000; Luoh and Herzog, 2002; Goldberg, 2002; Latulippe and Turner, 2000). The evidence so far is that beneficial forms of flexibility are not widely available, although where flexible employment opportunities do exist, working lives may be considerably extended (Barnes et al., 2004; Parry and Taylor, 2007). An ongoing intensification of work (Smeaton and Young, 2007) can also give rise to working cultures that are not conducive to flexible working regimes, escalate stress and can trigger early retirement whether from choice or due to health concerns.

### **1.4 Job typing and age discrimination**

In addition to premature labour market exit, older workers are also at risk of occupational segregation, with implications in terms of job quality, job security, earnings and the ability to save for the future. Roberts (2006) and Taylor and Walker (1994) warn against the segmentation of older workers into low quality jobs as they are diverted away from career occupations in their search for greater flexibility. Occupational channelling can also arise due to widespread job typing by age. In 2004, one-fifth of employers believed some jobs in their establishment were more suitable for certain ages than others (Metcalf and Meadows, 2006). The reasons for preferring particular age groups included: skills and attributes required, reliability, customers' expectations, matching workforce to customer profile, time taken to train/be fully productive, the need for succession planning, job normally done by a certain age group and job not appropriate for someone older/younger. Examining the fate of employees made redundant by an Australian airline, Weller (2008) similarly observes prevalent gender and age typing of jobs and stereotypical views leading to recruitment problems among the over 50s. Not all perceptions of older workers are negative, however. Employers widely view older staff as loyal, more reliable and harder working than younger employees (McNair and Flynn, 2005; Parry, 2008). These positive and negative perceptions of qualities viewed as age-related can contribute to employers age-typing jobs.

### **1.5 The employer's perspective**

While a large body of evidence has explored employment at older ages from the supply side, far fewer studies have contextualised employment decisions by addressing the employer's perspective, thereby leaving gaps in theories of the retirement transition. How are employers responding to issues of health, the demand and need for more flexibility and age discrimination legislation which

outlaws the age typing of jobs? There is a need for greater understanding of the opportunities and obstacles presented by employers. For example, there is a notable lack of evidence on the availability of downshifting opportunities, job redesign, lateral job moves, use of in-house or consultant occupational therapists, or use of health checks – all of which have the potential to mitigate the impact or prevent the onset of ill health. In a recent review of the literature, Phillipson and Smith (2005) also conclude that few detailed studies have been carried out on the extent of flexible working options available to older people.

Recent in-depth studies of employer's policies on ageing include Vickerstaff (2003), McNair and Flynn (2005), and Jefferys and Winkelmann-Gleed (2008). Few instances of strategic age management were encountered in these pre-age discrimination legislation studies but there was evidence that employers were increasingly willing to consider provision of a range of flexible retirement options such as downshifting or redeployment. Developing this body of evidence, the study seeks to explore developments two years after the introduction of age discrimination legislation, and as employers become increasingly aware of the implications of demographic change.

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## 2 The Research Design

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### 2.1 Introduction

The primary aim of the study is to assess the range of schemes and measures introduced to prevent early exit (whether voluntary or involuntary) and to facilitate the employment of staff to pension age and beyond. To what extent is a preventative framework deployed, and under what circumstances do employers struggle to be progressive? The project is designed to explore how effectively and comprehensively different types of employer (eg by size and sector) are responding to workforce ageing. In addition, the study set out to identify progress and ascertain where scope for improvement remains, highlighting whether, where and why employers encounter difficulties, in order to suggest policy solutions.

Qualitative interviews were used to draw out employers' perspectives on age management and the associated problems and opportunities. Depth interviews with directors, human resources managers and line managers allowed for exploration of the motivations for particular strategic age management choices (or lack thereof), the specific problems encountered in particular industrial settings and implementation issues, in terms of the tensions between workplace policies and practices on the ground.

In addition, to provide contextual background information, secondary analysis of the Workplace Employment Relations Survey (2004), (WERS) was undertaken, to build a picture of how age has been managed in a wide range of British establishments.

### 2.2 Secondary data analysis

Analysis of WERS has been used to identify a range of employer policies and practices of significance to an ageing workforce. WERS is a nationally representative survey of workplaces with five or more staff, with an achieved sample of 2,295 managers. The survey permits investigation of health-related policies and

experiences, the institution of flexible working arrangements and the incidence of age-related equal opportunities policies. WERS was conducted two years before the introduction of age discrimination legislation. The survey will not, therefore, be up to date in terms of measuring the prevalence of a number of age-related policies and practices. It will however allow us to identify differences in approach to age-related issues, equal opportunities more broadly and flexible working arrangements across a range of dimensions, including industrial sector.

Highlighting the extent to which employers were 'pro-age' according to a range of measures in 2004, also serves to emphasise the nature and scale of change that was required prior to the legislation in order for British workplaces to become more age neutral. The data allows exploration of how different types of policy and practice cluster and the extent therefore to which a strategic approach is adopted by employers. Finally, the data also permit exploration of the relationship between work-related ill health and a range of workplace practices, with implications for the health and employment retention of older workers. These relationships hold both before and after age legislation.

By means of secondary data analysis the study aims to identify; the range of age-related measures deployed, the characteristics associated with 'good employment practice', the significance of the manual/non-manual divide and to assess the extent to which individual workplaces encounter staff health, absence and ageing-related problems. These analyses will determine the extent to which HR practices related to an ageing workforce are developed in a holistic, strategic manner as opposed to a more piecemeal approach. WERS provides data on the prevalence and distribution of a range of HR policies and practices including: eligibility for reduced hours and flexitime, existence of formal equal opportunities on age, monitoring of recruitment and promotions according to age, recruitment of staff aged 50-plus, policies encouraging applications from older workers, the presence of health and safety committees, incidence of injuries and illness in the workplace, the incidence of performance-related pay (PRP) and long working hours which may be incompatible with flexible working arrangements or a 'healthy' working environment.

WERS also contains a wide range of employer characteristics allowing for a detailed investigation of the type of employer that is responding to workforce ageing and the degree/type of response being pursued. Covariates include: industrial sector, establishment size, public/private, opening days/hours, proportion of workforce aged 50-plus, manual/non-manual divide, union recognition, company age, proportion of workforce female or part-time.

Using WERS data the study seeks to explore 'pro-age' policies and practices such as equal opportunities measures, health and safety committees and flexible working opportunities. Employer characteristics associated with 'good employment

practice' in relation to the recruitment and retention of older staff will also be investigated alongside staff health, absence and ageing-related issues.

In particular, WERS provides the following data of interest to the study of older workers:

- eligibility for reduced hours and flexitime
- existence of formal equal opportunities relating to age
- monitoring of recruitment and promotions according to age
- recruitment of staff aged 50-plus
- policies encouraging applications from older workers
- health and safety committees
- injuries and illness in the workplace
- use of performance-related pay and long working hours which may be incompatible with flexibility or a 'healthy' working environment.

### 2.3 Qualitative interviews with employers

Depth interviews with employers were planned to allow us to explore in detail the motivations for particular strategic age management choices (or lack thereof), the specific problems encountered in particular industrial settings and, where possible, the examination of the tensions between workplace policies and practices on the ground. The aim was to conduct 30 case studies of a diverse range of workplaces.

#### 2.3.1 Sampling

In order to capture diversity of employers the aim was to sample them from a group who participated in a survey commissioned in 2006 by the Equal Opportunities Commission (EOC). The aim of this survey had been to investigate 'the future of work and workplace transformation' with an emphasis on the provision of flexible working arrangements. As well as information on size and sector, the EOC survey data provided the chance to sample on the basis of a typology of employer flexibility that had emerged from the analysis differentiating employers according to their provision of a range of schemes.<sup>1</sup> Employers adopting a strategic approach, offering a comprehensive variety of working arrangements were classified as 'flexible firms' and contrasted with 'inflexible' and 'average' establishments. It was

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<sup>1</sup> Schemes included; ability to move between full-time and part-time work, flexitime, job sharing, term-time working, annualised hours, career breaks, sabbaticals and home working opportunities.

assumed that 'flexible firms' were also more likely to have introduced a range of initiatives designed to allow flexible retirement trajectories and prevent early exits. By contrast, it was assumed that establishments identified as inflexible will also be less progressive in terms of age diversity policies. The final sample sought to ensure that workplaces were distributed across the three conceptual categories of low, average and high levels of flexibility. In this way, the study proposed not simply to identify examples of good practice but also to explore organisations characterised by inertia or that have experienced difficulties or obstacles in implementing an age diversity strategy.

The sampling also had to ensure that a range of sizes and sectors were included. The majority of workplaces are small, employing fewer than 25 members of staff. Large establishments, employing 500 plus staff, are comparatively rare. A large proportion of the workforce is, however, employed in large public and private sector organisations. Thus the study sought to achieve an even distribution of employer sizes and in so doing would over sample large employers. The study also sought a balanced sample in terms of industrial sector (public and private, manufacturing and services) but with some purposive sampling of workplaces known to face unique challenges in accommodating older workers as well as those with a large older worker profile.

Of 920 workplaces that responded to the EOC survey, around three-quarters were willing to be contacted again for research purposes. Permission was granted and letters were sent to all of these employers asking them to participate in the qualitative research and for their data to be linked to the original survey data. Of this number around 80 employers returned the form saying they wished to participate and that we could link their data. Researchers then contacted employers who had responded positively in order to create a diverse sample of organisations. In practice, however, not all employers who had responded positively were willing or available to be interviewed when contacted; ultimately 42 employer representatives in 34 organisations were successfully interviewed. The sections that follow detail the characteristics of these employers.

### **Size (based on number of employees in each establishment)**

We successfully recruited numbers of micro-, small- and medium-size employers in our initial tranche. However, the number of large employers who responded positively to the opt-in letter was low. Several strategies were used to boost the numbers of large employers including making use of the Institute for Employment Studies and advisory group contacts (ie outside the survey) and contacting the head office of organisations where we had interviewed in a small branch or regional centre. In the final sample the spread is well balanced with 10 large employers, 11 medium employers, 6 small employers and 7 micro employers (see Table 2.1).

**Size:**

500+	(3) large
200-499	(7) large
100-199	(2) medium
50-99	(9) medium
21-49	(4) small
10-20	(2) small
5-9	(7) micro

**Employer flexibility**

In terms of the analytical typology of employers, a range of levels of flexibility was achieved, although with a slightly larger number of employers falling into the 'high flexibility' category (see Table 2.1). This was a likely outcome of the opt-in process as high levels of flexibility suggested good practice and a willingness to participate in the research.

**Flexibility:**

1 = Low	(10)
2 = Average	(8)
3 = High	(16)

**Employer type and sector**

The majority of organisations were commercial. Of the statutory organisations, five were schools or Higher Education (HE) institutions, one was a local authority and the other a Primary Care Trust (PCT). The non-profit organisations included providers of care, counselling and support services as well as a sporting association and a Registered Social Landlord.

**Sector:**

Commercial	(20)
Non-profit	(7)
Statutory	(7)

A range of employer types was achieved across the categories apart from the finance category which had a very low positive response to the opt-in letter. The manufacturing and construction category was actively targeted as it was seen to be an industry which might face challenges in employing older workers. The 'Education, health, and other public/personal services' category was large



compared to the other categories because it included all third and public sector organisations.

**Type:**

Agriculture, mining and utilities	(3)
Finance, real estate, other business activities	(1)
Wholesale, retail and hospitality	(5)
Manufacturing and construction	(7)
Transport, storage and communication	(4)
Education, health, other public/personal services	(14)

In the later stages of recruitment a decision was taken, in discussion with an advisory group, to build up a small occupational case study focusing on employers from the educational sector. Five employers come from this sector including a university, a further education (FE) college, a school for children with special needs, a community school and a grammar school. The aim of this occupational case study was to look at the issues of a particular occupational group in more depth, particularly as this was known to be a sector where workforce ageing was a key issue.

Geographical location of the employers was not a key sampling criteria. All the employers were located in England rather than across the UK. In the final sample half the employers were located in the south with the rest spread out across the midlands, the north and east.

### 2.3.2 The interviewees

In sufficiently large establishments the aim had been to carry out depth interviews with both a senior manager and one or two line managers (see Table 2.1). In practice few of the organisations we recruited were large enough to have the necessary management hierarchy to make this possible and where they did it often proved difficult to organise. Senior staff were protective of line managers' time and were often reluctant to put people forward, acting as gatekeepers. Examining the early interviews it had also become apparent that we were capturing similar management differences when we interviewed in small branches of much larger national or multinational organisations. Although we made a number of attempts to interview parent companies and head offices of some of the small branches we had interviewed in, this did not generate further interviews. When it became apparent we would not be able to achieve a large number of line manager interviews, we sought to increase the overall number of workplaces in the sample. The final sample included 12 employers large enough to have line management structures

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in place (defined as over 100 staff) and in six of these we were able to interview line managers, giving us 42 interviews in total. As we were unable to secure multiple interviews in most cases these were therefore mainly depth interviews with employers and their representatives, rather than the organisational case studies we had envisaged.

**Table 2.1: The employer sample, by sector, size and flexibility score**

	Employer	Type	Size	Flexi*	Interviewees
1	Coach company	Transport, storage & communication	200-499	3	Director + HR manager
2	Counselling charity	Education, health, other public/personal services	21-49	3	Director
3	Care charity	Education, health, other public/personal services	21-49	3	Manager
4	Quarry	Agriculture, mining & utilities	5-9	1	Quarry manager
5	Drug counselling charity	Education, health, other public/personal services	5-9	3	Project manager
6	Livery company	Education, health, other public/personal services	50-99	2	Clerk
7	Metal parts manufacturer	Manufacturing & construction	50-99	2	HR manager and officer
8	Software company	Transport, storage & communication	50-99	1	Operations manager
9	County council	Education, health, other public/personal services	500+	3	HR manager, + Manager children's services, + Manager registration coroners services
10	Cabling company	Manufacturing & construction	50-99	3	Director
11	Fishmongers	Wholesale, retail & hospitality	10-20	1	Director
12	Sports association	Education, health, other public/personal services	100-199	3	HR manager
13	Ferry company	Transport, storage & communication	200-499	3	HR manager
14	ICT hardware company	Transport, storage & communication	21-49	1	Managing director
15	Engineering company	Manufacturing & construction	5-9	1	Director
16	Retail pharmacy	Wholesale, retail & hospitality	10-20	3	Pharmacist/manager
17	Age charity	Education, health, other public/personal services	21-49	1	Manager

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Employer	Type	Size	Flexi*	Interviewees
18 Utility company	Agriculture, mining & utilities	200-499	1	Station manager
19 Registered Social Landlord	Education, health, other public/personal services	200-499	3	Manager estate services + manager support services
20 Art college	Education, health, other public/personal services	200-499	3	Head of dept + Head of student support + HR manager
21 Sales company	Wholesale, retail & hospitality	5-9	2	Director
22 Country club	Education, health, other public/personal services	5-9	2	Manager
23 Community school	Education, health, other public/personal services	50-99	3	Business manager + Head of dept
24 Grain manufacturing	Manufacturing & construction	50-99	2	Manager
25 Tree surgeon	Agriculture, mining & utilities	5-9	1	Director
26 University	Education, health, other public/personal services	500+	3	Equality and diversity lead
27 Cleaning company	Finance, real estate, other business activities	100-199	2	Director
28 Building company	Manufacturing & construction	5-9	1	Director
29 Grammar school	Education, health, other public/personal services	200-499	3	Head HR
30 Supermarket	Wholesale, retail & hospitality	200-499	3	HR manager
31 PCT	Education, health, other public/personal services	500+	3	HR director
32 Special needs school	Education, health, other public/personal services	50-99	2	Head teacher
33 Plastics company	Manufacturing & construction	50-99	2	Director
34 Brick manufacturer	Manufacturing & construction	50-99	1	Site manager

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\* 1 = low flexibility; 2 = average flexibility; 3 = high flexibility

Source: IES

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### 2.3.3 Research tools

The interviews were mainly conducted face-to-face to enable the researchers to visit the workplace and understand the nature of the context. Where possible, line

manager interviews were completed on the same day although on occasion a repeat visit or a telephone interview was necessary.

The topic guide covered a range of issues (see Appendix 1) beginning with basic background information on size, occupation, age and gender profiles of staff, HR systems, equal ops policies and context and key challenges. The second section entitled 'the working environment' explored day-to-day practice such as hours, pay, training, appraisal and health with later probing on occupational health issues and preventative practices. The third section focused on flexible working policies and practice, what was available to whom and in what form. Probes explored which groups, older workers, parents, specific occupational groups benefited and why. The fourth section examined specific provision for older workers, exploring definitions of older worker, recruitment, retirement and downshifting. The fifth section focused on age discrimination legislation covering issues such as awareness of changes in practices and difficulties in implementation. The sixth section consisted of two scenarios which explored attitudes to situations. These highlighted individual and group (eg corporate) values and practices by making explicit the rationale underlying certain courses of action. The scenarios focused on two different issues for older workers. One concerned health issues while the other focused on performance management and retirement. The final section of the topic guide was concerned with policy drivers for organisations.

All interviews were recorded and transcribed verbatim. A thematic analysis was undertaken using QSR Nvivo 7 software. Both field notes and transcripts were imported into the software. A coding frame was designed, initially based on the topic guide using mainly free nodes and a first round of coding was carried out by theme and by interview. Later many of these free nodes were sub-coded to create tree nodes that represented more refined categories and further nodes were created to capture themes and issues emerging from the data. Sets were also created to group employers by size, flexibility and sector to provide an analytical tool for searching the data.

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## 3 Employer Types and Flexibility

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### 3.1 Introduction - findings from the qualitative data

This chapter draws on the qualitative research and provides the context to the analysis of employer practices in later chapters. It examines the day-to-day systems and processes of the employers but with a specific focus on the ways in which flexible forms of working were or were not embedded in these practices. Examining what employers defined as 'the demands of the job', the particular sets of constraints necessitated by particular jobs or roles, highlighted the range of practices that may operate within a single workplace, in relation to staff in different occupations. Although older workers are not the specific focus of this chapter, understanding the way employers structured the working day provides an important context to understanding what they were able or unable to offer older workers in the way of flexibility. A number of employer characteristics, namely size, age profile, sector and industry defined the different forms of flexibility offered by the employers and the constraints on flexibility. These are described below and in Table 3.1 and then used throughout the report to understand the common themes for particular groups of employers.

#### Employer characteristics

The **size** of the organisation (ie number of employees) was one important factor in shaping the experience, ethos and practice of employers<sup>2</sup>. Micro or small employers tended to have less wide-ranging experience in terms of employees' ages, and they had more personal relationships with their employees and tended to see less need for policies and formalised systems. For instance these included the electrical engineering company and the photographic small engineering/sales company, which were both family firms. Very large employers tended to have

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<sup>2</sup> The size given in the survey which formed the basis for the employer sampling was not always up to date and an accurate reflection of their size at the time of interview is given in Table 3.1.

more experience of older workers and more opportunity to operate formal systems of flexible working.

The current **age profile** of organisations was also important in shaping employers' experiences and practices. Some employers, particularly micro or small employers or the relatively young businesses, such as the software company, did not have any workers over the age of 50 which meant they had no experience of managing older workers or of staff going through the retirement process (see chapter 6). Others, particularly larger public and statutory sector organisations had an older age profile, sometimes employing few workers under the age of 40. Examples include the county council and the HE institutions. Table 3.1 provides an outline of each employer's age profile.

There were distinct differences between employers in terms of both ethos and day-to-day practices defined by a group of interrelated factors; sector, industry/occupation and related to what employers referred to as 'the demands of the job'. At the **sector** level, the statutory and voluntary sector had more employers operating with part-time workers than the commercial sector although the retail employers were the exception to this rule. Within sectors (although with some cross cutting), **industry** distinguished occupational type such as education, construction, manufacturing, transport and utilities. These often shared a broad ethos or set of occupational norms and assumptions about practical operational issues and more qualitative understandings and definitions such as those regarding older workers. They provided a wider context to understanding recruitment challenges and the likelihood of finding people working after state pension age. Industry-wide skills shortages were sometimes the reason why employers were actively recruiting older people (see chapter 4). In education, changes in teachers' pensions criteria were about to affect people's retirement decisions across the country.

However, perhaps one of the important distinctions for employers in terms of the degree of flexibility they provided was that between white collar office-based work, blue collar manual work and those in a customer/client facing role such as nurses, teachers and retail staff. What we have termed '**the demands of the job**'. This was not an organisational distinction although some employers specialised in one type of work. The majority of staff in the quarry (employer 4), for example, were involved in physical manual work, whilst in the care charity (employer 3) most were office-based, and in the community school (employer 23) many were in the classroom. However, the reality was that most workplaces employed workers in more than one category and this meant that, often informally, they operated slightly different rules and policies for different groups of workers.

The manual work was often operated in a production line or in teams, usually via a shift system which made systems such as flexitime or part-time work impractical

and working at home for this group was simply impossible. This group were also the most likely to be restricted by forms of legislation which determined work conditions and hours. Staff with a customer/client/pupil interface were also restricted in the flexibility available to them. There was little opportunity to work from home and they had to work within opening hours or school hours although there was some scope for part-time or job share within these hours. Finally, office-based work was the most flexible in that in many cases it could be done from home and could more easily accommodate flexitime systems and part-time work (Table 3.1 notes some of these distinctions within workplaces). The second part of this chapter explores these distinctions in more detail in relation to employer flexibility and the potential to extend this to older workers.

**Table 3.1: Background information on age profile and flexibility**

	<b>Employer &amp; size</b>	<b>Description (age profile, flexibility)</b>
1	Coach company (medium)	Family run business providing coaching holidays and local bus services. Around 100 drivers mainly f/t, some flexibility, antisocial hours. Driver age profile some 20s mainly late 40s and 50s and 5 working after state pension age (WASPA).
2	Counselling charity (medium)	Branch of a national counselling charity with around 50 mainly female practitioners and 13 support staff operating day, eve and Saturday am sessions majority work p/t annualised hours. Practitioners 40s and 50s (of whom one working after state pension age).
3	Care charity (small)	Branch of a national care support charity with around 25 staff and 50 volunteers. Mainly women, some f/t and wide variety of p/t hours. Age profile 45 to 58.
4	Quarry (micro)	Branch of a multinational mining company with five male machine operators working f/t, long hours (Working Time Directive (WTD) exempt) and low pay. Age profile 30s and 40s with two approaching 65.
5	Drug counselling charity (micro)	Branch of a national drug counselling and support charity with five f/t male and female staff and six volunteers. Age profile 30 to 60.
6	Livery company (medium)	City of London based charity with education remit, grant giving, industry support and events. 40 mainly f/t staff and 48 regular female casuals in catering working short part-time shifts. Broad age profile but more in 40s and 50s.
7	Metal parts manufacturer (medium)	Specialist parts manufacturer owned by multinational company. 65 mainly male shop floor workers on f/t shifts in skilled welding/metal bashing roles. Age profile late 30s to 50s. Problems recruiting.
8	Software company (small)	Company producing software for the logistics industry. Staff of 40 included developers, analysts, sales and support. Male and female. Flexitime system for all staff. Range of ages but not many older workers. One approaching 65.
9	County council (large)	Wide remit, 500 staff from registrars and coroners to care staff and lollipop people. Range of f/t and p/t contracts vary by occupation. Reputation for being family friendly. Many in 40s and 50s. Trouble recruiting young staff.

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	Employer & size	Description (age profile, flexibility)
10	Cabling company (medium)	Young company with young age profile. 80 members of staff, mostly men in their 20s and 30s laying cables. The work is physically strenuous involves antisocial hours working away from home for blocks of one week throughout the UK. No problems recruiting.
11	Wholesale fishmongers (small)	A family run firm with 10 members of staff; fish cutters and delivery drivers. Close relationships between colleagues who are highly valued. Specialist skills in short supply. The team structure places limits on flexibility which would have to be limited to afternoons for operational reasons.
12	Sports association (medium)	Voluntary sector organisation with 162 staff working as administrators, professionals, managers and sports instructors, two-thirds female. Age evenly distributed but high proportion in their 50s. Minimal flexibility and no flexitime for customer-facing staff.
13	Ferry company (large)	450 staff in a variety of roles from engineers to customer services. Range of ages but many in their 50s. Work on ships gruelling with long hours and often very physical labour. Recruit a lot of people in their 50s due to staff shortages primarily.
14	ICT hardware company (medium)	Installing hardware. 81 staff mostly men working 12-hour shift patterns and 44-hour week, lots of travel and pressurised work environment. Little flexibility. Recession causing problems. Have closed offices around the country and many staff now work from home. Fewer staff in their 50s but some WASAP.
15	Electrical engineering company (micro)	Family business that provides a team of electricians for public authorities. Staff profile: electricians, engineers and admin. Mainly men. No flexible working. Workforce of seven with four family members. Long working hours norm on site. Good pay.
16	Retail pharmacy (small)	Part of a national chain. Retail staff and pharmacist female; delivery drivers male. Mostly 40+, 50-plus; the only exception is the young woman who helps out on Saturdays. Regular part-time hours with flexible informal cover between colleagues for holidays or in case of short-term need.
17	Age charity (small)	23 staff (400 volunteers) mainly in admin. and catering roles. Many over 50 and some over state pension age. Mix of full-time and part-time. Limited flexibility: a management choice.
18	Utility company (large)	200 to 500 staff, mainly men in full-time unskilled and semi-skilled manual work, some admin. and professionals. Some flexibility but limited due to team-based shift work. Good employers in relation to training, phased retirement and health issues with very active health and safety and occupational health staff.
19	Registered Social Landlord (large)	Several hundred staff; mixed age and gender profile across organisation though gendered patterns within individual work areas (eg cleaning, caretaking, support workers, rapid response crisis team, administrative staff). Normal retirement age (NRA) is 65 but some people work on after this. Flexibility varies by work area. Flexitime is generally available within agreed bands, but there is an expectation that people will work extra hours as required to cover colleagues' holidays etc. Gardening staff work annualised hours to meet seasonal demand patterns.



Employer & size	Description (age profile, flexibility)
20 Art college (large)	Mixed gender balance; an ageing workforce with quite a number of people approaching retirement age, few people in their 20s. Teaching, business support and administration roles, catering, building maintenance and cleaning roles.
21 Sales company (micro)	Small family firm with only a couple of employees outside the partners. Two women; one of whom was recruited via a disability employment scheme. Very flexible approach with part-time and consultancy options, but no formal policies on this.
22 Country club (small)	11 employees; mostly male workforce. Mixed age profile. Very little flexibility due to seasonal nature of work - they let holiday chalets and have lot of grass cutting for the golf course in summer. Staff are even encouraged to take their paid holiday entitlement in the off-season. Only office staff have any real flexibility.
23 Community school (medium)	60 staff. Largely female workforce; majority of employees are in their 40s. There is little flexibility for teaching staff, due to timetabling issues, although they do have some part-time teachers. Many office staff are part-time and flexible hours tend to attract younger women with children. Have one teacher working after NRA and regularly employ retired people on seasonal basis as exam invigilators.
24 Agricultural manufacturer (medium)	Mostly male workforce - the handful of women employed are in office roles. The rest are skilled manual operatives, sales and distribution managers. Many are aged 40/50-plus. Flexibility is largely to meet needs of firm - eg annualised hours to manage seasonal peaks and troughs in demand. 24-hour production and shifts limits individual flexibility for operatives, although this is possible for office staff.
25 Tree surgeon (small)	Mostly male; two female staff. All aged under 45, and most in 20s or 30s. Director and admin. assistant, plus skilled manual operatives. No flexibility.
26 University (large)	500+ staff. Admin/business support/marketing/HR, plus academic staff. Fairly even gender and age breakdown; if anything there is a shortage of people aged under 30. Formal flexibility policies, but operational constraints are greater for teaching staff than for administrative staff, and there is a long hours culture among managers.
27 Cleaning company (medium)	Domestic and commercial cleaning contracts on regular part-time but antisocial hours. Mixed workforce; older men and women working after state pension age and younger women with families wanting flexible part-time work. A lot of flexibility regarding reducing hours down to very short hours contracts if desired.
28 Property maintenance company (small)	Mostly male qualified trades (electricians, joiners etc.) on standard hours with overtime available. Few female office staff who have more flexible working hours.
29 Grammar school (large)	A private grammar school with 225 male and female staff. Range of ages, some, WASPA though mainly support staff. Little flexibility for teaching staff, more among non-teaching staff.

Employer & size	Description (age profile, flexibility)
30 Supermarket (large)	Large superstore; part of national chain. Mixed workforce; more men are employed than is usual in retail due to local labour market issues. Wide age profile - no group is over-represented. Most are on permanent part-time contracts. Very wide range of formal policies on flexibility, some of them aimed specifically at older workers; avoids need for informal practices. Cover hardest to arrange for specialist roles such as bakers, butchers and photographic processors, rather than general retail, catering, or warehouse roles.
31 Primary Care Trust (large)	Run NHS services and non-hospital care. Around 400 staff ranging from health visitors and bank nurses to large administrative function. Age profiles vary by occupational group. Enforced NRA means few WASPA.
32 Special needs school (medium)	School for children with learning difficulties or autism also run vocational training for special educational needs (SEN). Around 100 teaching and support staff working mainly f/t. Teachers mainly female and 40+, non-teaching 30s and 40s. No staff over 55.
33 Plastics company (medium)	20 years old, company grown from just 8 people to 72 staff in range of occupations from semi-skilled machine operatives to art and graphics teams, engineers and fitting team who work long hours. Gender varies by occupation. Staff grown with company. Small number in their 50s but none WASPA. Also use agency staff.
34 Brick manufacturer (medium)	66 mainly male staff, four on four off 24-hour shift system working 12-hour days. Main occupations - production operatives (semi-skilled), skilled maintenance staff (electricians, fitters). Age range 17 to 63 no WASPA. Little flexibility. Noisy work.

### 3.2 Formal systems - the context to flexible working

Employers made use of a number of different contractual systems with their employees, which varied in the flexibility they offered. At the inflexible end of the spectrum were full-time standard hours contracts with a fixed start and finish time and little or no opportunity for employees to negotiate a change in hours or reduction of their working day. The majority of this group were micro, small and medium-sized commercial companies. Shift systems operated by some employers (often in retail or manufacturing) tended to be as inflexible as a standard hours contract working on the basis of fixed number of hours per week, usually correlating to full-time hours, at fixed times. For example, the agricultural manufacturing plant (employer 24) operated 24-hour production six days a week. Men worked in crews on 12-hour shifts three days on three days off. Shop floor workers manufacturing metal components worked either the seven to two shift or the two to ten shift 5 days a week and the whole factory closed early on a Friday. In many workplaces operating inflexible full-time hours contracts employees worked long hours, often over 40 hours a week, and in one case a 47.5 hour week with staff operating just below the level of the EU Working Time Directive opt out.

When asked about increasing flexibility for their workers many of these types of organisation felt that this was incompatible with the demands of their work. The utility company argued that:

*'... I need 50 people 24/7, 365, all the time plus all the maintenance staff and so I need those people to be reliably there. If they're not there, you don't get your electricity.'*

Employer 18, large low-flexibility employer,  
Agriculture, mining and utilities

Another employer who installed ICT hardware described the problem of introducing flexibility into the team system they used to deliver services.

*'The lads work as part of a gang, probably a six man gang, you couldn't have one coming on Tuesday and one on Thursday. And they all travel together in the same vehicle wherever they go, so they'll set off from [the North East] at two o'clock on a Monday morning, travel down to London and they'll probably, as a unit, a six man unit, will be there all week so it would be difficult to give anybody flexi working.'*

Employer 14, small low-flexibility employer,  
Transport, storage and communication

These issues were similar for teams working on factory production lines, as each member of the team had a particular role which made it difficult to offer individuals flexibility without this having an impact on the team as a whole. The manager of the agricultural manufacturing plant argued that the only way a shop floor worker could work part-time was if the other members of his team agreed to work more hours to cover:

*'Say to the whole team ok well you've all got an obligation to do some cover for your colleagues, if you would like to sell that cover to this chap here who'd like to go part-time, then we might have an agreement.'*

Employer 24, medium-sized, medium-flexibility employer,  
Manufacturing and construction

Whilst job shares were also possible in this situation and a means of increasing flexibility for staff, employers argued that they cost more. A small number argued that their margins were too tight to make flexible working a practical proposition. The tree surgeon was blunt in his assessment of the financial viability of flexible working for his business.

*'You know if we're gonna keep in work and keep the few people that do work here in work, we can't have that kind of drag on it ... it's just too tight, we haven't got the margins to do these things.'*

Employer 25, micro low-flexibility employer,  
Agriculture, mining and construction

This type of flexibility was not always an issue of employer size, but for some was also about an unwillingness to try something new. An employer of 100–200 staff felt they were too small to operate a flexitime system and this seemed to be as much about concerns about administering a new system than actual knowledge of the issues:

*'People are doing generally a unique job and if they are not there until 11 o'clock you know it just ... it wouldn't really work and we haven't got the resource in HR to keep the timesheets, it would be too complicated; we would have to employ another person just to keep track of the flexitime.'*

Employer 14, medium-sized, low-flexibility employer,  
Transport, storage and communication

At the other end of the spectrum were employers who operated with a significant proportion of staff on part-time (fractional) contracts. In some cases almost all staff were on such appointments. These employers tended to be concentrated in the voluntary and statutory sectors but some were commercial retail organisations such as the supermarket, the cleaning company and the pharmacy.

In many cases these types of employers were offering a high degree of flexibility to their staff. Several of the very large statutory organisations such as the university, the PCT, and the county council had a history of proactive HR policies; flexibility was argued to be embedded in the organisational ethos and they had kept ahead of new legislation such as the age discrimination legislation.

One HE institution for example was part of a national project to look at flexible working and had conducted a staff survey and focus groups to help them understand what practices were in operation and what staff felt they wanted. The county council prided itself on its family-friendly policies arguing that these had played a role in helping them retain staff over the years. A line manager from the council made this point about her particular department where many of the staff worked from home.

*'We don't actually make too much fuss about when they're working because people look at their emails anytime and it's not a problem to us, but it's that high on trust but we haven't found we've been abused so far, and that was probably the only way that we've hung onto staff.'*

Employer 9, large high-flexibility employer,  
Education, health, and other public/personal services

The charities in the sample had a long history of employing people on fractional contracts, often a product of funding constraints. As a consequence they had many years' experience of managing part-time staff often juggling staff hours to suit individual needs. In fact, one charity director felt that at the time she joined, the organisation's level of flexibility *'had gone too far the other way'* commenting that:

*'There's just a lack of realising that the organisation needs you, you know, you're being paid and this is the paid job, you're not just a volunteer so you can't just do what you want to do, it should be about what the organisation needs as well.'*

Employer 3, small high-flexibility employer,  
Education, health, and other public/personal services

However, other voluntary sector organisations echoed their commercial sector counterparts arguing that two part-time posts or a job share cost more than a full-time one and so these arrangements could not always be accommodated within the budget available for a particular post or role.

It was not only the statutory and voluntary sector that offered opportunities for flexible working within their formalised contractual systems. Employer 30, a large retailer, provided an extensive range of flexibility initiatives including grandparent leave, 'Benidorm' leave for older workers wanting to spend their winters abroad, short shifts, seasonal shifts, and store swap for students working at their university town during term-time, although these were offset by low rates of pay.

Not all formalised systems of flexibility operated by employers were designed to benefit the employee. Some were primarily implemented to meet the needs of the business, for example by building some redundancy into a manufacturing system that enabled it to cope with increases and decreases in demand.

Annualised hours contracts, for example, offered employees a set number of hours worked over the year but which could vary over different weeks and months enabling employers to offer bankable overtime and give workers time off in lieu. The degree of control workers had over their hours within these schemes varied, as did their levels of satisfaction with the system. They were often deployed to manage seasonal demands, for instance in gardening and grounds maintenance or where shifts were completely unpredictable. Coach drivers' shifts were the most irregular/unpredictable of all the workers in the organisations visited. They were on a 'fully floating 24-hour day, seven days a week', which essentially meant they could be given a shift starting at 5am on a Tuesday and finishing at 5pm 10 days later if they were required to take a coach party to Europe. However, at the counselling charity (employer 2) all practitioner staff were on annualised hours contracts because it provided a way for staff to manage the process of organising their counselling sessions with clients (and the unpredictability that entailed) whilst being paid an annual salary.

### **3.3 Constraints on flexibility - the demands of the job**

There were broad similarities between employers in different sectors and occupations in terms of their formalised systems and the degree of flexibility enshrined in them. The construction and manufacturing industries, with their long

hours and shift regimes, provided one example where the demands of the job were seen to make flexibility impossible. These beliefs were embedded in a 'not for us' mindset. This quote is typical of such views:

*'Well flexible working hours I think generally applies to office workers doesn't it and people like that? No ... it certainly wouldn't apply on our side ... for our guys.'*

Employer 15, micro low-flexibility employer,  
Manufacturing and construction

However, non-manual sectors with an apparently high level of flexibility could also face such constraints, for different reasons; teaching was an interesting case study in this respect. Whilst many of the education employers had a strong ethos of enabling flexibility among their staff, in practice the fixed nature of the school day made it difficult to allow flexibility to all staff and long lead-in times for timetabling meant it generally took at least a year to implement changes in contract.

*'You know we're actually starting now [autumn 2008] talking to someone for next, you know, September 2009 about the possibility of him going half time.'*

Employer 9, large high-flexibility employer,  
Education, health, and other public/personal services

The head of the special needs school had also unsuccessfully trialled a part-time/job share type arrangement with staff in his unit for autistic children.

*'If you've got special needs youngsters who prefer to have their teacher. I mean we tried it last year, not a job share but we tried two people, somebody who is part-time, no, they were two part-timers, but they both came to me and said, "Please don't do this again it's not working, it's just nonsense".'*

Employer 32, medium-sized, medium-flexibility employer,  
Education, health, and other public/personal services

There could also be something of an implementation gap where HR departments followed flexibility procedures, but then made things difficult for staff in other ways. A line manager at employer 20 (HE institution) gave an example of a long-serving and experienced member of staff who on the one hand had been allowed to work compressed hours (three days into two) but whom HR had treated very poorly in other respects, quibbling about holiday entitlement and pay rates.

*'I don't know what they're frightened of, I think they're frightened of precedents really, I'm not quite sure ... but they've been very awkward about her holiday entitlement, unreasonably so, I think. She was a really experienced person and she was messed around something awful.'*

Line manager, Employer 20, large high-flexibility employer,  
Education, health, and other public/personal services

In several of the education workplace interviews a long hours culture was identified. In another HE institution where it was felt that senior managers in

particular worked very long hours, HR staff pointed out that this intensification of work had effectively made some roles less flexible.

*'We've come across a lot of people who were having to work evenings, but also having to work holiday time as well. Because there were other courses on or teaching going on at times when they wouldn't have done in the past. They weren't able to be so flexible.'*

Employer 26, large high-flexibility employer,  
Education, health, and other public/personal services

Whilst there were shared experiences in different sectors and occupations the amount of flexibility on offer to staff also varied considerably **within** an organisation. Even employers at the flexible end of the spectrum, where formal policies appeared to be embedded, argued that there were some roles in their organisation for which flexibility was simply inappropriate. Several were able to give examples of where they had turned down requests for flexible working usually by returning mothers. The PCT HR manager explained:

*'It's like a receptionist saying, "Can I work two days from home?" The answer to that is, "No, you can't, you need to be at work, you need to come to work".'*

Employer 31, large high-flexibility employer,  
Education, health, and other public/personal services

The software company, similarly, explained that whilst various roles were part-time the main driver was whether the hours suited the role:

*'... there aren't any part-time developers or sales staff, and all of our engineering staff are full-time as well.'*

Employer 8, small low-flexibility employer,  
Transport, storage and communication

Thus, even where employers had formal policies they tended to emphasise the importance of making decisions on a case-by-case basis. The other side of this coin was that many employers with few formal flexible working arrangements who argued that flexible start and finish times and fractional contracts were not practical for the majority of their staff did, in practice, have at least one member of staff working flexibly. In other words, where they saw it as unproblematic for their business, flexible posts did exist. Several manufacturers noted that whilst it was impossible for their shop floor staff to work part-time or flexitime systems, those in the office or those in particular roles could be, and often were, working flexibly. The ICT hardware company had split into different business units and one of these in particular was seen to have potential for flexible working:

*'[name's] business unit allows flexibility within that workload, as long as targets are getting hit, he's quite flexible with regard to the times that they work, as long as they are hitting the targets.'*

Employer 14, small low-flexibility employer,  
Transport, storage and communication

### 3.4 Responding to requests - informal and ad hoc flexibility

Many employers felt that whilst they were not in a position to enshrine flexibility in formalised policies they were good at problem solving on an individual basis and trying to help employees with 'a genuine reason' on an ad hoc short-term basis. These tended to be viewed as issues of discretion and common sense rather than policy and some managers had more freedom than others to use their discretion. The quarry manager, a small cog in a large multinational mining company, had relatively little autonomy and with employees working a 10-hour day, almost no scope for flexibility, but he still tried to exercise some discretion, giving the example of a father and son who worked on his site and travelled large distances to and from the quarry every day:

*'What I do, out of the kindness of my heart, is to say, "Right. When all the work is done ... " I usually knock them off an hour early, something like that, and say, "There you are. That's traffic time".'*

Employer 4, micro low-flexibility employer,  
Agriculture, mining and utilities

The cable laying company (employer 10) also had very limited flexibility but looked for ways to cover if someone needed a day off.

*'We do offer flexibility for lads, need to start early through the week, they might work over a couple of nights through the week so that they can come home on Thursday so we're flexible that way, but we've got to service the contracts, our clients have deadlines it's not a formal arrangement it just varies week to week.'*

Employer, 10, medium high-flexibility employer,  
Manufacturing and construction

Some employers went further than seeing ad hoc flexibility decisions as pragmatic. They identified themselves as good employers with a good relationship with staff which they tried to maintain. In particular, several small employers stressed the importance their size had in enabling them to talk and listen to their staff and meet needs on an ad hoc basis, even where they had few formal policies in place. One director explained:



*'We like to create a nice atmosphere and if there's a problem we talk it through, we try and be helpful; [our] usual philosophy is "the answer's yes now what was the question?" sort of thing.'*

Employer 11, small low-flexibility employer,  
Wholesale, retail and hospitality

Similarly, the manager of the retail pharmacy (employer 16) felt that the friendly co-operative ethos she pursued with staff was an important factor in enabling flexibility on both sides. She had worked with her regular part-time staff to devise a shift system that worked for everyone and people were happy to cover for others as required and take time off in lieu:

*'Most people are very co-operative about that, and holidays, because we work like that I then have the flexibility of people saying "Well I don't mind working one extra day" and then they're only working 3.5 days a week and we're covered [for] holidays reasonably. It works quite easily, it works quite well. I don't actually have many staff problems.'*

Employer 16, small high-flexibility employer,  
Wholesale, retail and hospitality

This was reflected in the formal 'shift swap' system implemented by the large retailer (employer 30) which allowed this type of informal arrangement to be implemented on a larger scale, allowing a form of flexibility which was welcomed by staff and involved minimal administrative burden.

However what emerged strongly from the interviews was that whether pragmatic or ethos driven, requests for flexibility tended to be seen in terms of one off events; weddings, funerals, dentist appointments, hospital appointments, calls from the school, and house-hunting, were all mentioned as examples. Issues requiring longer-term management such as poor health, care responsibilities and older workers wanting to downshift were, with the exception of women returning from maternity leave, a much less familiar scenario to employers and one which they appeared less well equipped to deal with. Chapter 5 explores the issues of flexibility in the management of ill-health in more detail. Some employers had more experience than others of managing employees with health issues and they had generally moved towards a more creative and longer-term approach to adjusting workloads and increasing flexibility. However, it was employers who were generally flexible that were more likely to provide flexible solutions in these types of situation. In the software company, for example, someone with a health problem was allowed to condense his hours.

*'We had an informal arrangement whereby he worked all his hours over four days and didn't work any Fridays because that gave him a bit more time.'*

Employer 9, large high-flexibility employer,  
Education, health and other public/personal services

Similarly, some employers had responded to the needs of carers by implementing flexible working arrangements. Employer 6 (the livery company) with its supportive ethos, and older age profile, had several members of staff with caring responsibilities and had implemented various informal arrangements tailored to help the staff affected:

*'She has to pop out, and when she pops out because her dad lives sort of 40 miles away it's a half day or an early departure sort of thing. So we keep an informal record and it's based on trust but it does work, in a small organisation where you know everybody you can do that. We have been similarly flexible with other people at other times so we have I think we have a precedent of flexible working practices, informally, but we have that culture here.'*

Employer 6, medium-sized, medium-flexibility employer,  
Education, health and other public/personal services

The issue of the types and extent of flexibility offered to older workers themselves is discussed in more detail in chapter 6. A perceived lack of demand together with practical constraints meant most employers did not offer formal packages but tended to negotiate on a case-by-case basis. Most employers whose aim was to support their staff as best they could argued that whatever flexibility they could offer should be open to all their staff regardless of age or parenting responsibilities; with the all-important caveat that it had to be manageable for the business or the organisation.

*'It would just come under our normal flexible working, it wouldn't change because somebody's 65, you know if it was feasible for the business, it would still work for the business then we'd look at doing it.'*

Employer 8, small low-flexibility employer,  
Transport, storage and communication

### **3.5 A culture of flexibility**

The clear divide between organisations that prioritised and supported flexible working and those that saw it 'not for them' was noticeable in the data and although for the most part it reflected very real difficulties, for particular occupations adopting a flexible approach was also partly a matter of organisational mindset. However, it was not a shift that could happen overnight. Several very flexible organisations recounted the transformative nature of the process they had gone through in embedding flexible working into their practices. Employer 1 (bus and coach company) described a Damascene moment when:

*'We realised round about 2000 that the industry was becoming archaic. We couldn't carry on the way we were.'*

Employer 1, medium-sized, high-flexibility employer,  
Transport, storage and communication

They had gone on to look into work-life balance policies and importantly they talked to the staff about what they needed, providing a good example of communication and dialogue with the workers. This resulted in the introduction of a raft of measures and practices, including more support and training for new staff and more flexible contracts for older staff around a retainer system. At employer 9 (the county council) the HR Director felt that there had been some quite substantial cultural shifts over the past 10 years although there were still staff who were resistant to flexible working practices:

*'Some of the male managers who have been here a lot longer find it more difficult to adjust to the fact that actually you can have a job share for their job, you know it can work for his job, it can work. You know he doesn't need to be here all the time perhaps he can work one day at home. But you know it's education and we're gradually getting there, and it's a lot better now than it was ten years ago, five years ago even, it was totally naff to a lot of people the fact that people wanted to flexi, people wanted to work from home, but with technology it has allowed that to happen.'*

Employer 9, large high-flexibility employer,  
Education, health and other public/personal services

The cultural shift and changes in legislation related to requests for flexible working had meant some organisations noticed an increase in requests made by their employees (although not necessarily their older workers) and a greater expectation that their requests will be listened to. The utility company manager noted:

*'We've got far more (requests) now than we've ever had but I think people because of their own work-life balance, and what that means now and how important that is, are requesting that more now because they feel it isn't just going to be pooh-poohed away and employers, like us, who've always been a responsible employer, will consider them and look at it and I certainly haven't turned one down yet.'*

Employer 18, large low-flexibility employer,  
Agriculture, mining and utilities

Probes during the interview may have been the first time an employer had given any real thought to how flexible working might apply to more than a small segment of staff. Employer 7 (the metal manufacturer), for example, ruled out part-time work for shop floor staff on the basis that it was impractical, but when probed on the possibility of job share for those roles, did acknowledge that it would be feasible. However, as the more forward-thinking employers had already

argued, these were not changes that would happen overnight, particularly in changing occupational norms and entrenched beliefs.

Occupational cultures and norms around flexibility were also strong amongst employees and some employers argued that in their industry few employees had any expectation that flexibility would be available. Employer 28 pointed out that no one had asked for flexible working, partly because none yet had families, but also because their priority was to work as many hours as possible, rather than fewer.

*'No one has actually enquired about it or I got the feel they were [going] to enquire. The majority of the people in the building industry itself on the site side realise that the hours, they have got to be on top of hours.'*

Employer 28, small low-flexibility employer,  
Manufacturing and construction

In workplaces where there was an overtime culture and an emphasis on maximising available earnings, employers' attempts to reduce working hours may be met with resistance, as this employer pointed out:

*'Instead of Saturday morning being your maintenance period ... we'll perhaps knock off midday on a Friday, and use the Friday pm for the maintenance period and not bother coming in on a Saturday. So reducing the total man-hours. But then you'd probably have a situation whereby everybody's gonna see a cut in wages, so they're not gonna wanna go that route.'*

Employer 4, micro low-flexibility employer,  
Agriculture, mining and utilities

By the same token those who staffed charities and public sector organisations are more likely to be women looking for flexible part-time work that would fit around school and holidays and as the head of HR in the local authority (employer 9) pointed out, of the very small number of staff who had requested flexible working, almost all were women.

### 3.6 Conclusions

This chapter has focused on the various processes and systems employers utilised in managing their workforce. Flexibility was not something employers did or did not offer, rather it took a variety of forms some of which were formalised in policy and systems (part time work, flexi-time, working at home) but many were simply ad hoc solutions to particular needs of both the employers and the employees (letting staff leave early to visit elderly parents). The extent to which and ways in which these flexible work practices were made available was shaped by a whole range of factors from size through to the demands of a particular role. Some employers offered considerable flexibility to staff in one area of the workplace but

not those in another. Others were only able to offer one form of flexibility others offered a range. Perhaps most importantly whilst most employers were keen to be seen to be doing the right thing there was a distinction between those for whom flexibility was part of an occupational culture and those for whom it was an ad hoc response to a one off need. In the less flexible cultures, particularly those in the construction and manufacturing industries, it was not only the employers who were reluctant to change their practices, their workers shared these norms and as a result few demands were made. As the more forward thinking employers noted from their own experience, such cultures took many years to change.

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## 4 Recruiting Older Workers

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### 4.1 Introduction

This chapter looks at employers' views, practices and experiences of recruiting older workers, and the factors which influence these. Age discrimination is one of several significant factors associated with the decline in labour market participation as men and women enter and progress through their 50s (Taylor and Walker, 1998; Arrowsmith and McGoldrick, 1996). Exclusionary mechanisms arise from: recruitment practices which prevent entry by older workers, redundancy criteria, retirement policies and other workplace terms which affect retention. During the recessions of the 1970s and 1980s older workers were among the first to be made redundant, with unions supporting early retirement solutions to workforce management problems (Stoney and Roberts, 2003; Taylor and Walker, 1998). Once unemployed, the over 50s remain unemployed for the longest periods of time. This reflects, in part, age discrimination in the recruitment behaviour of employers (Taylor and Walker, 1994; Arrowsmith and McGoldrick, 2001). More recently, McNair et al. (2005), found a greater willingness by employers to take steps to retain older members of staff but found little evidence that employers were more willing to recruit older workers.

The type and prevalence of discrimination varies according to the characteristics of employees, their jobs and the industry in which they work (Duncan and Loretto, 2003) but gender and age typing of jobs is nevertheless widespread (Weller, 2008). Stereotypical views lead to recruitment problems among the over 50s and a reduced incidence of training among those in work. Not all perceptions of older workers are negative, however. Employers also widely view older staff as loyal, more reliable and harder working than younger employees (McNair, 2004; Parry, 2008). It is also increasingly recognised that there is a strong business case for companies to sustain a diverse workforce in the face of intensified competition for custom (Kandola and Fullerton, 1994; Thorne, 2000). Recent buoyant economic conditions have generated a highly competitive environment in the search for staff.

Consequently, a number of strategies have been adopted to recruit and retain suitable workers, including the acceptance of diversity, ie social groups that deviate from the benchmark of 'fit white male' (Duncan, 2003). Diversity, albeit variously defined, has thereby become a goal for many British employers, driven in part by labour shortages but also demographic change. This may, however, be subject to rapid change in the current adverse economic conditions.

Based on analysis of WERS, specific issues addressed in this chapter include the extent to which equal opportunities policies are implemented and the characteristics of employers with formal equal (age) recruitment opportunities. The chapter also presents findings from the interviews in relation to employers' views of older workers, their recruitment practices and the factors which increase and constrain the recruitment of older workers.

## **4.2 Equal opportunity policies and age discrimination - findings from quantitative data analysis**

In 2004, many employers operated general equal opportunity policies in relation to age. Fewer implemented specific mechanisms to prevent age discrimination, such as the monitoring of recruitment, promotions or pay by age. The use of special measures to actively target older workers for recruitment was rare. Table 4.1 shows the incidence of a number of such policies and practices. Less than one-third of employers had formal, strategic plans for diversity which would include age, ethnicity, gender and other employee characteristics (29 per cent). Two-thirds of employers, however, had a formal equal opportunities policy (66 per cent). Employers are, therefore, widely committed at a formal level to ensuring a level playing field in the recruitment and development of staff, regardless of age, sex and ethnicity. Far less widespread are strategic objectives to achieve a diverse workforce, balanced in terms of age, ethnicity and sex. This may well change in future years, given that age discrimination legislation was not implemented until 2006.

Around half of all workplaces (54 per cent) had a formal equal opportunities policy in relation to age – a similar proportion to those with policies applying to sex, race and religion. The much lower incidence of employers who actively monitor recruitment, promotion and pay rates for age discrimination, however, suggests that many of the age-related equal opportunities policies are aspirational rather than focused organisational objectives. Less than one-fifth (18 per cent) of employers monitor their recruitment procedures and outcomes for age discrimination. Far fewer monitor their promotion practices for direct discrimination (eight per cent) or indirect discrimination (eight per cent). Just five per cent of employers review their pay rates according to age. In each case, the proportion of employers which monitor their policies and practices in relation to age is very similar to the

proportion monitoring for ethnic group, sex and disability. Overall, only nine per cent of employers have measured the impact of their equal opportunities policies, giving rise to the possibility that employers are merely paying lip service to progressive employment policy.

**Table 4.1: Proportion of workplaces with equal opportunities or diversity strategies**

	%
With any formal strategic plans	64
Plans for diversity	29
Investor in People award	35
<b>Groups targeted for recruitment</b>	
Mothers	9
Women	6
Ethnic groups	8
Older workers	5
Disabled	9
Has formal equal opportunities policy	66
Policy applies to sex	56
Policy applies to race	55
Policy applies to age	54
Policy applies to religion	52
Policy applies to disability	48
Have measured impact of equal opportunities policies	9
<b>Monitor recruitment for discrimination</b>	
By sex	19
By ethnic group	19
By disability	19
By age	18
<b>Monitor promotions for discrimination</b>	
By sex	8
By ethnic group	8
By disability	7
By age	6
<b>Review pay rates</b>	
By sex	6
By ethnic group	4
By disability	3
By age	5

*Source: authors' calculations*



A small proportion of employers use special procedures to actively target particular categories of worker for recruitment. The most common target groups are mothers, disabled people and minority ethnic groups, actively pursued by eight to nine per cent of employers. The least common target groups are older workers and the unemployed, sought by five per cent and four per cent of employers respectively. Industries most likely to target older workers for recruitment (not shown) are Transport and communications and Financial Services (eight per cent in each case) and Public administration (nine per cent). The retail and wholesale sector has been repeatedly cited as an industry keen to employ older workers, yet within this sector just five per cent of employers claim to target older workers.

Having described above the incidence of a range of equal opportunities policies, the characteristics of employers which formally deploy equal (age) opportunities and monitor recruitment by age are explored. As indicated above, equal opportunities policies with reference to age are found in around half of all workplaces. This proportion increases dramatically as the size of the workplace increases (Table 4.2, column 1). Age-related equal opportunities policies are found most typically in the public sector (84 per cent), in unionised workplaces (81 per cent) and in financial services (84 per cent), public administration (83 per cent), education (79 per cent) and health sectors (73 per cent). They are notably less prevalent in manufacturing (26 per cent) and in hotels, restaurants and catering sectors (34 per cent). Their incidence also declines the larger the proportion of blue collar workers in the workplace. Workplaces with very few older workers (1–9 per cent) are among those most likely to have age-related equal opportunities policies (71 per cent). It should be noted however that age-related issues span the youngest to oldest age groups and the Employment Equality (Age) Regulations 2006 seek to eliminate discrimination against employees of all ages. Objections to the legislation have been raised recently precisely because they fail to respond to the specific needs of older workers as a special case (Duncan, 2008).

Far fewer workplaces actually monitor their recruitment practices to ensure they do not discriminate according to age (18 per cent). In this sense, pro-age employers are most likely to be large, unionised, in the public sector or in financial services, public administration or the health sector. Recruitment is least likely to be monitored for age in the retail, manufacturing and business services, in the private sector, in workplaces with larger proportions of blue collar workers and in workplaces dominated by men.

Table 4.2: Characteristics of employers associated with pro-age recruitment policies

		Equal Opps by age	Monitor recruitment by age	N
All workplaces		54	18	2,295
Size	5-25	48	16	666
	26-50	62	23	330
	51-100	80	24	301
	101-500	87	29	584
	501 plus	94	43	414
Sector	Private	51	14	1,370
	Public	84	40	457
	Other	48	21	468
Industry	Wholesale/retail	49	13	321
	Manufacturing	26	12	310
	Electricity, gas, water	65	32	45
	Construction	48	20	113
	Hotels, restaurants	34	15	111
	Transport, communication	47	21	144
	Financial services	84	29	130
	Other business services	52	10	280
	Public admin.	83	41	137
	Education	79	27	208
	Health	73	29	353
	Other community	68	24	143
% Workforce blue collar	None	57	20	1,674
	1-29%	47	13	340
	30+ %	37	10	281
% Workforce 50-plus	0%	57	16	280
	1-9%	71	23	371
	10-19%	56	18	529
	20-29%	52	21	548
	30-39%	42	14	312
	40+%	45	18	255
% Workforce female	0%	23	12	48
	1-24%	45	12	535
	25-49%	47	16	449
	50% +	61	21	1,263
Union recognition	None	46	15	1,240
	1 or more	81	29	1,055

Source: authors' calculations

In order to investigate the issue of equal (age) opportunities further, multiple regression techniques were used to determine how important various factors were in influencing a pro-age stance. The bivariate ('two way') analyses, shown in Table 4.2, indicated the importance of a variety of employer characteristics. In order to assess whether each of these factors remain important when all are considered at the same time, multivariate analysis was performed. The regressions are reproduced in full in Appendix 2. Summary findings are presented in Table 4.3 indicating simply whether the factor is significantly associated with equal (age) opportunities and whether the relationship is positive (a greater likelihood of age equality policies) or negative (a decreased likelihood).

**Table 4.3: Employer characteristics associated with equal (age) opportunities - results based on logistic regression modelling**

<b>Size (base: 5-10)</b>	
11-49	NS
50-plus	Pos
<b>Proportion of workforce aged 50-plus (base: 0)</b>	
1-9	NS
10-19	NS
20% or more	Neg
<b>Proportion of workforce employed in teams (Base: 1-39%)</b>	
41% plus	Pos
<b>Industry (Base: retail/wholesale)</b>	
Manufacturing	Neg
Hotels and restaurants	Neg
Transport	Neg
All other industries	NS
Percentage workforce blue collar	NS
The higher the proportion of women in the workforce	Pos
Union representation	Pos
Pay reflects years of service	Pos
Pay reflects years of experience	Neg

NS: No statistically significant differences

Pos: Positive association

Neg: Negative association

Employer pension scheme not included as no data gathered on whether employers operate a defined benefit or a defined contribution scheme

*Source: authors' calculations*

Consistent with the bivariate findings reported above, the logistic models indicate that larger workplaces with union representation and higher proportions of women in the workforce are all more likely to have implemented equal (age) opportunities policies. Conversely, compared with all other industries, workplaces in the manufacturing, transport, hotels and restaurant sectors are all less likely to be pro-age in relation to equal opportunities as are workplaces comprised of 20 per cent or more older workers aged 50-plus. The latter finding may appear counter-intuitive, but larger proportions of older workers may reflect internal labour markets (ILMs) designed to prolong the retention of staff with firm-specific skills and knowledge. Employers using ILMs are less likely to recruit older, experienced workers, favouring younger candidates for entry-level jobs.

The models added a number of additional employer characteristics thought potentially to be associated with the probability of pro-age policies. Roberts (2006) explored the interaction within teams between staff of different ages. Teams were found to divide labour along age lines in a manner that contributed to the optimal functioning of mixed age teams. Where younger staff were deployed in more physically strenuous roles, older members were a crucial source of craft and firm-specific knowledge and experience. The extent to which this model of mixed age teams applies more broadly to all industrial settings is unclear but modelling sought to establish whether the presence of team-based working practices was associated with a willingness to recruit older, more experienced staff to ensure an optimal balance between complementary skills and abilities. To some extent the findings supported this perspective – where more than two-fifths of the workforce were organised into teams, pro-age policies were significantly more prevalent.

A number of studies have demonstrated the negative relationship between incremental pay scales and the probability of recruiting older workers. Hirsch et al. (2000) found that steep wage tilts led to a depressed incidence of older worker recruitment. Managers are said to recognise the importance of older workers' experience, training roles, technical and firm-specific knowledge and use deferred compensation, occupational pension schemes and internal labour markets to retain knowledge and corporate memory. These attributes cannot necessarily be obtained by hiring external older applicants who lack firm-specific skills and familiarity with firm-specific managerial cultures (Daniel and Heywood, 2007). Organisations with deferred compensation schemes, steep wage tilts and internal labour markets therefore view older workers as '*expensive relative to their expected productivity*' (Daniel and Heywood, 2007: 36; Hirsch, 2000). In the US, it is claimed, age discrimination laws have reduced the incidence of early retirement and increased the length of employment, but have not influenced the probability of older workers being hired (Adams, 2004). Two pay determinant measures are used to assess the impact of payment systems on equal (age) opportunities policies (which are not an exact measure of the probability of recruiting older workers but

do indicate orientation toward older workers). The first payment system, where earnings reflect length of service, is not expected to act as a deterrent to pro-age policies as new recruits, regardless of age, can expect lower starting salaries than similarly qualified longer serving staff. By contrast, it is expected that employers who pay their staff in accordance with experience, may be less inclined to recruit more expensive, highly experienced older workers. The findings support the suggestion that 'cost' is critical. Where payment structures reflect the degree of experience held by staff, employers are less likely to have implemented pro-age policies whereas in workplaces operating a system of payment according to length of service, their orientation toward older workers is enhanced.

Turning to the qualitative findings, our sample of employers included some which had formal equal opportunities and some which had none; only a few of these policies appeared to be actively monitored, especially in relation to age. Employers were also asked about the age discrimination legislation and the extent to which it had impacted on policies and practice. The following section draws on the qualitative data to explore the impact of the legislation, employers' views of older workers and their recruitment practices.

### **4.3 Impact of the age discrimination legislation on employers - findings from qualitative data analysis**

The majority of employers were familiar with the legislation although they differed in the extent to which they understood the detail of it and had engaged with it in a proactive way. The small group of employers who were less engaged tended to be the younger companies with a younger age profile or branches of larger organisations where policy was managed by head office. Several of these admitted that their knowledge was vague.

*'I'm briefly aware of it and I know people shouldn't discriminate and they don't ask for your age on application forms and all that sort of stuff ....'*

Employer 5, micro high-flexibility employer,  
Education, health and other public/personal services

The majority of employers had actively engaged in some way with the legislation, either reading literature sent to them by their head office, or attending seminars run by ACAS or local solicitors. Few mentioned having to make changes as a result of the legislation and where they did this was usually associated with the procedure around retirement rather than the wording of job adverts.

As chapter 3 highlighted there were a group of 'progressive' employers who felt that they were ahead of the game and had already been implementing policies which were in line with equalities policies. Employers in this group tended to be the medium and larger employers with qualified HR staff. Indeed employer 6 (the

livery company) acknowledged that a move to a professional HR function was vital given the increase in complexity of employment law.

*'... something which we didn't have five years ago and that is a part-time CIPD qualified lady doing our HR and this is a big development. Employment law is the biggest growth area in law as you know and we found there was so much coming through that we had to do something.'*

Employer 6, medium-sized, medium-flexibility employer,  
Education, health and other public/personal services

A dedicated equalities post or role (again found in the large public sector organisations in particular) also indicated active engagement in age positive initiatives on the part of employers. The county council was part of the 'employers forum on age' and the university had produced a series of leaflets on equality to raise awareness amongst staff as well as bringing discussions around age into their induction and training programmes. For others, engagement was driven primarily by legal concerns, the letter of the law as opposed to the spirit of the law. The PCT had a close relationship with solicitors, from whom they took their advice on implementing appropriate systems.

*'We have solicitors and part of our Service Level Agreement with them is that any new legislation, from time to time we will go and attend and it will be attended by a number of NHS organisations, so we upgrade ourselves, we understand what systems need to change, and now because of the age discrimination, there's a system in place.'*

#### 4.4 Employers' views of older workers

Recruitment of older people is likely to be strongly influenced by the views employers hold about them. Depth interviews with employers explored their perceptions of older workers and the potential benefits or disadvantages of employing people in older age groups. As in the wider literature, positive qualities which employers associated with older workers were reliability and a strong work ethic, and these were cited by almost all of those interviewed irrespective of sector, size or occupational norms in a particular workplace.

*'... they are reliable, they are ... they will get up in the morning and they will turn in and you know they have got wisdom, you know, they are wise and they are easier to manage.'*

Employer 8, small low-flexibility employer,  
Transport, storage and communication

Companies for which reliability and punctuality were crucial, such as those offering transport services, argued that these qualities were more often found among older than young employees. Some employers also felt that the general

standard of education, including literacy and mental arithmetic, among older workers was superior to that among young people. Older workers were also widely perceived to have a maturity of attitude and the ability to cope under pressure developed from life experience.

*'It is about life skills and ability to handle customers. And I'm generalising a little bit here, but generally older people can handle those sort of complaining customers and have a bit more of an understanding about what people expect as a customer.'*

Employer 30, large high-flexibility employer,  
Wholesale, retail and hospitality

Those employers who had particularly positive views of older workers tended to cite experiences or role models which supported these, including examples of highly valued former or current employees or colleagues, being in an older age group or working past state pension age themselves, or having a parent in one of these categories.

Very few negative views about older workers were expressed by the employers interviewed, which is unsurprising, given the nature of the sample and the legislative context for the research. Those issues which were discussed tended to centre on aptitude and skills, attitudes, the physical demands of the work, and health problems.

Employers did tend to feel that there was some truth in the rather widespread negative stereotype about older workers being less familiar with IT, and possibly less willing to engage with it.

*'There is no doubt that it isn't just a cliché. The youngsters come in and they'll get straight into the computer screens and start driving the plant about whereas the guys in the mill, they will sit in the control room and be oblivious to the fact that something has blocked up.'*

Employer 24, medium sized, medium-flexibility employer,  
Manufacturing and construction

This issue is explored in more depth in chapter 6. However, employers felt that these skills were not essential for many of the posts they needed to fill. One employer, for whom this was a core requirement of the job, made a distinction between the actual use of basic IT skills, which was not seen as a problem among the older workforce, and the 'black box' of technical software development; few people over 50 were felt to have these specific skills, simply because of a cohort effect – they were not widely developed, used or taught at the time this group of employees trained.

Employers sometimes commented that older workers could be generally 'set in their ways' in terms of their social attitudes, and could lack sensitivity to equalities issues or at worst, be overtly prejudiced; 'old-fashioned views' and negative

attitudes towards ethnic minorities were mentioned in this context, as was a lack of tolerance in dealing with young people. One transport company was running courses specifically addressing this latter issue, because it had caused problems in their day-to-day work.

Some employers discussed the potential impact of health problems as a factor influencing recruitment decisions. One transport company faced considerable difficulty recruiting drivers and was an enthusiastic employer of people in their 40s and 50s, who made up the bulk of their workforce. However, the manager noted that the compulsory medical associated with licence renewal for drivers in their 60s, although a vital safety measure, in practice tended to limit recruitment of workers approaching 60, as there was no guarantee of a good return on investment in their training:

*'If I train somebody at 60 I am only guaranteed three years because I don't know whether they are going to pass the medical.'*

Employer 1, medium-sized, high-flexibility employer,  
Transport, storage and communication

Small employers also face particular difficulties in this respect, which may cause them to be risk-averse in recruitment. One small voluntary sector organisation (employer 17), with exemplary policies towards older workers, and with several employees over 50, explained that they were *'very careful about who and how we recruit'*. Some of this was related to concerns about ensuring a good fit with the organisation, which was seen to have distinctive values and ways of working, but the potential impact of ill health was also a factor, as the interviewee noted, *'I suppose the biggest risk is illness'*.

Other employers gave examples where they had taken a calculated risk because of the perceived value of the recruit to the organisation. One described a recent recruit who he saw as offering particular experience and skills which other candidates lacked, whom he had hired on a trial basis, saying:

*'The only downside was, I've taken a flyer on him, his health is not very good, but he did make the point and he was honest enough to say, because I know it could come and rebound on us, but we've got 12 months to see how he goes.'*

Employer 33, medium-sized, medium-flexibility employer,  
Manufacturing and construction

Although the incidence of ill health does objectively increase with age, this was rarely raised by employers as an issue in relation to recruitment. Some argued that this had not been their experience, and that they had dealt with health problems across the age spectrum.



*'I can't see why an older workforce matters, what matters is, if yes somebody was off sick a lot, but that can happen to anybody at any age and you know people tend not to get any more ill in their 60s than they do in 30s, I don't know, not in my experience anyway.'*

Employer 2, small high-flexibility employer,  
Education, health, and other public/personal services

Other employers acknowledged that there was more serious or chronic illness among the older workforce, but that this was balanced by lower short-term absence, and was an issue that could be managed effectively, in the same way as maternity and parental leave is dealt with for those of childbearing age. There was a sense of both pragmatic trade-offs and issues of equity and social justice in how some employers thought about the varying health and care needs of different age groups.

Much has been written about the discriminatory potential inherent in large rises in insurance covers for older workers, which may have a disincentive effect on employers. Few of the employers in our case studies had experienced this as an issue, but for those which had, it was quite a significant factor, although none admitted that it had a direct influence on their recruitment practices:

*'I mean there are, there is one cost implication to us which we take on the chin and that is our private medical insurance. We don't say, you know, once you get past 65 we are not going to give you it, we offer it to them but it costs us twice as much as it costs everybody else so there are implications for the company in that respect.'*

Employer 13, large high-flexibility employer,  
Transport, storage and communications

There was little evidence of overtly discriminatory views or practices among the employers we interviewed, and this is unsurprising, because of the potential for self-selection by companies as a result of the methodology. Nevertheless, there were a few instances which appeared to suggest a 'blanket' approach to age, which is likely to have discriminatory effects. Employer 25, for instance, said that he had never recruited anyone over 40, and had no intention of doing so, since he felt that the work was only suitable for younger people. Employer 6 observed that applicants in their 40s or older had to be *'at least as good'* as younger candidates, commenting that, *'We have taken on staff in their 50s as well, where they've been the exceptional candidate.'*

## 4.5 Employers' recruitment practices

The employers we interviewed adopted a variety of recruitment methods, including national and local advertising, the use of Jobcentre Plus and other recruitment agencies, and word of mouth and informal practices. In some larger employers, appointments at certain grades were recruited nationally or regionally

and the others locally. Most employers claimed to be age neutral in their recruitment practices. A typical comment was:

*'It's never been an issue and I can't ever see it being an issue because it doesn't matter how old you are, if you can do your job, you can do your job.'*

Employer 8, small low-flexibility employer,  
Transport, storage and communication

In one case an HR manager recalled a good candidate for a post who had unhelpfully made frequent reference to his age as a potentially negative factor during the interview; however, this had been overlooked, as he was a good candidate.

*'I always think of a man I once interviewed and throughout the interview he kept saying, "Well I know I am old, but I can do the job", and a bit later, "Yes I know I am old, but I have done ... ", and he kept doing this and he knew his work he was interesting to listen to, he was really good but he kept saying "I know I am old" and when I looked at his papers later on and looked at his age, he was a year younger than me, and I was mortified. We did give him a job. We gave him the job because apart from this, he was super and he proved absolutely great in that post.'*

HR manager, Employer 20, large high-flexibility employer,  
Education, health, and other public/personal services

There were a number of factors which might have contributed to this – the fact that this was an employer with comprehensive and well-documented equal opportunities policies, skills shortages faced by the employer, and the HR manager's own age and career history.

Employer 30 (large retailer) recognised that its recruitment practices were quite distinctive, involving group exercises that might be 'quite alien' to some people, including older workers and those who have been out of the labour market for some time, who might only have experienced formal interviews. They took care to explain the nature of the task in detail, noting that once they had done so older people performed as well as other candidates. This employer had also become involved in running workshops at the local Jobcentre Plus office to allow unemployed people to become more familiar with these requirements.

A number of employers referred to the necessity of making sure that their recruitment practice met the requirement of the law. This included issues such as ensuring that there is no mention of age on application forms, which some employers had already implemented prior to the legislation. There was a lack of clarity among some employers about what is now legally permissible in terms of advertising. Some referred to the debate about whether terms such as 'dynamic' should be avoided because they are suggestive of youth. Others wished that they

were still able to suggest a maximum age for recruitment, as they felt that this would be more honest about the reality of their practices.

A couple of line managers in the case studies had encountered a degree of resistance from HR staff in relation to their wish to hire older workers, and experienced them as risk averse. However, although they spoke of 'raised eyebrows' about their decisions, they had been successful in recruiting the person they wanted, and they had not experienced problems subsequently.

A point made by several interviewees was that few people now remain in one job for very long periods, so there is less disincentive than before for employers to recruit someone who may be within 5–10 years of retirement, since they would expect turnover within this period in any case; some argued that retention rates are actually higher for older age groups:

*'To be honest if you recruit someone at 55, they are much more likely to stay for five or more years than if you recruit someone at 23.'*

Employer 1, medium-sized, high-flexibility employer,  
Transport, storage and communication

Another issue raised was that the rapid increase in mechanisation had changed the nature of some jobs, reducing physical demands, and making them suitable for a much wider age range than previously.

## 4.6 Factors increasing the recruitment of older workers

Some types of work could be regarded as offering traditional or niche employment for older people, offering part-time, flexible work. At one end of the spectrum these include specialist roles which can be carried out on a part-time or freelance consultancy basis and at the other, low-skilled roles such as light manual assembly, part-time retail sales and domestic and office cleaning. Employers who needed to fill both these types of roles did tend to actively target older people, often using word of mouth and industry networks as well as formal channels; they also naturally attracted applicants from older age groups. Employers with specific needs, whether or not these involved particular skills, had a keen sense of what an older worker could 'bring to the party'. Older people with appropriate skills and experience were also seen as being at a distinct advantage in those sectors with a heavy reliance on personal contacts and industry-specific experience.

Some employers described skills shortages that had been instrumental in increasing their level of demand for older workers. Schools faced particular shortages in relation to teachers of English, Mathematics, Classics and Modern Languages, and were increasingly hiring overseas staff. Some had actively started to encourage former teachers, often from older age groups, to apply for these roles. Some higher education employers noted a shortage of recruits for middle management posts,

because of higher pay rates available in the private sector locally. This again tended to mean that people from older age groups applied and were appointed, more because there was less competition for posts than necessarily as a result of any active strategy on the part of these institutions. In fact some had an ageing staff profile, which might have predisposed them to take on younger employees if available.

Changes in the labour market and the structure and delivery of vocational training were seen to have led to a shortage of many traditional skills, which are now, as a result, mostly to be found in the older workforce. Examples of the type of jobs that employers struggled to fill were welders, electricians, engineers, bakers, butchers, coach and bus drivers, fishmongers, photographic processing (traditional and digital) and marine staff. Older and retired people were also routinely targeted for part-time work involving specific skills; employer 21, a specialist engineering and sales company referred to putting out *'feelers'*, commenting that:

*'We didn't go to an agency; that sort of person wouldn't be going to the Job Centre.'*

Employer 21, micro medium-flexibility employer,  
Wholesale, retail and hospitality

Some employers argued that older workers were also preferable for certain types of roles, including supervisory and management roles and those requiring crisis management, such as the 24-hour mobile response unit operated by a registered social landlord, although this tended to mean people from the age of 30 onwards rather than necessarily in their 40s or older. Examples of supervisory roles cited included heads of department in schools and colleges and foremen in skilled trades, where this was felt to be partly a question of experience and partly a matter of being able to command authority and respect among the staff team:

*'I actually took on a working foreman last week – someone 17 years, 18 years old wouldn't suit that job. So this guy is mid-40s he has had 20 years plus experience. So for the likes of that, yes, the older person is the best person because he's had the experience of it. It's the knowledge; other people respect someone if they know that they can do the job. It's no good someone coming and saying, "You are cutting that bit of wood wrong", if they don't know how to do it themselves.'*

Employer 28, small low-flexibility employer,  
Manufacturing and construction

Several employers also gave examples of benefits in having an older workforce which matched the demographic of their customer base; for instance the retail pharmacy and the country club, both of which served an older clientele. This was seen to facilitate empathy and trust, and improve the social aspect of the service provided, as this quote illustrates:

*'I mean our customer base just because of general demographics, you know, our patient group is either mums and babies, or older people. I mean that's the way community pharmacy is, and the mums and babies trust the older ladies, if they've had babies themselves as well.'*

Employer 16, small high-flexibility employer,  
Wholesale, retail and hospitality

However, although it can offer a valuable means of meeting such needs, there is an inherent risk of age stereotyping and occupational channelling in such matching; one employer pointed out that they had been equally successful in recruiting younger people to deliver housing support roles that had traditionally been filled by older workers:

*'No, as long as they are doing their job properly age doesn't come into it and I think – sometimes maybe from an older person's point of view if the person is younger, until they actually get to know them and they've actually done something for them and then they realise that "No, it's fine".'*

Employer 19, large high-flexibility employer,  
Education, health, and other public/personal services

## 4.7 Limiting factors on the recruitment of older workers

The physical demands of some kinds of work were the main reason that employers considered it unsuitable for older workers. Examples here included cable laying, arboriculture, green-keeping and estate caretaking roles. Some employers argued that this was a self-limiting problem, in that older people simply did not apply for these posts:

*'We don't actively seek younger people but the type of people that are applying for these job, because they know what's involved with it, tend to be the younger lads; you wouldn't get somebody at 55, 60 saying, "I want to be a cable layer".'*

Employer, 10, medium-sized, high-flexibility employer,  
Manufacturing and construction

Others, however, felt that when they advertised, this did tend to attract a fair number of unsuitable applicants:

*'It's hard because everybody says "I might be old but I'm fit, I'm in shape" but to be quite frank it doesn't matter how fit ... it's not the game to get into at that age because you just won't .... You knock seven bells out of yourself every day, it's just graft, graft, graft and you just don't recover as quick and take, kind of ... the knocks and the cuts, the constant cuts and general bodily abuse.'*

Employer 25, micro low-flexibility employer,  
Agriculture, mining and construction

Although possibilities for increased mechanisation did exist in some cases, this was not always perceived as a cost-effective option for employers. For instance, it was argued that tree surgeons in the US work until much later ages because of the use of specialised machinery, but that the nature of the UK market, with many lone and small operators, tends to preclude investment in this area, as the costs would render the company uncompetitive.

Some employers who took a more strategic approach to recruitment were also aware that the ageing demographic of their workforce presented them with a potential problem over the next few years, and were keen to redress this by recruiting some younger staff, in preference to older workers. As one explained, although he expected a number of his current workforce to continue working after state pension age:

*'Theoretically, in the next couple of years we could arrive at a position where at one fell swoop I could lose a third of my staff.'*

Employer 5, micro high-flexibility employer,  
Education, health, and other public/personal services

Similarly, although some employers felt that an older workforce matched their customer demographic, in others, a desire to provide an improved match to the customer base had led to strategic recruitment of younger staff members, to balance an ageing team, as at one of the colleges:

*'It was a definite choice, it's to do with having a connection with the students really, I think the perception of the students ... will benefit. I think it's to do with how aware you are of their reality, so it's about that. I mean all the other staff on the team, including myself have been older people ... 45 plus I suppose on my team or even older, I mean the average of the team now is probably about 50.'*

Employer 20, large high-flexibility employer,  
Education, health, and other public/personal services

## 4.8 Conclusions

Drawing together the results of the qualitative and quantitative analysis, the chapter has shown that in 2004 around half of all employers had implemented a formal policy of equal opportunities in relation to age. The extent to which such policies impacted upon day-to-day recruitment practices is hard to discern as these policies are not typically followed up by monitoring procedures. Less than two-fifths of employers monitored their recruitment outcomes for age discrimination.

Survey analysis findings indicate that a formal pro-age orientation is more common in large, unionised workplaces. Use of teams in the workplace is also associated with pro-age policies, possibly reflecting the benefits of age diversity in relation to work styles, perspectives, skills and experience in close-knit working groups.

There is also a strong gender dimension to the incidence of pro-age policies. Industries dominated by men – manufacturing and transport – are among those least likely to operate equal (age) opportunities policies with distinct implications for the prospects of men as they age. By contrast, pro-age practices were significantly more prevalent in all establishments where women predominate.

Opportunities diminish for older workers due to the employment relations strategies deployed in establishments which operate internal labour markets, filling vacancies from within when possible<sup>3</sup>. Younger workers, at entry level, have a distinct advantage in these circumstances. Payment systems which reward staff primarily in relation to their level and depth of experience, operated in over one-third (37 per cent) of establishments, can also render older workers too expensive.

Interviews with employers of various sizes in a wide variety of industrial settings suggest that the absence of formal equal (age) opportunities is not necessarily a reflection of poor age-related practice. All employers recognised a range of benefits associated with the recruitment of older workers including: loyalty, reliability, time keeping, numeracy, customer focus, customer matching and managerial/supervisory skills. Employers emphasised that they recruit the best candidate for the job regardless of age and commented that age is often not a good proxy for health, physical ability, enthusiasm or talent. Most had recently recruited staff in the 50-plus age group, either because they were age blind, had need for specific traditional skills more commonly found among older workers or due to skills shortages which caused employers to cast their net as widely as possible. As outlined in Chapter 2, most interviews were conducted in early to mid 2008, before the recession had fully taken hold, although concerns about the economy were being voiced by some employers at that time.

This positive picture of employers readily recruiting older workers was counterbalanced by a number of reservations expressed by employers. Firstly, where employers were motivated to recruit from all age groups due to skills shortages, the prospect that opportunities will retract for older workers arises during less buoyant conditions. When the labour market is less tight, how will older workers fare compared with younger candidates? There is also a distinct risk of occupational channelling when employers are pro-age primarily in order to match staff profiles with their customer base. A number of employers were also adamant that the physical requirements of their operation precluded the recruitment of older workers (who could be defined as anyone from 40 onward).

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<sup>3</sup> The prevalence of internal labour market arrangements are disputed and depend in part on definitions used. Siebert and Addison (1991) suggest around half the British workforce is employed within an organisation operating such a model. McGovern et al. (2007: 62), on the basis of data collected in 2000, indicate that around 60 per cent of employees are affected.

There is also a sense that for older workers to be recruited, they must really stand out and be notably better than average to stand a chance – reminiscent of much research into sex discrimination which has found that in order to be considered for promotion women must often stand head and shoulders above and work much harder than their male counterparts.



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## 5 Managing Health

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### 5.1 Introduction

In response to the health problems afflicting large numbers of older workers in particular, a Health Work and Well-being cross-Government-led initiative was launched in 2005 to improve the health and well-being of working age people by means of a strong health infrastructure.<sup>4</sup> The Black Review (Black, 2008) set out a number of guiding principles for change including an increased emphasis on the prevention of ill health in the workplace.

This chapter brings together findings from the quantitative and qualitative analysis of health issues, and identifies the policies which exist to safeguard health in the workplace, considers their effectiveness and highlights the main factors that create health risks. It also looks at how employers respond to health needs among their staff, explores their motivations in doing so, and identifies examples of good practice. It first presents the results from secondary data analysis of WERS and is followed by findings from the interviews with employers. In the conclusion the findings are drawn together in order to consider policy implications and lessons for the future.

### 5.2 Findings from quantitative data analysis

#### 5.2.1 The incidence of workplace health policies and ill health and injury at work

Figures presented in Table 5.1 indicate the need for widespread change in order to respond to the workplace prescriptions set out in the Black Review. In just eight per cent of workplaces was there a dedicated health and safety committee with responsibility for a healthy workforce and the prevention of injuries or work-

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<sup>4</sup> See [www.workingforhealth.gov.uk](http://www.workingforhealth.gov.uk)

related ill health. Three per cent of employers had a general committee which also deals with health and safety issues. Far more common was the use of employee representatives to highlight health issues – found in one-quarter of workplaces (23 per cent). Given the small size of most employing organisations these figures are perhaps not surprising. Small businesses are unlikely to have formal committees for any purpose, including health and safety. Table 5.1 also serves to emphasise the *need* for strong health and safety policies and practices. In eight per cent of workplaces an employee had sustained an injury in the previous year. In one quarter of workplaces (27 per cent) staff had been absent due to *work-related* illnesses. The most common conditions caused or aggravated by working practices were musculoskeletal problems (MSDs) (in 14 per cent of workplaces) and mental health problems such as stress and anxiety – found in 15 per cent of workplaces. Of the workplaces which had experienced staff absences due to work-related ill health, in one-fifth of cases (22 per cent) eight per cent or more of their staff were afflicted with problems.

**Table 5.1: Proportion of workplaces with health-related policies practices and experiences**

	%
Have a general committee which deals with H&S issues	3
Have a dedicated H&S committee	8
Have employee representatives for H&S issues	23
Employees have sustained injuries in past 12 months	8
<i>Employees suffered following (caused or made worse by work)</i>	
Musculoskeletal problems	14
Lung problems	2
Skin problems	3
Hearing problems	..
Mental health (stress, depression, anxiety etc.)	15
Eye related	2
Heart related	1
Infections	2
None of above	73
<i>Proportion of staff who have suffered any of these conditions (base workplaces with these health problems)</i>	
up to 4% of workforce	57
4-7.9%	20
8% plus	22

note: .. < 0.5%

## 5.2.2 Workplace policies and practices which mitigate or exacerbate the incidence of ill health

Of interest are the workplace practices that may precipitate ill health and those that may mitigate the adverse health impact of particular employment systems and practices. In terms of the extending working lives agenda, work-related ill health is a central issue. Health problems have been identified as among the most important causes of early retirement among older workers in several studies (Meghir and Whitehouse, 1995; Tanner, 1997; Humphrey et al., 2003; Disney et al., 2006; Berthoud, 2006).

Table 5.1 shows how widespread particular work-related illnesses are. It is evident that MSDs and minor psychiatric disorders are the most prevalent and these form the focus of subsequent analysis and discussion. MSDs are defined in WERS as any illness, disability or physical problem, caused or made worse by their work, including bone, back, joint and repetitive strain injury (RSI) problems. Mental health problems refer to stress, depression or anxiety, again specifically caused or made worse by their work. Stress can be hard to define and has been conceptualised and measured in a wide variety of ways in previous studies (reviews by: Barling et al., 2005; Quick and Tetrick, 2003; Ganster, 2008). Most commonly, stress is viewed as a process which, over time, causally links workplace conditions to physical, mental and well-being outcomes. Within this framework stressors are '*events and conditions of a psychosocial nature, such as pressure to meet a deadline, conflicting role demands .... work overload and lack of control*' (Ganster, 2008: 3). Psychosocial factors are associated with both stress and MSDs (Whysall, 2008) and include a range of potential influences on health, including the physical environment (noise, heat), the nature of work or work tasks, relationships with colleagues and management and individual factors such as attitudes or personality traits (eg negative affectivity).

A number of factors have been identified as triggering MSDs and work strain or as mediating/exacerbating the relationship between stressors and well-being outcomes. Excessive workloads, low levels of autonomy and poor support from superiors and colleagues are described as key stressors within the demands-control-support model for example (Karasek and Theorell, 1990). It is also increasingly recognised that MSDs and stress are inter-related and have common antecedents (National Institute for Occupational Safety and Health (NIOSH), 1997; Devereux et al. 2004). Bongers et al. (1993) found that factors typically associated with perceived stress such as monotonous work, high workload, time pressure and low control were also associated with MSDs. Responses therefore require a more holistic and integrated approach (Whysall, 2008)

It is also recognised that individual personalities and psychological factors can mediate the stressor/well-being relationship, giving rise to fairly complex models which require adequate measurement of stressors, psychological traits, well-being

and physical outcomes plus a consideration of time factors, as a deterioration in health is normally associated with longer-term exposure to risk factors.

Use of subjective measures of workload and 'stress' have been criticised as empirically weak (Ganster, 2008; Cox et al., 2000); subjective and objective measures of workload and intensity tend to be poorly correlated (Dwyer and Ganster, 1993) and subjective measures of workload are not correlated with outcomes such as sick days or tardiness (but are correlated with job satisfaction and voluntary absence)<sup>5</sup>.

Studies which investigate stress and MSDs largely explore the impact of workplace environments and work organisation on individual-level outcomes. Typically, measures of well-being or strain are used (mainly subjective but also objective, based on observations) or measures of physical health such as cardiovascular disease (self-reported or objective indicators such as cortisol levels or blood pressure). The assumption is that over time these conditions are correlated with morbidity or mortality.

The analysis of work-related ill health that follows is not based on cognitive appraisal, ie self-reported measures of well-being or stress as an outcome of working practices. Instead, the focus is upon absences due to work-related illness (WRI) as an outcome. WERS relies on the perception of third parties to identify an absence as induced by work-related ill health, defined as such by employers and managers who, it is fair to say, may be somewhat more conservative in blaming their own workplace practices and environments for the poor physical and mental health of their staff. Yet, the prevalence of illness caused or exacerbated by work is nevertheless widely acknowledged by employers.

By examining the relationship between working conditions and absences we seek merely to identify the practices which are correlated with ill health related absences which, in turn, may lead to early retirement on health grounds or withdrawal from jobs by 'choice'. One-fifth of older workers aged 50-plus are working below their capabilities due to stressful working conditions in previous jobs and one-third of those under stress at work plan to retire before SPA (compared with an average of 20 per cent) (Smeaton et al., 2009b). Workplace practices which are positively correlated with absence outcomes are therefore of interest as potential risk factors for early labour market withdrawal or 'underemployment' – whether from choice or otherwise.

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<sup>5</sup> Whereas objective work demand measures were correlated with sick leave and tardiness (Dwyer and Ganster, 1993).

Reviewing several decades of research, Cox et al. (2000) have identified a large and growing body of evidence which describes the following work characteristics as potentially hazardous.

Work organisation and culture:

- organisational culture (communication and support)
- role in organisation (role ambiguity, responsibility for others)
- career development (position, pay, security)
- decision latitude/control (autonomy and control)
- interpersonal relationships (isolation, conflict, support)

Content of work:

- work equipment
- task design (use of skills, variety, work cycles)
- workload and work pace
- work schedule (shifts, work schedules, long hours)

Research is still developing in relation to the health implications associated with other, more recent, changes within the workplace. These are identified by Cox et al. (2000) as:

- growth in numbers of older workers
- downsizing, subcontracting, globalisation and associated changes in employment patterns
- numerical and functional flexibility
- expanding service sector
- self-regulated work and teamwork.

The WERS dataset allows us to contribute to this developing field as it contains information on the proportion of the workforce aged 50 and above, industry, whether the workplace is downsizing, functional and numerical flexibility and the use of teams. The data can also be used to investigate whether potentially hazardous working environments can be offset by the availability of a number of flexible working arrangements. The ability to move from full-time to part-time hours, to work from home, job share and to take advantage of flexitime has increased over the past 10 years, with flexibility now also enshrined in law for many carers (Smeaton et al., 2008). Of interest is the extent to which these developments

in working schedules can not only meet preferences and accommodate both working and caring roles, but also promote more healthy working environments with a lower incidence of WRI absences. With a large sample of workplaces of varying sizes and in different industries, the findings will highlight the extent to which risk and mediating factors are generalisable to all industrial sectors.

Analyses are conducted in two stages. Initially models are designed to look simply at whether a workplace has experienced any incidence of work-related ill health absence in the past year, with separate models run for MSDs and mental health related absence. In order to gain a better idea of the extent to which particular working environments are potentially hazardous, a subsequent model is used which examines the proportion of the workforce which has been absent from work over the previous year with ill health caused or exacerbated by working practices.

The first multivariate regression analyses determine the strength and range of factors associated with heightened levels of work-related ill health absence and the factors which depress those levels. The dependent variables are binary, taking the value of 0 or 1. The value of 1 is assumed in the first model if any staff have been off in the previous 12 months with a work-related musculoskeletal disorder and in the second model if any staff have been off in the previous 12 months with a work-related mental health problem (including: anxiety, stress and depression).

The third model is an ordered probit which differentiates organisations in terms of the proportion of staff absent, at some point over the previous year, with a work-related illness as follows; 0.1–3.9 per cent, 4–7.9 per cent and 8 per cent plus of the workforce. Among workplaces that have experienced work-related absence, 61 per cent had fewer than 4 per cent of their workforce off sick due to their work. In 25 per cent of workplaces between 4 and 7.9 per cent of their workforce were affected. In 14 per cent of workplaces 8 per cent or more of their workforce were affected. These proportions are clearly sensitive to the size of the workplace. In a small organisation with just five members of staff, if one individual is off sick for work-related reasons, that represents 20 per cent of the workforce and the scale of the problem is therefore exaggerated, an artefact of the data. In order to overcome this problem the final model is restricted to workplaces with at least 50 members of staff and the model also controls for workplace size. Therefore significant findings apply regardless of the size of the organisation<sup>6</sup>.

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<sup>6</sup> Sensitivity analyses were conducted by running the models on the full sample, including workplaces of all sizes. Inevitably, coefficients differed in size to some extent but identical factors were significant and operating in the same direction regardless of sample thereby indicating robust results.

Building on evidence from previous studies, workplace characteristics explored include the following:

- size
- industry
- sector
- percentage of the workforce in blue collar jobs
- percentage of workforce professional
- percentage of workforce aged 50-plus.

Factors hypothesised to mitigate or reduce the incidence of work-related MSDs or mental ill health:

- presence of health and safety committees and representatives
- union representation
- higher percentage of the workforce working part-time
- presence of various flexible working arrangements
- availability of part-time hours
- availability of flexitime
- higher levels of discretion over how staff carry out their work tasks
- having a greater variety in job tasks (may reduce incidence of RSI).

Factors hypothesised to cause or exacerbate work-related illnesses:

- large percentage of the workforce regularly working overtime (long hours culture)
- use of performance-related pay (PRP)
- use of functional flexibility (staff expected to perform their own jobs and take on the tasks of other staff when needed)
- team working
- shift working (shift working can be particularly harmful for older workers)
- contracting workforce (the insecurity this engenders can be stressful and make those that are left behind work harder to protect their jobs)

Table 5.2 shows the results of these models. We look first at the findings related to mental health problems.

### **Whether staff were absent with mental health problems in the previous year**

Overall, the risk factors associated with poor mental health environments are varied but, controlling for workplace size, the following workplace characteristics are associated with an enhanced probability of staff having been absent over the past year with mental health problems:

- health sector
- larger proportions of professional or managerial staff
- union recognition
- large proportions of staff with little job role demarcation and a widespread requirement for functional flexibility.

Reductions in the probability of staff being absent with work-related mental ill health are associated with:

- construction sector
- larger proportions of blue collar workers
- larger proportion of women in the workforce
- all staff eligible to work flexitime hours
- little autonomy over how work is performed
- a lot of variety in tasks performed
- working in a team environment but without the pressure of team members being dependent on each other to perform their jobs.

Working in a contracting workplace is not, however, associated with a heightened probability of work-related ill health (although it is possible that staff with health problems were among those made redundant or departing through 'natural wastage'). The presence of health and safety policy and practice is not associated with a reduced incidence of mental health problems. It cannot be known however, within the context of individual workplaces, how much worse or more widespread the incidence of stress would have been in the absence of such provision. Shift working among all or some staff is not associated with mental health problems either.



### Whether staff absent with MSDs in the previous year

Overall, the risk factors associated with MSD-related absences are, in many respects, similar to those associated with mental ill health but with some differences. An enhanced probability of staff with MSDs, controlling for workplace size, is associated with:

- public administration
- health sector
- a high proportion (40 per cent plus) of staff aged 50 and above
- union recognition
- performance-related pay
- shift working
- large proportion of staff (40 per cent plus) working regular overtime
- large proportions of staff with little job role demarcation, much functional flexibility
- staff with little variety in their work.

Reductions in the probability of staff being absent with work-related MSDs are associated with:

- utilities and financial service sectors
- larger proportions of professional or managerial workers
- large proportion (50 per cent plus) of part-time staff in the workforce.

The presence of health and safety policy and practice is not associated with a reduced incidence of MSDs.

Overall, problems with MSDs in the workplace are associated with repetitive work, long hours, the pressure of performance-related pay such as piecework or bonuses and functional flexibility. The public administration and health sectors also have a higher incidence of MSDs, as do workplaces with larger proportions of older workers and where shift work is practised. Previous studies have noted that MSDs rise dramatically after the age of 50 (Ilmarinen and Rantenen, 1999). Workplaces dominated by professional workers or larger proportions of part-time staff are less likely to experience MSDs, but, again, health and safety committees and representatives appear to have little positive impact.

**Table 5.2: Probability of a workplace having staff absent in the previous year with work-related ill health (coefficients and levels of significance)**

		Mental Health		MSD	
Size	5-25 (ref.)				
	26-50	0.048	*	0.110	***
	51-100	0.141	***	0.138	***
	101-500	0.253	***	0.274	***
	501 plus	0.340	***	0.372	***
Industry	wholesale/retail (ref.)				
	manufacturing	0.039		0.047	
	electricity, gas and water	0.209		-0.159	*
	construction	-0.077	**	-0.044	
	hotels and restaurants	-0.030		0.009	
	transport and communication	0.070		0.001	
	financial services	0.007		-0.067	
	other business services	0.004		-0.051	
	public administration	0.125		0.176	**
	education	0.054		0.004	
	health	0.122	***	0.069	*
other community services	-0.020		0.048		
% workforce blue collar	none (ref.)				
	1-29%	-0.066	**	0.043	
	30+ %	-0.125	***	0.004	
% workforce professional/ managerial	none (ref.)				
	1-29%	0.027		-0.043	
	30+ %	0.108	**	-0.004	
% workforce aged 50 and above	0% (ref.)				
	1-9%	0.014		0.032	
	10-19%	-0.012		-0.003	
	20-29%	-0.010		0.028	
	30-39%	-0.003		-0.015	
	40+%	0.027		0.082	**
% workforce female		-0.001	*	0.000	
H&S policy/practice	none (ref.)				
	general H&S committee	-0.050		0.018	
	dedicated H&S committee	-0.026		-0.013	
	H&S rep. only	0.013		-0.021	
% of workforce PT	0% (ref.)				
	1-24%	0.045		0.036	
	25-49%	0.005		-0.031	
	50-plus%	-0.040		-0.070	*

		Mental Health		MSD	
Union recognised		0.160	***	0.093	***
All employees eligible for PT hours		0.011		-0.033	
All employees eligible for flexitime		-0.069	***	-0.031	
Discretion staff have over how they work	a lot (ref.)				
	some	-0.016		0.004	
	a little	0.022		0.003	
	none	-0.057	*	0.003	
Variety staff have in their work	a lot (ref.)				
	some	0.039	*	0.009	
	none or a little	0.083	**	0.075	**
% workforce regular overtime	0% (ref.)				
	1-39%	-0.005		0.013	
	40+ %	0.045	*	0.069	**
Performance-related pay		0.032		0.041	*
Functionally flexible	none (ref.)				
	1-59%	-0.006		0.039	*
	60%+	0.070	**	0.062	*
Team work	no teams (ref.)				
	team members independent	-0.099	***	-0.023	
	team members dependent on each other	-0.034		-0.032	
Shift working by staff		0.034		0.049	*
Contracting workforce		0.009		0.007	

Levels of significance; \* (p<= 0.10) \*\* (p<=0.05) \*\*\* (p<=0.01)

### Proportion of staff absent with a work-related illness in the previous year

The findings presented in Table 5.3 are from an ordered probit regression analysis which seeks to quantify the severity or strength of impact associated with a range of workplace and job content characteristics. A positive and significant coefficient indicates that a particular factor not only increases the probability of a workplace having work-related illness (WRI) absences but also increases the proportion of the workforce affected. In other words, larger numbers of staff risk WRI absence, and the consequences for employers are therefore more adverse.

**Table 5.3: Factors associated with proportion of workforce absent in the previous year with work-related ill health (coefficients and levels of significance)**

		coefficient	level of significance
Size	51-100 (ref.)		
	101-500	-0.587	***
	501 plus	-1.323	***
Sector	private (ref.)		
	Public	0.483	***
	Other	-0.029	
Industry	manufacturing (ref.)		
	electricity, gas and water	0.310	**
	construction	0.129	
	wholesale/retail	0.732	***
	hotels and restaurants	-1.077	***
	transport and communication	0.351	***
	financial services	0.440	***
	other business services	0.225	***
	public administration	0.627	***
	education	0.415	***
	health	0.219	***
Proportion of workforce professional/managerial	none (ref.)		
	1-29%	-0.277	***
	30+ %	-0.827	***
Proportion of workforce aged 50 and above	0-9% (ref.)		
	10-29%	0.235	***
	30+ %	0.143	***
Proportion of workforce female		0.000	
% of workforce PT	0% (ref.)		
	1-24%	-0.420	***
	25-49%	-0.300	***
	50-plus%	-0.520	***
Union recognised		0.115	***
How much discretion do staff have over how they do their work	a lot (ref.)		
	some	0.045	
	None or a little	0.104	***
How much variety do staff have in their work	a lot (ref.)		
	some	-0.122	***
	none or a little	0.189	***

		coefficient	level of significance
% workforce regular overtime	0% (ref.)		
	1-39%	-0.127	
	40+ %	-0.129	
Performance-related pay		-0.229	***
Functionally flexible	1-20% (ref.)		
	60-100%	-0.297	***
	20-59%	-0.100	***
	0%	-0.243	***
Team work	no teams (ref.)		
	team members not dependent on each other	0.443	***
	team members dependent on each other to be able to do their job	0.368	***
Shift working by some or all staff		0.671	***
Contracting workforce		-0.148	***
Health and Safety policy/practice	dedicated H&S committee (ref)		
	no H&S	-0.216	***
	general H&S committee	0.358	***
	H&S rep. only	0.535	***
No flexible working arrangements		0.621	***
Flexitime available		-0.095	***
Working at home		0.385	***
Job share available		-0.214	***
Compressed week		0.420	***

Levels of significance; \* ( $p \leq 0.10$ ) \*\* ( $p \leq 0.05$ ) \*\*\* ( $p \leq 0.01$ )

In terms of health interventions, it is of interest to establish how effective health and safety representatives and committees are in combating work-related illness (WRI). An identification or causal relationship issue arises within the model when testing for the impact of H&S interventions, however, as committees are likely to be established in direct response to H&S problems. With cross-sectional data it is not possible to establish the extent of WRI problems in the absence of a committee within a given workplace. The findings indicate that, compared with all other workplaces, those without any H&S committees or representatives have the lowest incidence of WRI absence. Comparing workplaces with H&S organisational practices, having a committee dedicated to H&S issues reduces the incidence of WRI absences compared with workplaces which have just H&S representatives or general committees which discuss H&S issues. H&S structures appear to be set up in response to WRIs hence their association with ill health. The type of response

does seem to make a difference though, with dedicated, highly-focused organisational structures being more effective than reliance on just representatives or the conflation of many work-related problems within one committee setting.

In keeping with findings from other studies (Ilmarinen and Rantenen, 1999), workplaces with larger proportions of staff aged 50 and above report a heightened incidence of WRI absence. Hence the need to take steps to ensure that workplace practices and the organisation of work is adapted to prevent WRIs which may lead to early labour market withdrawal. An important point to raise is that older workers may not be less able to cope with particular styles of working (evidence is lacking in this respect) but that older workers are more at risk of burn out or experiencing ill health due to their longer exposure to potentially hazardous working practices. Stressors take their toll over long periods of time (Ganster, 2008).

A greater penetration of WRI absence within workplaces is significantly associated with variety of job tasks, functional flexibility and teamwork. Having a routine, monotonous job with little variety promotes more widespread WRI absences and other studies have similarly found an association between dull, repetitive work, stress and MSDs (Ohsuga et al., 2001; Rissen et al., 2000; Sandsjo et al., 2000).

Team working is also associated with an increase in WRI absences, perhaps reflecting intensified working environments and the pressure of co-dependence. Although team working may confer greater autonomy and job satisfaction, it has been suggested that team-based working can lead to 'work intensification and more insidious forms of control, eg peer surveillance' (Lloyd, 2006: 158). Other pressures predicted to increase absence, include performance-related pay (PRP) which can give rise to experiences of stress, particularly during 'slow' periods. PRP is typically used as an incentive to garner greater discretionary effort, but this can lead to heightened levels of stress, work strain and negative job-home spill over (Ramsay et al., 2000; Gallie et al., 1998; White et al., 2004).

A contracting workforce may trigger anxiety and a sense of insecurity, thereby increasing the risk of stress-induced absence. Findings suggest instead that WRI absences are reduced in the presence of PRP and workforce contraction. It is likely that where pay reflects performance and, therefore, attendance, employees are motivated to avoid absences to protect their salaries. Similarly, with jobs at risk during periods of downsizing, employees with poor health may already have been removed and remaining staff will be highly incentivised to continue with an unblemished attendance record to preserve their position.

Findings related to shift working indicate a strong and positive impact on WRI absences. Shift working is therefore a key risk factor for work-related ill health and absence from work. Such circumstances suggest that shift working may not be compatible with extended working life objectives.

Flexible working opportunities have been identified as an important means of retaining older workers in the labour market (Loretto and Vickerstaff, 2005; McNair, 2006). The models include a number of flexible working measures to determine whether they effectively reduce the incidence and extent of WRI absences with implications for extended working lives.

Looking first at the impact of part-time hours, having a larger proportion of staff employed on a part-time basis decreases the prevalence of WRI absences. Working fewer hours would therefore appear to be more 'healthy' for individuals.

Compressed working weeks are often used as a means of imparting greater control of working hours to employees and can be part of a range of flexible working measures designed to allow individuals to better balance their lives. The findings suggest, however, that compressed working weeks are associated with larger proportions of the workforce absent from work with a WRI. This form of flexibility may carry the kind of risks that have been identified with shorter working hours in France, following compliance with the Working Time Directive which limits employees to 48-hour weeks (35 hours in France<sup>7</sup>). Reductions have led to a 'densification' of work, often coupled with fewer and shorter breaks, an associated intensification of the working day and a tenfold increase in MSDs (TUTB Newsletter No. 19-20, September 2002)<sup>8</sup>.

Working from home is popular (Holmes and Smeaton, 2007, Smeaton et al., 2009b), can promote work-life balance and can extend employment opportunities to previously excluded groups such as those with poor mobility (Dwelly and Bennion, 2003). Without the need to travel, employees can achieve more in a given day leading to improved levels of performance. Previous research suggests however that home working can also be associated with a problematic absence of boundaries between home and work. Employers may develop an expectation of staff to be constantly available to work and to be 'on call' (DTI, 2005). Philpott (2006) and Armstrong (1999) warn of the risks of workaholism and work intensification associated with home working. Findings from the regression analyses support these negative perspectives and indicate that in workplaces that permit working from home, the proportion of staff absent with a WRI is heightened.

Other types of flexible working arrangement are, however, beneficial and can reduce the incidence and prevalence of WRI absence. Flexitime and job-share availability both depress the prevalence of WRI absence in the workplace. Where no flexible arrangements of any type are available, larger proportions of the workforce risk absence.

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<sup>7</sup> Influenced by a desire to reduce levels of unemployment

<sup>8</sup> <http://hesa.etui-rehs.org/uk/newsletter/newsletterPrev.asp>

Overall, therefore, flexible working arrangements present a mixed picture. Reduced hours, whether part-time or associated with a job share, and more control over hours, as offered by flexitime schedules, are associated with health benefits and a reduction in the incidence of WRIs leading to absence. Other types of flexible arrangement, such as compressed working weeks and home working may also carry a range of benefits for employers and employees alike but do not afford the same degree of protection against WRIs and can be associated with an increase of stress or MSD-related ill health.

### 5.3 Findings from qualitative interviews with employers

The employers in the study spanned a wide range, both in terms of the extent of work-related health risks, and the availability of measures to mitigate these. The extent to which these acted as a driver of early exit among these employers was also contingent on the availability of redeployment opportunities. At one end of the spectrum was a large employer with few specific occupational health risks, offering private health insurance and on-site occupational health services to all its staff, and proactively monitoring (and seeking to minimise) health problems, while at the other was a micro-employer with specific occupational health risks, highly regulated but minimally compliant, offering no health benefits or services and with no redeployment options. While the former was successful in retaining workers into their late 60s, including those with health problems, the latter tended to shed staff in their 40s.

#### 5.3.1 The nature of work-related health risks for older workers

The 'demands of the job' and thus the impacts for older workers in different occupational groups varied considerably. Many of the workplaces involved in the study were not viewed as presenting particular health risks, being office-based, although some carried risks associated with lone working or dealing with potentially violent situations, and some employers had developed specific policies relating to these risks. For some employers, increasing mechanisation was seen to have reduced many health risks over time:

*'Over the years this power station's been here if you look at manual handling and the things we allow people to do compared now to 10 years ago, it's completely different, you know, there's all sorts of handling and lifting assistance now that you wouldn't have thought were done. The ergonomics of access to various bits of equipment because it was very difficult and could have caused back strain or injury or even having to put in climbing ladders or things like that we try to modify the plant so it is no longer required, so it removes the risk and makes it a safer place to work.'*

Employer 18, large low-flexibility employer,  
Agriculture, mining and utilities



Other interviewees in the manufacturing and construction, agriculture, mining and utilities sectors, however, discussed a variety of specific occupational hazards, including exposure to noise, dust, vibration, noxious chemicals and infections, heavy lifting, heavy manual labour and working outdoors in extremes of cold or heat, as causes of physical ill health among their workforce. Other jobs did not carry specific occupational health risks, but were simply physically demanding in a more general way. One example was that of grounds staff employed at a country club:

*'Well the green-keeping staff and the grounds staff agility is the biggest problem ... we have some vehicles that we can drive around but unfortunately it is getting off those and picking up a spade or a shovel and using that or bending down and digging holes and that sort of thing, it really is agility.'*

Manager, Employer 22, small medium-flexibility employer,  
Education, health, and other public/personal services

Such physical demands were generally seen to become increasingly challenging with age, even if someone is in good health, and could over time result in health problems, as this employer reflected:

*'I mean ... in the last two years we've had four, five people go off on long-term sick, three of them were older, so yeah and it's neck problems, it's knee problems, it's back problems ....'*

Employer 7, medium-sized, medium-flexibility employer,  
Manufacturing and construction

Other issues identified by employers included the possibility of older workers finding it increasingly difficult to work rotating shift patterns or irregular hours, or to undertake extensive travel for work. Where more than one of these factors was involved, this was seen as particularly challenging:

*'It's very hard work, manual work, and obviously the older you get the more difficult it becomes, back to the early mornings again and travelling. I mean it isn't just a case of getting out of bed at two o'clock. You've then got to travel two hundred and fifty, three hundred miles there in a van, you might even be sharing the driving, you know, they've got that before they start a week's work.'*

Employer 10, medium-sized, high-flexibility employer,  
Manufacturing and construction

Stress was also acknowledged to be a widespread problem in some workplaces, for instance in schools and colleges, in other jobs dealing with the public, such as housing support services and public transport, in counselling work, because of its direct emotional content, and in jobs involving inflexible deadlines such as teaching, university admissions and transport services. Some of these issues were seen to have cumulative effects which could manifest towards the end of someone's working life:

*'And what we do tend to find obviously once they turn 60 plus because especially if they've been in the industry a long time, there is more likely to be heart problems ... because of the stress that these lads have to go through all their life. We tend to find that, when I say heart problems I don't mean things like heart attacks, I mean things like heart murmurs, and the older they get, obviously the body doesn't kick in as much as it used to.'*

Employer 1, medium-sized, high-flexibility employer,  
Transport, storage and communication

Not all employers, however, were sympathetic to complaints of work-related stress among their staff and some argued that it often had its origins in non-work issues:

*'We all suffer stress. I have got this problem with this label 'stress'. It's vague, it's dangerous, it's too glib ... I have stress every day of the week, but I am here and I have this notion that many people's stress is related to anything other than work.'*

Employer 31, large high-flexibility employer,  
Education, health, and other public/personal services

### 5.3.2 Preventative measures

The main ways in which employers can directly manage the health of their employees is via the provision of occupational health services (whether provided in-house or outsourced) and by broader initiatives which seek to promote healthy lifestyles (Broughton et al., 2009). While the former were fairly widespread among our sample, the latter were far less common.

Those employers who went well beyond any statutory or regulatory requirements in respect of health and safety, and were proactive in identifying health issues and preventative strategies, tended to be larger employers, in both the public and private sector, who saw the business benefits in reducing injury and ill health among their staff. They typically had occupational health services on site or provided via a subcontractor, and some had private health cover. An employer in the education sector went furthest; not only did they routinely analyse the patterns of ill health among their workforce, they stratified this by age, and used this to target interventions:

*'We analyse on a monthly basis all of the sickness that comes through ... then we will put measures in place like for example some e-learning, e-training on back [problems], manual handling, because that's the biggest sickness problem that we have got. And we also identify which age categories that's happening in, so that we can target particular people in terms of the training that we need to do.'*

Employer 32, medium-sized, medium-flexibility employer,  
Education, health, and other public/personal services

While some employers provided across the board services, others provided interventions which were tailored specifically to the most prevalent occupational hazards facing their employees, as in this example:

*'We have an employment advisory panel, it's basically a counselling service, you can have it on the phone, and it's not just about counselling about the stress per se, it's anxiety, depression, financial concerns, all those sorts of things.'*

Employer 5, micro high-flexibility employer,  
Education, health, and other public/personal services

One employer who had private health insurance identified this as a trigger to developing more proactive preventative health measures. Noting that the costs had 'gone thorough the roof' the HR manager explained that they now wanted to:

*'... have a facility where people can go to a physiotherapist on site and say "Oh I've done my back in or I've got a bad back" or you know "I'm struggling with this it's been going on for this long", and hopefully they'll be able to either give them some exercise to do which I've seen work before or some massage or you know advise them to go and speak to the doctor.'*

Employer 7, medium-sized, medium flexibility employer,  
Manufacturing and construction

Several employers mentioned that they had health and safety committees, which encouraged them to make sure that procedures were correctly observed, although it was not always obvious that this made a real difference to day-to-day practice. One school spoke about risk assessments being carried out, but beyond being 'on the system' their impact was unclear, while a social services department appeared to be deploying their health and safety unit mainly in a reactive fashion, after an incident had occurred. Another employer gave a frankly dismissive summary of the role played by the company's health and safety committee:

*'We've got a committee now that's set up to do ... health and safety committee, which is where they'll meet; again they're supposed to meet every six weeks, they don't. But again we have a booklet that's got to be up kept and they need to, each department records like near misses and all this thing. That is what is perceived to happen, but it doesn't [laughs]'*

Employer 33, medium-sized, medium-flexibility employer,  
Manufacturing and construction

If replicated more widely, these attitudes and practices might shed some light on the quantitative findings reported above regarding the lack of impact made by health and safety committees.

Some of the case study employers worked in highly regulated industries, where legislation governed many of their day-to-day operating procedures. This included reviews of licensing, the provision of protective clothing and equipment such as ear

defenders, and monitoring and limiting exposure to harmful substances, as well as more general risk assessments. While most appeared to accept the necessity for this, some felt that these requirements could be burdensome or over-complicated.

*'The legislation being brought in is so all-embracing that to keep abreast of it is becoming a full-time job for somebody because we are very health and safety conscious here and we deal with the general public. Every regulation has to be looked at and investigated to see how it affects us and if we need to do an assessment on it then we have to spend the time to do it but it is all very time consuming.'*

Manager, Employer 22, small medium-flexibility employer,  
Education, health, and other public/personal services

Some employers also expressed a sense of frustration that employees frequently resisted these preventative measures, so that they were forced to keep checking compliance:

*'You're constantly going round and trying to monitor these people, you walk around in the machine shop, you see them without ear defenders, and yet the signs are up and you tell them and it's, "Well, it's my ears". "Yeah, it is your ears, but the point is, it'll be coming out of my money when you sue me in five years time".'*

Employer 33, medium-sized, medium-flexibility employer,  
Manufacturing and construction

Employer 21, a micro employer, reported that he had outsourced a potentially hazardous part of his operations, which involved paint-spraying, to a subcontractor, as he would have found it very difficult to meet the regulatory requirements.

Some workplaces which were aware of particular issues which might be challenging for older workers reviewed these regularly from a set age, such as 50 or 60. For instance, one employer with 24-hour shift patterns reviewed these at age 60, and was able to move people to permanent days if this was required. They were also open to changing anyone's arrangements where this had been identified as a problem:

*'We have medical reviews in place for all of our employees on a two yearly basis. Once they reach the age of 60 and predominantly, as you said, for shift workers, they have additional medical reviews to make sure that the impact of working shifts isn't detrimental to their health. So we have a very comprehensive occupational health program that looks at that and those issues ... If anyone has ever come to us with an issue or the nurse has identified a particular issue then we will look to them changing their particular working arrangements, it's never an issue for us.'*

Employer 18, large low-flexibility employer,  
Agriculture, mining and utilities

### 5.3.3 Responding to health issues among older staff

Few of the employers mentioned specific processes for managing health-related absences, although some did refer to return to work interviews which were sometimes triggered by a particular length of sickness absence. While in some cases this appeared to be a fairly perfunctory exercise, in others it provided a mechanism to review any necessary changes in working arrangements, including any which might be required by disability discrimination legislation.

*‘The whole purpose of sending them to Occupational Health is, so that we are also able to support them, if there are some issues which managers are not aware of, and they in confidence can discuss it with Occupational Health. Things like there are two or three people that we have actually supported them with voice activated computers because of RSI. Then we have people where on a temporary basis we would say, “Change your work pattern for two months, just work four days a week”.’*

Employer 31, large high-flexibility employer,  
Education, health, and other public/personal services

Employers varied in how able they were to offer changed working arrangements to accommodate health problems among their staff; some were able to offer flexible work patterns in line with the overall degree of flexibility they demonstrated, including later start times and either temporary or permanent reductions in hours. One employer had private health insurance which provided a partial capacity benefit to top up the wages of those only able to work part-time. Several firms had experience of people returning to work after or during cancer treatment, sometimes working until very shortly before their death. Arrangements in such cases tended to have been ad hoc, and tailored to the needs of the individual concerned.

Some people were felt to require a change in job as a result of their health condition. Options for redeployment were generally greater in large employers, but more limited in smaller organisations, and those with specialist roles, and had in some cases reduced over recent years. For instance employer 13 was able to offer posts based within the terminal to those who became unable to meet the physical demands of working on board its ferry fleet. The residential social landlord had previously offered work in its CCTV monitoring unit to people with health problems who needed a job change, but the nature of this work had changed with the introduction of mobile response units and there were now more limited opportunities. Teaching, whether at school or university level, was seen by our interviewees as becoming potentially onerous as people grow older, particularly if they have a physical or mental health problem, but this is an area where few redeployment opportunities currently exist. This issue is widely noted as a driver of early exit in the profession, often via distressing and costly disciplinary procedures (Torrington, 2006; Wragg, 2000).

One large employer noted that even where roles for redeployment did exist, in his experience it could be quite difficult for people to adjust, citing the example of a man who had previously worked in a manual job and was moved to a predominantly female and office-based role, involving unfamiliar computer skills.

While employers generally tended to discuss medical severance as an option of last resort, a small workforce and tight profit margins meant that some micro employers felt the strain of sickness rapidly and were fairly quick to move towards performance-related dismissal or early retirement options. For instance one commented that *'you haven't got the slack to cover people who aren't pulling their weight'* while another said that it was important to keep absence levels:

*'... below 2–3 sick days over a year ... much above there and it really gets to the point where we're struggling to keep staff on.'*

Employer 25, micro low-flexibility employer,  
Agriculture, mining and construction

## 5.4 Responses to health scenario

Interviewees were asked to respond to a hypothetical scenario in which Alan, a man in his early 60s, has returned to full-time work in an engineering firm following a heart attack, and wants to work part-time.

Alan is 62 and works as a project manager for a medium-sized engineering firm. He had a heart attack six months ago, and although back at work, is not in good health and finding the long hours difficult. He has had a chat with the boss about early retirement but is not sure he wants to retire yet. He also raised the subject of working fewer hours, but his boss is sceptical that he could meet the needs of the job in these hours. The firm do not currently have any part-time employees.

There was quite a variation in response to the idea of managing this particular health condition, from those who perceived continued employment as being inherently risky for someone who had already had a heart attack to those who saw this as a condition which now can be treated effectively over the long term with few barriers to normal living activities, including employment. Those in the first category tended to make comments which underscored the need for lifestyle change, such as *'you've had one warning, you've got to take it a bit easy'* or *'you can't get a bigger message than that, can you?'*, and some expressed concerns about how appropriate it would be for them as employers to encourage someone in behaviour which might ultimately prove detrimental to their health. These opinions were associated with a view of work, and particularly work stress, as a causal factor for cardiovascular health problems:

*'... because the reason they have had a heart attack is generally work-related anyway and that could be a signal that the person was working too hard or perhaps over doing things, taking things on too much.'*

Employer 22, small medium-flexibility employer,  
Education, health, and other public/personal services

Those in the latter group emphasised the advances in medical treatment and rehabilitation which mean that many people with such conditions have a good quality of life, and are often perfectly capable of resuming work, a typical comment being:

*'Having a heart attack is not the end of the world, in fact the recovery rate from heart attacks is quite substantial today.'*

Employer 5, micro high-flexibility employer,  
Education, health, and other public/personal services

A number of possible factors may influence such attitudes, including the age of the respondent, and the extent to which they have encountered such issues in either their personal or professional lives. The research did not explore all of these factors systematically, but some people did have personal experience of cardiac problems. Most of the employers had not encountered this particular situation, but quite a few had some experience of managing long-term health issues, particularly in relation to cancer, as discussed above, and for several of the larger employers, dealing with this type of situation was absolutely routine, as this extract illustrates:

*'If he wants to reduce his hours and do part of that work ... as long as we could find someone else to fill the gap or, you know, redesign the job then we'd look to keep him on. We have done that with a lot of people.'*

Employer 13, large high-flexibility employer,  
Transport, storage and communications

#### 5.4.1 Employer rationale

In discussing their rationale and motivations for wanting to help, some employers emphasised the business case, and the benefits of retaining an experienced and loyal employee. This was sometimes linked to succession planning and a desire not to lose expertise and tacit knowledge. This quote is typical of these views:

*'If somebody is genuinely looking at the fact that they don't want to leave work, genuinely looking at how they can continue to do that job without letting the company down by saying "I'd like to reduce my hours", I think you'd be stupid as an employer not to actually take that into account and maybe advise that. I think you've got quite a valuable employee here.'*

Director, Employer 2, small high-flexibility employer,  
Education, health, and other public/personal services

Others were clearly motivated by what might be characterised as benevolent paternalism or a desire to 'do the right thing'. As one said:

*'I think you need to try and be a bit sympathetic to people and their situations. And I kind of think how would I feel in his situation as well – I'd want someone to look out for me too.'*

Employer 7, medium-sized, medium-flexibility employer,  
Manufacturing and construction

In discussions of this scenario, interviewees often asked how long Alan had been with the company (as this was not stated in the scenario), and it was clear that in many cases their responses were shaped by reference to the 'psychological contract'. Definitions of this concept vary, but there is a general consensus that it involves employer and employee perceptions of the reciprocal obligations implicit in the relationship (Guest and Conway, 2002). It is also widely argued that there is a temporal dimension to such processes, with mutual obligations being seen to develop and deepen over time, in an ongoing cycle (Coyle-Shapiro and Kessler, 2002). Some employers made this type of consideration completely explicit, directly linking the degree of accommodation they would be prepared to offer in this situation to length of service and the quality of the employee's previous work, as in this quote:

*'So much depends on the individual I have to say and what they've contributed to the business.'*

Employer 24, medium-sized, medium-flexibility,  
Manufacturing and construction

There is some evidence that the psychological contract may be particularly critical in small businesses, because of the importance of positive relationships between staff, and the need for flexibility in work roles. (Nadin and Cassell, 2002). Thus, being seen to treat an older worker poorly might have negative motivational consequences among the workforce as a whole. Small employers may therefore have additional motives to seek an equitable outcome. Similar considerations apply to those employers who actively seek to maintain an image as an ethical or best practice employer.

Those employers who argued that immediate retirement would be the only or desirable option tended to be those who took a more instrumental view of the employment relationship, or who foresaw operational difficulties. For instance, one employer, while expressing personal sympathy for an employee in this situation, nonetheless said:

*'From the point of view of the boss, my feeling would be that he's got to replace him .... Because you're not gonna get what you want out of him.'*

Manager, micro low flexibility employer,  
Agriculture, mining and utilities



Similarly, in addition to having concerns about the dangers posed by potential side-effects of any drugs Alan might be taking, another employer felt that accommodating his wish to work reduced hours might not be an efficient solution for the company:

*'It just depends what sort of impact the drugs are having on his job. If they're not, there should be no reason he shouldn't be able to manage the projects on a part-time basis, but it depends on whether you're going to have to bring in some management beneath him, to fill in the gaps when he's not there ... which gets a bit pointless then, you know ....'*

Employer 25, micro low-flexibility employer,  
Agriculture, mining and construction

Employers discussing this scenario did not generally appear to be explicitly taking into account their possible duties under the Disability Discrimination Act, which is surprising, given that it clearly applies to someone in this situation (Hurstfield et al., 2004). Employer 17 (a small charity), who did not see these situations as problematic for his own organisation, argued that such inflexible responses were partly due to the lack of advice and information in smaller companies, but also that it requires time and effort to change entrenched attitudes, especially in male-dominated industries where part-time working is less familiar.

It was notable that the majority of interviewees envisaged a transitional situation where Alan would be gradually moving into retirement, whether directly or via sickness benefits, rather than continuing to work part-time over the longer term. This is very much the typical pattern for men in this age group who experience illness (Capellari, Dorsett and Haile, 2005; Kemp and Davidson, 2008). Thornton and Nice (2004) have also noted a general tendency among employers *'to see retirement on health grounds as inevitable where redeployment opportunities were restricted'*. However, interviewees generally did not clearly articulate the reasons why this happens. One employer described how, almost regardless of intent, the dynamics of this type of situation could take on a life of their own:

*'There's the personnel side of it, there's the company doctor side of it, there's my side of it, and there's his work colleagues side of it. I wouldn't say we're all going to gang up on him and say "Alan, you've got to retire", but if we all feel the same, there's going to be a subliminal message coming through to him ... "Are you really sure Alan, you want to carry on?" sort of thing, and "I will put it forward to the employer, but you know ...".'*

Employer 6, medium-sized, medium-flexibility employer,  
Education, health and other public/personal services

In these circumstances, someone who wishes to continue working may face considerable disincentives to disclose their health problem, if this is not already

obvious, or to initiate a discussion about how it affects their work (Munir et al., 2005).

## 5.5 Conclusions

Findings from the analysis of WERS highlight the risk factors that can precipitate mental ill health and MSDs in particular. More widespread awareness of the working environments which can trigger ill health may lead to the wider adoption of preventative interventions. Professional, managerial and other jobs characterised by high levels of autonomy, most notably in male-dominated working environments, are associated with a higher incidence of stress and other mental ill health. These jobs are typically well paid and interesting and often functionally flexible but can, nevertheless, be stressful and associated with unmanageable workloads. The health sector, ironically, stands out as unhealthier than other sectors. Having control over start and finish times and other flexitime arrangements can, however, partly offset the impact of more adverse working conditions. Teams can also spread the pressure provided team members are not co-dependent to effectively perform their tasks. In terms of MSDs, risk-enhancing characteristics include: a larger proportion of older staff, use of PRP, shift working, long hours and multiple but repetitive tasks. This is consistent with the findings of the qualitative analysis.

The employers in the qualitative research spanned a wide range, both in terms of the extent of work-related health risks, and the availability and use of preventative health measures. Retention of older workers with health problems depended on the demands of the work, in terms of both hours and content, and the extent to which employers were able or willing to modify these to take account of individual health needs.

Larger employers tended to have more day-to-day experience in dealing with ill-health issues among the older workforce, but despite this, line managers often struggled to meet particular situations flexibly because of operational and regulatory demands, so sector and industry type may be more important factors than size. Employees in skills shortage areas or with tacit knowledge are recognised as a valuable resource and employers are keen not to lose them, but this does not apply in sectors with a lower skills base and no shortage of suitable applicants.

Small firms clearly face greater pressures in responding to issues such as ill health, and can find it particularly difficult to absorb the costs of long-term sickness or to manage the workload in the absence of the person concerned. However, close working relationships in teams can help small employers to respond flexibly when someone is ill, and they may be motivated to go beyond the strict legal

requirements of the employment relationship by the psychological contract or because of personal loyalties and bonds.

Because some of these situations are not encountered very frequently, especially in small workplaces, there is potentially a major role for increasing information about how health issues for older people in the workplace can effectively be managed, although this does not necessarily imply a demand for advice, as not all employers perceive the need for such a service.

The Health and Safety Executive (HSE) have recently piloted Workplace Health Connect, which offered an occupational health helpline to SMEs. While this is viewed as having successfully reached small employers without access to occupational health services, those employers who have used the service so far have tended to focus on immediate safety concerns, rather than broader or longer-term health issues (Tyers, Lucy and Carta, forthcoming). This again is consistent with the rather reactive or minimally compliant approach adopted by some employers in our study.

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## 6 Managing an Ageing Workforce

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### 6.1 Introduction

The chapter begins with analysis of the survey data investigating the extent to which employers take a co-ordinated, strategic approach to accommodating an ageing workforce. Drawing together information on equal opportunities policies and the availability of flexible working policies, it creates an index measure to assess employer performance in this area.

The chapter then draws on the qualitative data to explore employers' experiences of managing older workers and the retirement process and looks for examples of strategic age management. Echoing recent in-depth studies of employers' policies on ageing (eg McNair and Flynn, 2005; McNair et al. 2007) evidence of strategic age management was limited to a handful of employers. Yet there were many examples of informal good practice and well-intentioned employers trying to do the right thing if not necessarily in a co-ordinated or strategic way.

The qualitative analysis begins by examining some of the issues associated with managing older workers in the period before they retire. It touches on the availability and take-up of a range of opportunities and resources including training, redeployment, downshifting and retirement planning courses. In doing so it explores employers' rationale and drivers for age positive practice and the reasons why others are less able or willing to support older workers if, indeed, they have any. As the earlier discussion of age profiles in chapter 3 highlighted, not all employers have any significant experience of employing staff in their 50s or 60s.

The chapter goes on to examine employer attitudes to retirement and extending working life and the type of issues and drivers that shape their practice in this area. Issues of capability and performance management of older workers were central to these discussions.

## 6.2 Evidence of strategic thinking on age issues - findings from the quantitative analyses

The survey analysis reveals that a strategic approach to managing an ageing workforce is characterised by the implementation of a number of initiatives designed to target the recruitment and retention needs of older workers. As previous chapters have highlighted, of particular importance is the need for health-related interventions or prevention measures, more flexible working arrangements and policies which actively prevent discriminatory practices, whether direct or indirect.

In terms of the extending working lives agenda and providing working terms and conditions which are conducive to longer working lives, a 'good employer' is defined here as one which provides: opportunities to work flexible hours, ensures 'healthy' working conditions and monitors age-related equal opportunities in relation to recruitment, promotion, pay and other aspects of employment. Most employers provide at least some of these measures with just seven per cent offering no health, equal opportunities or flexible working related provision.

In order to explore the characteristics of 'good employers', a measure of strategic thinking has been derived. The measure has a score which ranges from 0 to 11 indicating the number of pro-age policies that have been implemented. The following policies and practices have been included in the measure<sup>9</sup>:

- reduction in hours provision for all staff
- working from home at least occasionally available
- flexitime provision for all staff
- job-share opportunities
- health and safety meetings, committees or representatives in place
- formal plans for diversity
- older workers targeted for recruitment
- formal equal opportunities which apply to age
- monitor recruitment by age
- monitor promotions by age
- monitor pay rates by age.

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<sup>9</sup> Although there are many other policies, practices and management approaches which can be described as pro-age, the analysis here is limited to those policies for which information was gathered in WERS.

Analysis of the pro-age measure demonstrates the extent to which HR practices related to an ageing workforce are deployed in a holistic, strategic manner as opposed to a more piecemeal approach. Employers have been categorised according to whether they are 'below average' employers with fewer than two pro-age policies in place, 'average employers' with between two and four pro-age practices or 'above average' employers with between five and 11 pro-age policies.

Of the 2,295 workplaces, 32 per cent are 'below average', 50 per cent 'average' and 19 per cent 'above average', according to the classification above, in terms of pro-age provision. Table 6.1 shows these distributions according to employer type, with reference to industry, size, sector, manual/non-manual divide, concentration of women in the workplace and whether any unions are recognised.

Employers are most likely to have a strategic approach to an ageing workforce the larger their size, if unionised, in the public sector or if in the following industries: public administration, health, utilities, financial services or education. In keeping with the story to emerge from the previous section, the larger the proportion of the workforce which is blue collar, the less likely they are to be a good employer in terms of strategic age management. Similarly, the more men in a workplace, the less likely they will be strategically pro-age. It is also of interest to observe that workplaces with higher proportions of older workers, aged 50 and above, are among those most likely to be below average in terms of pro-age policies.

Regression results shown in Table 6.2 largely confirm the picture presented by the bivariate results. Strategic age management policies are more commonly associated with larger organisations, a higher density of professional staff, unionised workplaces and higher proportions of women in the workforce. Compared with the retail sector, the following industrial sectors are significantly more likely to have deployed a range of pro-age policies and practices: utilities, financial services, public administration, health and other community services. The probability of an employer actively pursuing strategic age management policies is significantly reduced in workplaces with: a high density of blue collar staff or older workers aged 50-plus, smaller proportions of staff working in teams and in the hotels, restaurants and construction sectors.

Table 6.1: Characteristics of employers associated with age-oriented policies

Workplace variables		% below average	% average	% above average	N
All workplaces		32	49	19	2,295
Size	5-25	37	49	15	666
	26-50	22	52	26	330
	51-100	9	58	34	301
	101-500	6	47	46	584
	501 plus	1	25	74	414
Sector	Private	35	52	13	1,370
	Public	8	37	55	457
	Other	32	49	20	468
Industry	Wholesale/retail	37	54	9	321
	Manufacturing	48	45	7	310
	Electricity, gas, water	32	22	46	45
	Construction	57	37	6	113
	Hotels and restaurants	45	46	9	111
	Transport and comm.	34	57	9	144
	Financial services	14	54	33	130
	Other bus. services	29	55	16	280
	Public administration	0	23	77	137
	Education	10	59	31	208
	Health	15	38	47	353
	Other comm. services	21	54	25	143
Proportion of workforce blue collar	None	28	50	21	1,674
	1-29%	40	46	15	340
	30+ %	49	46	5	281
Proportion of workforce aged 50 and above	0%	29	55	16	280
	1-9%	17	56	27	371
	10-19%	29	53	19	529
	20-29%	34	48	19	548
	30-39%	40	41	19	312
	40+ %	39	43	18	255
Proportion of workforce female	0%	52	42	5	48
	1-24%	42	48	10	535
	25-49%	37	49	14	449
	50-plus %	25	51	25	1,263
Union recognition	None	38	49	13	1,240
	1 or more	9	51	41	1,055

Table 6.2 Characteristics of employers associated with age-oriented policies

		coefficient	significance
Size	5-25 (ref.)		
	26-50	0.143	***
	51-100	0.146	***
	101-500	0.150	***
	501 plus	0.182	***
% workforce blue collar	none (ref.)		
	1-29%	-0.217	
	30+ %	-0.188	**
% workforce professional/ managerial	none (ref.)		
	1-29%	-0.151	
	30+ %	0.230	***
% workforce aged 50 and above	0% (ref.)		
	1-9%	0.187	
	10-19%	-0.185	
	20-29%	-0.196	
	30-39%	-0.223	
	40+ %	-0.199	**
Team-based working (% of workforce)	40-79%(ref.)		
	80% plus	0.189	
	<40%	-0.189	***
Unionised		0.170	***
% workforce female		0.002	**
Industry	wholesale/retail (ref.)		
	manufacturing	-0.236	
	electricity, gas and water	0.735	**
	construction	-0.258	*
	hotels and restaurants	-0.209	*
	transport and communication	-0.307	
	financial services	0.399	**
	other business services	0.179	
	public administration	0.387	***
	education	-0.318	
	health	0.230	***
	other community services	0.244	***

Dependent variable: number of pro-age policies, range 1-11

### 6.3 Managing older workers - findings from the qualitative data analysis

Chapter 3 examined the issues for employers of providing flexibility to their staff and Chapter 4 explored employer perceptions of older workers. Here we look at



the extent of strategic age management; what was on offer to older workers in terms of training and flexible working opportunities such as downshifting and redeployment.

### 6.3.1 Training

There is a widespread stereotype that older workers are less interested in taking part in training than their younger colleagues, and there is some evidence that employers and employees may collude in this, leading to lower uptake of training opportunities by those in older age groups (Newton et al., 2005).

Not all the employers offered training to their staff but most did, either because staff were unlikely to arrive with the skills required for the post, as part of a regulatory framework or as part of a staff development system operated through yearly appraisals or staff reviews. The majority of employers did not immediately perceive the provision and take-up of training as an age-related issue. From their perspective if they offered training then it was something they offered to all workers. In particular, employers for whom training was mandatory or built into the appraisal system disputed the suggestion that older people might be less likely to be offered or to undertake training. This employer who ran a comprehensive training and appraisal system was typical of these views:

*'... they (older staff) don't come into the argument anywhere at all. We just offer training to people that need it because of their performance.'*

Employer 13, large high-flexibility employer,  
Transport, storage and communications

Where training and refresher courses were mandatory or tied into occupationally defined criteria, employers similarly saw no issue around age:

*'In the last few years we've put all of the managers and supervisors through the recognised health and safety qualifications. Now that was irrespective of how old they were, you had to do it, it's all part of, well, continuing professional development, probably not quite the right word to use but that sort of thing, to make sure people are competent to carry out the roles, and obviously have the responsibilities that those roles take on.'*

Employer 34, medium-sized, low-flexibility employer,  
Manufacturing and construction

Their responses signalled that many were not aware of differences in the ages of those who undertook training, as they did not conduct monitoring by age. Other employers saw some evidence of a scaling back of interest in training by older workers themselves although this was situated within a wider discussion about other characteristics such as personality traits that distinguished those who were enthusiastic about training and those who were not.

*'... those who like training will be checking that regularly and coming to me and saying I'd like to go on this can I do this you know. But I'm not sure, amongst the practitioners I would say the young practitioners are more enthusiastic about doing more training.'*

Employer 2, small high-flexibility employer,  
Education, health, and other public/personal services

Several employers noted that skills level and occupation were key factors in determining interest in training. This employer was not alone in seeing lack of motivation for training as linked to low-skilled and part-time work rather than age.

*'... they are just simply happy to come and do the job you know and that is the end of it and do a good job with it as well. And therefore they won't want to consider any further development needs. And there are others who would you know, with open arms as it were so the other way round. I guess again, you know it probably is the part-timers mainly and perhaps the less skilled jobs anyway.'*

Employer 23, medium-sized, high-flexibility employer,  
Education, health, and other public/personal services

There were also particular areas of training that people were more resistant to than others. The HR manager in the PCT noted that clinicians were very good at updating their clinical skills but had resisted training in a new administrative system for managing their data online.

Only a couple of employers explicitly discussed age-related issues in relation to training. The coach company noted that older workers new to the company struggled to pass the coach driver training.

*'... they find the challenge of going from car driving to coach driving after having driven for 30, 40 years, just suddenly having to become a coach driver, its easier for young people because they just adapt, but for older people they find it quite difficult to get the hang of driving a coach. And what we've often, what we've found is in the past is that either they can't pass the test because they get nervy about it or they just can't reach the competence level because it's very, very strict (...) our oldest driver that we put through is probably about 55. That we have successfully put through the test.'*

Employer 1, medium-sized, high-flexibility employer,  
Transport, storage and communication

However, employers' responses to the second scenario (discussed in more detail later in this chapter) in which an older administrator struggles with the new electronic diary, included more candid accounts of issues in this area. As mentioned in chapter 4, the stereotype of older people resisting new technology elicited some nods of recognition from employers. Two noted instances of older workers leaving

'voluntarily' following difficulties getting to grips with new technology or systems that were being introduced.

*'I certainly had a supervisor five years ago who went on the training course for the new back office computerised ordering, emails, intranet system that came in and halfway through the week she said "I'm never going to get this" and handed in her notice which was terrible but she, that was the sort of way she felt and I mean she was coming up to 60 and she just said "OK this is my moment to say I'm not going to do it".'*

Employer 16, small high-flexibility employer,  
Wholesale, retail and hospitality

However, other employers had examples of older staff embracing new technology which effectively undermined the stereotype.

*'I've got my receptionist who's 62 doing, she's been doing IT training with Learn Direct and wants to do the next course now, Excel.'*

Employer 3, small high-flexibility employer,  
Education, health, and other public/personal services

### 6.3.2 Flexible working - downshifting and redeployment

As chapter 3 highlighted, a range of factors including, age profile, size, organisational ethos and occupational norms shaped the extent and nature of the flexibility employers were able to offer some or most of their staff. With regard to older workers rights to ask for more flexible work enshrined in the 2006 legislation, most employers had little experience to draw on. Whilst small employers with a young age profile had few older staff and little knowledge of the issues that affected them, even those that did, particularly the larger more flexible employers had little experience of older workers requesting flexible working. In the county council which had a great deal of experience of managing the retirement process and a culture of flexibility, the HR manager felt that there had not been a significant increase in older people asking for flexible working.

*'I've got one or two people who are nearing retirement who actually ask if they can reduce their hours and some that will affect their pensions, it's not droves of people and it's not significant numbers.'*

HR director, Employer 9, large high-flexibility employer,  
Education, health, and other public/personal services

Requests by older workers to reduce hours tended to be made not by employees in their 50s but by those in their 60s who wanted to continue working past state pension age or normal retirement age. Where requests were made pre-retirement age they tended to be just before it. Employer 18, the utility company, noted that

the small number of requests they did get tended to be made in the months approaching NRA rather than several years beforehand:

*'We've had a few people want to just back off a little bit and slow down before they retire. To be honest, it's been only in the last 12, 9, 6 months before, it's not 3 years before.'*

Employer 18, large low-flexibility employer,  
Agriculture, mining and utilities

The fact that employees did not request particular changes may have been because they did not think these demands would be met and this highlighted the strength of occupational norms operating for both employers and staff around work management and practices. The failure of employers in industries highlighted by the WERS analysis as having very low strategic age management and low flexibility to provide these things in part stemmed from the lack of demand. Manufacturing provided an interesting case here with several employers in this field pointing out that their staff's priority was to work as many hours as possible (these were low-paid jobs with little flexibility generally carried out by men). In fact overtime was a popular form of flexibility for both employer and employee. Employers felt that for older workers approaching retirement it was even more important to maximise their income for the sake of their very limited pension. These employers felt no pressure to offer employees a reduction in hours pre-retirement and it thus was not seen as a priority. Several acknowledged that the issue of older workers wanting to downshift was rarely a question they had put to their staff. A HR manager for employer 7 (a metal manufacturer) said that she was unaware whether any of their older workers wanted to reduce their hours but admitted that whilst none had expressed an interest in doing so, they had also never actively instigated a discussion with staff on the subject:

*'I really don't know and that's because we haven't discussed it with them, I really don't know. It hasn't ever come up.'*

Employer 7, medium-sized, medium-flexibility employer,  
Manufacturing and construction

Employers in some industries were also aware of the impact of pension on staff priorities in the periods before they retired. Several of the education and statutory sector organisations noted the impact of the final salary pension schemes on pre-retirement behaviour. This voluntary sector employer offering a money purchase scheme commented on her husband's experience in the NHS:

*'... the defined pension by the way is a serious disincentive to someone wanting to downsize to part-time working ... and my husband, he worked for the NHS and people don't do it ... because you would then cut your pension.'*

Employer 12, medium-sized, high-flexibility employer,  
Education, health, and other public/personal services

None of this is to argue that employers were offering little flexibility to their older workers, more that they lacked awareness of specifically age-related issues for which this might have been requested. Chapter 3 highlighted the way in which flexibility was embedded in the operation of some organisations, and they paid little attention to age when revising staff hours. For example in the counselling organisation, with its extremely flexible work structure, increasing and decreasing hours for any reason was routine and caused few problems for the organisation.

*'The counsellor who left she had cut down her hours, but then people do cut down their hours for all sorts of reasons, she had she'd cut down by a couple of hours a week. My Office Manager cut down and she did that a couple of years ago now because she said she was just finding, because when I started there she was starting at nine but she now starts at ten so can get the cheaper fare into work ....'*

Employer 2, small high-flexibility employer,  
Education, health, and other public/personal services

However generally where flexibility was offered it rarely fell within a formalised programme of strategic age management and where these existed they were not yet making an impact on employee practices. Nor were employers confident that they would be able to manage if they instigated formalised schemes which were then adopted by a large proportion of their workforce. Whilst one voluntary sector employer (employer 17) had instigated a formalised phased retirement package which was given to employees as part of *'their contractual package of policies and information when they start'*, no one had yet made use of it and the employer admitted that if everyone did they might find it difficult to manage. The caveat that decisions could be made on a case-by-case basis was seen as crucial.

*'... as with all these policies there is a get out clause for the employer. It is basically if we can accommodate it, but to be fair the spirit in which the policy was introduced and agreed, we would want to do all that we could to accommodate it.'*

Employer 17, small, low-flexibility employer,  
Education, health, and other public/personal services

Another organisation with a formalised phased retirement scheme also found the reality of operating this successfully within their shift system challenging:

*'... so in the last six months whatever your job is, you are entitled to and progressively take more days off per week or shift or whatever. And the guy who retired back in February, he did exactly that. It was a bit of a challenge because he worked shifts, so it probably wasn't easy, and I think actually he probably got a bit fed up with it in the end, so I wouldn't say that that was, it doesn't always suit everybody. It probably works quite happily for a five-day person in a large*

*environment. When you're on a shift or if you've got a small number of people, it's like absence for any reason, it's a problem.'*

Employer 34, medium-sized, low-flexibility employer,  
Manufacturing and construction

In fact the company were about to drop the scheme entirely, ostensibly because it was felt that following the age discrimination legislation it might lead to discrimination claims made against them. An interesting example of the unintended consequences of the legislation on employer practices: *'I know that that's going to be taken out of our terms and conditions because it's seen to be ageist, or possibly to be counter to age discrimination'* (Employer 34). However, given the problems of implementing it, this may have only been one part of the employer's motives for abandoning it.

Not all employers saw part-time work or reduced hours as offering a positive solution to older workers remaining in work. The head of the special needs school felt that someone working part-time as they approached NRA or pension age was likely to be disengaged and inefficient.

*'All it means is that you've got somebody that really doesn't want to be there, and just doing three days a week because they've got to downscale until they get to 60. I don't always agree that actually if you're going to make somebody part-time is the panacea for everything.'*

Employer 32, medium-sized, medium-flexibility employer,  
Education, health, and other public/personal services

Another made a similar point arguing that downshifting was likely to lead to these workers being marginalised.

*'What would probably happen, I suspect, is that, that person that's stepped down would then be written off a bit, you know .... It's like that person would then be written off, like "They're out of the game now", it's like holding when you're playing pontoon, you know. Or indeed they're going on a route that takes them out of the college ... '*

Employer 20, large high-flexibility employer,  
Education, health, and other public/personal services

Redeployment as a procedure for accommodating the needs of older workers was even less evident as a formal strategy initiated by employers and almost none could remember it being requested by employees. Where it had been used it was very much an ad hoc response to a particular issue for a member of staff rather than the result of any strategic planning. The community school felt it had worked very successfully but noted that on another occasion it might not be possible to accommodate.

*'... we did that 2 probably 3 years ago now for one person and you know it has worked a treat. You know, change of role and again that was a reception person, who, she didn't like the job and wanted to go part-time but we need a full-time receptionist so, there was a space to manoeuvre around so we manoeuvred that person into a different role which we were quite happy about and then recruited somebody new. You can't always do that of course.'*

Employer 23, medium-sized, high-flexibility employer,  
Education, health, and other public/personal services

The utility company argued that, as a large company, redeployment was not particularly difficult for them; they just needed to spend some time working out how to adjust people's job descriptions so that the work gets done.

*'It doesn't cause problems, it just means we have to sit and think about how we are going to, if Fred wants to come out of line a bit and do some of this to ease out a bit, can we cover that until he leaves and Fred's replacement comes in.'*

Employer 18, large low-flexibility employer,  
Agriculture, mining and utilities

Redeployment strategies seemed as likely to emerge from organisational needs as from worker demand. For example the tree surgeon (employer 25) was hoping over time to develop the business and saw that this would create some management posts which might be suitable for older workers, but this was a longer-term project, and he could envisage skills development issues because the roles were so different. Similarly the metal manufacturer (employer 7) in talking about the problems they faced recruiting skilled metal workers went on to explore the possibility that their older workers who were nearing retirement or who had retired could take on a training role working with apprentices. These would have the advantages of being less physically demanding and enable a useful knowledge transfer to occur.

However, other employers echoing the concerns with reducing hours were quite sceptical that staff would want to move to a less stressful role if it involved a reduction in pay and status:

*'... if somebody's in finance, it's highly unlikely that people will say, "I'm the Finance Manager for the last 20 years and now I'll become a Finance Assistant".'*

Employer 31, large high-flexibility employer,  
Education, health, and other public/personal services

Yet, several employers talking about their own plans for working after state pension or normal retirement age (rather than in the years before it) had thought about redeployment options for themselves as is discussed below.

### 6.3.3 Retirement planning initiatives

More formal provision that might come under the term 'strategic age management' in the form of retirement planning courses for employees were in evidence. These discussions were dominated by employers with older staff age profile, proactive HR or a good practice ethos in relation to their staff.

With regard to retirement planning seminars or pre-retirement courses only a very small number of the sample offered these to their staff and they ranged from comprehensive and lengthy to single issue and short. Employers offering comprehensive pre-retirement courses covering all aspects of retirement tended to be larger employers such as this large statutory organisation where the HR director outlined the breadth and frequency of their courses:

*'... all sorts of things you know from finance to whatever anybody wants to know really. I think they're run two or three times a year for anyone.'*

Employer 9, large high-flexibility employer,  
Education, health, and other public/personal services

It was not only large employers who provided these types of service. Some small employers with no standardised provision were nonetheless able to offer some tailored advice, for instance via the company accountant or a subcontracted provider of employment services. The community school (employer 23) offered teaching staff the opportunity to take these courses. Yet at the same time an interviewee at a much larger college felt that these courses were something their HR should be providing but that the department were too stretched to prioritise retirement issues.

*'... everybody's really overworked down in personnel, which I know because I speak to [name] and what have you, ... and you know, they can't cope, it's not very efficient ... it sort of gets by ... but something like retirement is sort of way down at the bottom of the list or non-existent, they just don't give a thought about it.'*

Employer 20, large high-flexibility employer,  
Education, health, and other public/personal services

More often, retirement planning seminars had a much narrower focus, that of pensions and financial managing. Usually these were conducted by an external consultant or company and often on a one-off or ad hoc basis in response to queries from staff. For example one employer had set up a series of presentations on their company pension as a response to staff questions and a ballot.

*'... the reason we set them is actually because one of our, saying that, older guys coming closer to retirement had said he wasn't sure on a few points, he wasn't sure what the pension was going to mean to him, he wasn't sure what would happen at retirement and a couple of people voiced other questions, so we did a bit of a ballot to see how many people would be interested in getting someone in and then we*



*contacted [pensions company] and said right these are the questions that are being asked.'*

Employer 7, medium-sized, medium-flexibility employer,  
Manufacturing and construction

The sports association (employer 12) provided a course run by the retirement counselling service which they felt had been especially popular with female members of staff with specific pensions issues which they wanted to resolve:

*'... and we've had a few members of staff who have gone on that particularly female members of staff where they really feel that there are a bit in the dark about the financial side of things.'*

Employer 12, medium-sized, high-flexibility employer,  
Education, health, and other public/personal services

Other employers offered more informal or basic opportunities. The HR department of one employer acted in an advisory role for employees who approached them with queries regarding their pension, signposting them to appropriate support usually in the form of an independent financial advisor.

*'Well what I first do is say well you get the facts straight first as to what you're actually entitled to and we have to apply for a quote for their situation and then through that I always advise them to talk to a financial adviser who's independent and surprisingly most people already seem to have something that they will turn to and they say that's ok I'll speak to so and so under my insurance.'*

Employer 24, medium-sized, medium-flexibility employer,  
Manufacturing and construction

## 6.4 Retirement and extending working life

### 6.4.1 Normal retirement age

Employers' responses to questions about whether they had a normal retirement age again highlighted how employers staff age profile affected their understanding, knowledge and views of older workers. Around a quarter of the sample particularly small or relatively new businesses with a young workforce and low flexibility, had few workers in their 60s and little or no experience of workers actually retiring. For this group a typical response to whether they had a normal retirement age was:

*'I haven't even thought about that for anyone. No one has got that close to it.'*

Employer 28, small low-flexibility employer,  
Manufacturing and construction flexibility

Mostly this was a result of the young age profile of staff but in the case of employer 34 (a brick manufacturer) with a more mature workforce age profile, it

was argued that in the regular rounds of redundancies over the previous years it was the older workers who had tended to volunteer, meaning there were few still in post at retirement age.

*'One of the things that has happened is that every time there's been a swathe of redundancies, because you offer voluntary redundancy and we're just going through that exact thing at this moment .... You find that people, certainly as they get close to pensionable age, take money and run. We've actually in the last 15 years, to the best of my knowledge, and this literally happened in February of this year, we've had one person who got to 65 who opted to take normal retirement.'*

Employer 34, medium-sized, low-flexibility employer,  
Manufacturing and construction

Many of the small and younger organisations had little knowledge of the recent changes in policy and legislation or of how the retirement processes might operate for them if they ever did have a worker approaching NRA. Those who had some older workers were more aware of the potential issues and had some basic policies in place, even where they had little first-hand experience. Few of these employers had a normal retirement age and most felt that if they ever had an employee approaching retirement they would not enforce a leaving age. This employers' response was typical.

*'Well I suppose we would be working towards a national normal, you know, but as and when we get to that point, well if I get to that point, I can't think that we would be concerned to put people off and say you must retire. It's their choice.'*

Employer 11, small low-flexibility employer,  
Wholesale, retail and hospitality

In contrast to these organisations, larger more established employers with an older workforce were more familiar with the retirement process and had policies in place which they understood as meeting the requirements of the legislation. Some simply had no normal retirement age, staff just carried on. One charity, for example, had no reference to a retirement age in their staff contracts and explained that when the employee reached pension age they did not instigate any formal discussion so that *'in the absence of any approach to us from the employee, it is business as normal.'* They then went on to note that employee expectations that they would retire meant that in practice those discussions usually did happen informally:

*'So there won't be a discussion but obviously there will informally because most employees whatever their contract says assumes that the employer ... imagines they are going to be retiring once they reach statutory retirement age, so ....'*

Employer 17, small low-flexibility employer,  
Education, health, and other public/personal services

The remainder of the employers worked to a normal retirement age of 65 although they were split between those who enforced that retirement age and those who did not. Those who did not enforce generally followed the required practice of sending a letter to employees some months before normal retirement age asking them their intention. Several mentioned that letters were generated automatically. One of the manufacturers said that they also reminded their employees informally in the year prior to 65 that they would be writing to them to ask what they wanted to do.

*'... we do diary these guys now that they're kind of coming on the radar we will be diarying them as they come toward 64 so that we can start to think about writing to them and saying okay what do you want to do.'*

Employer 7, medium-sized, medium-flexibility employer,  
Manufacturing and construction

Employers in this group were generally positive about older workers and particularly valued experience. Many of them felt it was preferable to keep on an experienced older worker than to recruit and train new staff:

*'How much better it is, if they know the job and they're doing it well and they're happy doing it what's the problem, it's darned cheaper a person that is reliable than it is getting another one and training them up and finding (they aren't suitable).'*

Employer 11, small low-flexibility employer,  
Wholesale, retail and hospitality

Generally those who did not enforce their NRA saw no issue with any of their employees staying on as long as there was a role for them, although one employer in manufacturing acknowledged that this was not always straightforward.

*'... obviously what you don't want to be doing is discriminating because you think oh this one role you know it would be really helpful if this person did retire or this other role we'd really like them to stay on and, of course we can't say both so I think that what we would like to do is give them the option to let us know what they want to do, what they're thinking and then discuss that further with them ....'*

Employer 7, medium-sized, medium-flexibility employer,  
Manufacturing and construction

Like the other employers in this group, the starting point was to give the employee the choice and then spend time working out what was possible with that member of staff if they said yes.

A much smaller number of employers enforced retirement at 65. These tended to be larger employers with access to legal advice who had interpreted the legislation in a particular way or employers in particular sectors, such as teaching, with a history of early retirement. The PCT (employer 31) was an interesting example. Their statutory letter to employees approaching retirement advised them that they

would be retiring at 65 unless they could put a business case together with their line manager.

*Q: So there wouldn't be people working after 65?*

*R1: Definitely no, unless there is a good business case for them. If it's a unique post and they can't recruit to it, or they might say, "We only need this post for another year or so", then we expect people to kind of, their managers to make a business case to us, but at 65 they go.*

Employer 31, large high-flexibility employer,  
Education, health, and other public/personal services

The PCT argued that they had little choice in implementing this policy following the age discrimination legislation, as the alternative would be an increase in tribunal cases. In their view, capability and performance was likely to deteriorate in staff over 65 and without enforced retirement they would increasingly need to implement performance measures with older workers. They felt this was not something they wanted to do and would be more likely to lead to discrimination claims.

These issues were explored further when employers were probed on their feelings about the possible abolition of the compulsory retirement age. More were in favour of abolition although some of these were more likely to have formed their views through observing the experiences of their wider family and friends, than they were to have managed the process at work. This employer had no older workers at all yet was very clear that there should not be a compulsory retirement age:

*'... it should be up to the individual shouldn't it, or at least I believe so. My gran worked until she was 72.'*

Employer 14, small low-flexibility employer,  
Transport, storage and communication

Other employers were more circumspect and talked about having mixed feelings, on the one hand believing that people should have the choice to work as long as they liked but on the other concerned by the implications for the employer of managing capability and performance issues. Several employers implied that these issues were limited to particular jobs, their view being that it was fine to continue working if you were in an office job, but not one which involved heavy manual labour or where safety was a factor. The ferry company was quite specific here, saying:

*'I think in terms of some safety critical positions, you know, like driving the ship, concentration and physical fitness and physical alertness is quite key.'*

Employer 13, large, high-flexibility employer,  
Transport, storage and communications

Several expressed concerns about how to implement performance issues with older workers. There appeared to be a tension between wanting to reward older workers for their loyalty and risking the possibility that their performance might need to be managed in future, which employers were uncomfortable with.

*'... we have got one person who is 68 but he is only part-time and he just sorts the post in the morning and he has been absolutely fine at his job ... but he's saying he will probably go at the end of this year and he has said that ... so that made it easy. If we were having to say to him look Ron, you are actually, you know, you keep putting post in the wrong pigeonhole ... you know it would be hard.'*

Employer 12, medium-sized, high-flexibility employer,  
Education, health, and other public/personal services

Others were more bullish on this matter, as this quote illustrates:

*'If people have a capability issue, let's put it like this, we have a capability procedure. If people are not capable of doing their job, then we have to manage that. It's no different for anybody young, old, in between. We don't discriminate on age.'*

Employer 18, large low-flexibility employer,  
Agriculture, mining and utilities

## 6.5 Responses to scenario 2 - retirement, performance management and loyalty

These tensions around the retirement process and performance management were explored further in the second scenario which asked employers to give their views on a situation in which a woman approaching retirement is seen to have performance issues.

Linda is an administrative assistant. She has worked for you for 20 years. She knows the organisation inside out and is loyal to the company, as well as being very well organised and competent. At the same time, you feel that she can be a bit resistant to change; she won't move to another department, and she really prefers to use a diary, not the electronic calendar system that you've tried to introduce. Linda will be 65 during the next year, which is the normal retirement age. You don't know what she plans to do, and would like to have some clarity on this so that you can plan ahead.

Responses to this scenario provided insights into the ways employers managed performance issues and retirement and highlighted the difficulties that can be caused by the two issues becoming entangled. As with the health scenario discussed in chapter 5, what also emerged was the value employers placed on long service and loyalty, as part of the psychological contract, and this was also a key driver in employer responses.

A number of employers echoed the views of the utility company (employer 18) and argued that age was irrelevant to this example; performance was a separate matter to retirement and should be treated as such. The immediate priority, they argued, was dealing with the performance issue.

*'They should be doing that anyway and we have to manage that process and manage the discipline process to say right this is the procedure and we've got to use it. If they didn't conform to it then it would be a disciplinary procedure, I don't think it makes any difference what age they are.'*

Employer 24, medium-sized, medium-flexibility employer,  
Manufacturing and construction

Several felt the performance issue should really have been identified and dealt with much earlier, preferably as part of an appraisal system.

*'... if she had been working for me we wouldn't have got in that situation she would have been using the electronic diary by now, I would have expected her to show me how to use it.'*

Employer 9, large high-flexibility employer,  
Education, health, and other public/personal services

The issue of people resisting new technology was one that chimed with several employers, who said they knew someone like Linda or had had to implement a performance review for very similar reasons. There were a range of creative suggestions for how to deal with this issue, including letting her use her old diary and not worrying about it, task swapping and job redesign and ways to encourage and support her to adopt the new system from training courses to buddying. Many did not see her resistance as insurmountable.

*'... you have to sell it a bit and support them and appreciate that people are sceptical, they're not used to doing it. But most of the people who learn to type on a good typewriter, have come through and learnt to use computers haven't they?'*

Employer 31, large high-flexibility employer,  
Education, health, and other public/personal services

The retirement issue was seen as a more simple procedural matter. A letter would go out, perhaps followed by an informal chat and then an attempt to find a suitable arrangement for Linda to continue, if that was what she wanted, or for her retirement. However, employers were pragmatic and some, pointing to the short time frame available before normal retirement age, suggested that the priority had to be to talk to Linda and find out what her plans were. If she did want to continue working then some suggested the diary issue could become a bargaining tool in the negotiations, while others suggested job redesign or redeployment would enable her to continue working without tackling the performance issue. There was

an assumption that even if she did want to continue working this would not be for more than a year or two.

What emerged strongly from the responses was the value employers placed on her loyalty, efficiency and length of service. Several emphasised that despite the issues with the electronic calendar it would not be in the organisation's interest to lose her as she had a wealth of expertise. It was felt that loyalty ought to be rewarded.

*'... what I would be mindful of is that I might end up losing someone who for 95 per cent of her job role isn't just governed from what you've described to me, is quite a model employee, hugely hard working, loyal and possibly very flexible in other ways.'*

Employer 17, small low-flexibility employer,  
Education, health, and other public/personal services

One pointed out that if you forced her to retire because of the capability issues there were likely to be repercussions which could result in a lowering of staff morale.

*'From a point of view of her loyalty to the company over the last 20 years and the effect that might have on staff morale generally because if you are seen to treat somebody poorly who's given you good service, that has quite a knock on effect on other people.'*

Employer 12, medium-sized, high-flexibility employer,  
Education, health, and other public/personal services

Not all employers felt particularly confident about having what they saw as quite a sensitive conversation with Linda about her retirement plans, particularly given the performance issue that muddied that water. It was felt that there were expectations and needs on both sides, and it was important that the negotiation be conducted in a way that would get the best results for everyone.

*'... at the end of the day you want this "win, win" situation don't you, where they may be thinking all the time "I daren't ask if I can have part-time hours" when you're thinking "If she'd just do part-time hours we could get somebody whizzy in to do these other bits of the job".'*

Employer 3, small high-flexibility employer,  
Education, health, and other public/personal services

Another HR manager made a similar point arguing that these types of case needed to be treated appropriately for the individual not just in terms of what is offered but also how this is negotiated, whilst acknowledging that this was often not possible in practice.

*'So you know you'd have to find out ways of actually, you can't do things like a bull in a China Shop you've got to actually treat each case in its own merits to how people are. And I do understand that managers sometimes just don't have that time, they haven't time to deal with the foibles of human beings.'*

Employer 9, large high-flexibility employer,  
Education, health, and other public/personal services

Another group of employers interpreted Linda's situation quite differently. The agricultural manufacturer (employer 24) enforced a normal retirement age and used this as the starting point for understanding Linda's situation and managing it.

*'Well, assuming that she has a contract that expires at 65 as ours would then I would assume that in the absence of hearing anything else that she would not be staying and I think the non-verbal signals about obstructing the change and so on would be part of that. We've got one guy at the moment who's in that situation. He finishes in July and he seems to be getting a little demob happy, ignoring some of the bits of procedure and it's been a bit frustrating.'*

Employer 24, medium-sized, medium-flexibility employer,  
Manufacturing and construction

The livery company and the PCT both of whom enforced NRA made a similar point that Linda would need to apply to stay on, and implied that the diary issue might be a barrier to her request being accepted. But the utility company felt that if she had worked for the company for 20 years there was no reason why she couldn't continue for a few more.

*'If it's worked for the last how many years I wouldn't want to say to Linda that you can't not work any longer than that because you are not using a PC any more, we've managed for the last 20 years with her doing it that way, I wouldn't want to upset the apple cart in that situation for the next couple of years. Its not going to be for 10 years, probably for 2 or 3 years is perhaps what we've seen in the past, so we would look to accommodate it in that way I would suggest.'*

Employer 18, large low-flexibility employer,  
Agriculture, mining and utilities

A small number of employers also noted the cost implications of employing particular strategies with Linda such as enabling her to do part-time work. While it was seen as important not to force her out if she did want to stay, one employer explained that they could not afford to keep her on part-time for very long given they would need to employ someone full-time as her replacement.

*'... our salary scales when we start someone off at the bottom of the grade, we are not going to be paying a new full-time person as much as we are paying Linda and therefore there is a little bit of a saving there so if she was prepared to work, I don't*



*know ... three days a week, four half days ... something just to hand over her knowledge for say six months or something, that might work.'*

Employer 12, medium-sized, high-flexibility employer,  
Education, health, and other public/personal services

Another voluntary sector organisation raised a similar point about costs but assumed that if Linda stayed on the new member of staff would be taken on part-time which would provide the way to resolve Linda's diary issues.

*'My view would be 'Here you are part-time worker', 'Here you are part-time worker', talk together and you come back to me and tell me exactly who is doing what, but I would be saying to the new part-timer "Whatever happens, you will be doing the diary".'*

Employer 5, micro high-flexibility employer,  
Education, health, and other public/personal services

### 6.5.1 Pensions and working after state pension age/normal retirement age

A large proportion of the employers were either directly employing someone over state pension age (including women over 60) had done in the recent past or were employing them indirectly through an agency or on a consultancy basis.

Their experiences highlighted the range of factors that influenced employers' practices. Some had gone to some lengths to accommodate older workers and enable them to continue driven by a combination of supportive employer and by the need to reduce staff turnover, particularly in industries that found it hard to recruit. The bus and coach company (employer 1) had issues with high staff turnover and initiated a staff consultation to understand what they could do to keep their older drivers. The suggestions were taken on board and the company implemented flexible contracts; an annualised hours contract and a retainer which enabled workers over 65 who wanted to do a bit of driving to stay with the company. This arrangement gave the drivers increased flexibility and autonomy.

*'We've got about four that are part-time that have left full-time work and are now part-time for us. Which suits them, because they're now 65, they don't really want a full, they don't want to have to do the hours, the good thing about being part-time although they don't admit it, the fact of the matter is when you are part-time you can pick your work. You know, they'll phone you up and say "Do you fancy helping out on Saturday". And they'll go "Well what is it?" Well "it's a rugby job" and they'll go "No thanks, sorry I can't help you" You know? They can take it or leave it.'*

Employer 1, medium-sized, high-flexibility employer,  
Transport, storage and communication

Another employer, the FE college (employer 20), faced a skills deficit despite an already very proactive ethos on extending working life. They needed to find ways to change the culture and expectations and told employees that they would like them to continue working and saw an immediate increase in the number of requests.

The cleaning company (employer 27) employed a large number of older workers, and a significant proportion of them were over state pension age. The short shift patterns provided considerable flexibility and reducing or increasing hours was a straightforward process to manage. The owner manager who was himself over state pension age spoke about how work '*keeps you going*' and gives a structure. He was also aware that many of those working for him faced quite severe economic pressures that drove their continuing to work, commenting that although they might only earn £50 a week, this could be an important contribution to the household income. Several employers noted the financial need they saw as increasingly likely to drive people's decisions to continue working although the effects of that need were not so far obvious.

Workplaces which enforced their normal retirement age had ways of employing people post SPA, usually through hiring back ex-employees as consultants or contractors. The PCT made use of bank staff in a number of areas and whilst they enforced their own retirement age, bank staff could work, and were working past 65. This had also been seen as a way to navigate around the new legislation. The brick manufacturer had two staff members who had returned as contractors, working past normal retirement age around the time of the new legislation.

*'... it was early days, it happened more or less at the time when the legislation was revised, and I think probably most employers were a bit wary of having an open ended commitment, particularly at times when the industry is never far away from shrinking down a bit, and so both these people, it was contractually, they were paid as if they were a consultant.'*

Employer 34, medium-sized, low-flexibility employer,  
Manufacturing and construction

However re-employing people on a casual contract after they have retired effectively enabled employers to offer staff more flexibility than was available on a standard contract. The Registration department of the county council for example explained.

*'I have some people in Registration who have retired at Pension age and then come back on a casual contract, the nature of the beast is conducting weddings and things like that, we need people irregularly during the summer so we take them on a casual contract.'*

Employer 9, large high-flexibility employer,  
Education, health, and other public/personal services

There were clear distinctions between particular occupations and industries in terms of the culture and norms around retirement and continuing to work. Again manufacturing provides an interesting contrast with the education sector highlighting some of these. The former occupation was still shaped by expectations embedded in blue collar careers where 50 years of strenuous full-time work ended with retirement and a state pension at 65; the reward for a lifetime of hard work and tax and national insurance (NI) contributions (Parry and Taylor 2007). In this context working after state pension age was not a popular choice and employers had made few attempts to facilitate or encourage extending working life.

However, as increasingly poor pension provision necessitated this course of action for some workers the employers had found ways to circumvent their standard practice through contracting and consultancy work post SPA. In some heavy manual occupations such as machine operating, contracting appeared to be a normalised practice for the over 65s. The quarry manager, for example, recounted the workers he knew working past state pension age and apart from one who owned his own company the others were all working as contractors for an agency. He himself was approaching retirement and had looked into the possibility of continuing to work on reduced hours (10–3) either in his current role (which given organisational changes in the definition of ‘effective supervision’ was entirely possible) or by redeploying/downshifting to a machine operative role. Unfortunately, his company head office had not contacted him other than sending the standard letter or given him any indication of their plans for his post, so he had made a decision to retire.

A different set of norms existed in the teaching profession where the legacy of an early retirement culture supported by a generous pension scheme still shaped employer and employee expectations and practice. Although significant changes had been made and were still being made to the pension scheme to make early retirement less rewarding employers held normative beliefs about stresses of teaching making it difficult for staff to continue after pension age.

*‘... because of course you’ve got irate parents, you’ve got irate kids, you’ve got teachers complaining, you’ve got the centre of a lot of angst. It’s a big ask for people to sort of do that till they’re 67.’*

Employer 32, medium-sized, medium-flexibility employer,  
Education, health, and other public/personal services

Other employers also acknowledge the role pensions played for their staff in shaping practices around retirement.

*‘... there’s no doubt the defined benefit scheme would encourage to stay with the company first of all, it’s a little bit of a handcuff I think and to keep working, nor*

*necessarily past 60 because there's always been a very generous arrangement for anyone staying after 60 and we've not changed it.'*

Employer 6, medium-sized, medium-flexibility employer,  
Education, health, and other public/personal services

## 6.6 Conclusions

This chapter has reviewed the extent to which employers are strategic in relation to age management issues. It is larger, more unionised and largely female workplaces which demonstrate most evidence of strategic age management, while blue-collar workplaces with men over 50 are least likely to have proactive policies in this area. The qualitative research was consistent with this, with operational constraints in manufacturing and other manual jobs a barrier to offering increased flexibility; however, operational constraints were also significant in other sectors, such as education, and in customer-facing roles such as reception duties.

Almost all the employers interviewed were providing some kinds of ad hoc flexibility to older workers, regardless of the degree of formal flexibility operating in the workplace, but they were generally keen to maintain managerial discretion about this, and were rarely aware of ageing as a potential trigger to seeking increased flexibility.

Discussion of the issues involved in managing performance in the run-up to retirement showed the high value attached to loyalty and reliability, and the importance of tackling these issues separately. Few employers had any concerns about staff working beyond normal retirement age, and some had no set retirement age, but not all employers had any experience in working with the 50-plus age group.

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## 7 Lessons from the Research

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### 7.1 Introduction

This final chapter draws together the key findings of the quantitative and qualitative research covered in previous chapters, and the policy implications which arise from them. Some emerging issues for future research are also identified.

### 7.2 Key findings

#### 7.2.1 Pro-age policies and their implications for the recruitment and retention of older workers

Drawing together the results of the qualitative and quantitative analysis, we found that, overall around half of all employers had implemented a formal policy of equal opportunities in relation to age. The extent to which such policies impacted upon day-to-day recruitment practices is more difficult to assess as these policies were not typically followed up by monitoring procedures. Less than two-fifths of employers in WERS monitored their recruitment outcomes for age discrimination. Survey analysis findings indicated that a formal pro-age orientation is more common in large, unionised workplaces. Use of teams in the workplace was also associated with pro-age policies, possibly reflecting the benefits of age diversity in relation to work styles, perspectives, skills and experience in close-knit working groups.

There is also a strong gender dimension to the incidence of pro-age policies. Industries dominated by men – manufacturing and transport – were among those least likely to operate equal (age) opportunities policies with distinct implications for the prospects of men as they age. By contrast, equal age practices were significantly more prevalent in all establishments where women predominate.

Opportunities for the recruitment of older workers are constrained by the employment relations strategies deployed in around one-fifth (21 per cent) of establishments which operate internal labour markets<sup>10</sup>, filling vacancies from within when possible. Younger workers, at entry level, have a distinct advantage in these circumstances. Payment systems which reward staff primarily in relation to their level and depth of experience, operated in over one-third (37 per cent) of establishments, and can also render older workers expensive relative to younger applicants.

Depth interviews with employers of various sizes in a wide variety of industrial settings suggest that the absence of formal equal (age) opportunities is not, however, necessarily a reflection of poor age-related practice. Considerable differences emerged between employers in different sectors and types of work in terms of ethos, culture and the legacies of old practices, but employers recognised a range of benefits associated with the recruitment or retention of older workers including: loyalty, reliability, time keeping, numeracy, customer focus, customer matching and managerial/supervisory skills. Although some employers made reference to the business case for employing and retaining older workers, others were more motivated by the psychological contract, and the mutual obligations created by long service. If widespread, this latter attitude could have implications for people moving jobs in later life as employers may perceive weaker obligations towards more recent recruits.

Employers sought to emphasise that they recruited the best candidate for the job regardless of age and commented that age is often not a good proxy for health, physical ability, enthusiasm or talent. Most had recently recruited staff in the 50-plus age group, either because they were age neutral, had a need for specific traditional skills more commonly found among older workers or due to skills shortages which caused employers to cast their net as widely as possible. Most interviews were conducted in early to mid 2008, before the recession had fully taken hold, although concerns about the economy were already being voiced by some employers at that time.

This positive picture of employers readily recruiting older workers was counter-balanced by a number of reservations expressed by employers. Firstly, where employers were motivated to recruit from all age groups due to skills shortages, the prospect that opportunities will retract for older workers arises during less buoyant conditions. When the labour market is less tight, how will older workers fare compared with younger candidates? There is also a distinct risk of occupational channelling when employers are pro-age primarily in order to match staff profiles

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<sup>10</sup> 21% of employers stated that internal candidates are given preference when filling vacancies.

with their customer base. Some employers were also adamant that the physical requirements of their operation precluded the recruitment of older workers (who could be defined as anyone from 40 onwards). There is also a sense from some employers that for older workers to be recruited, they must be notably better than average to stand a chance – reminiscent of much research into sex discrimination which has found that in order to be considered for promotion women must often stand head and shoulders above their male counterparts.

The survey analysis identified a strategic approach to managing an ageing workforce, defined by the number of pro-age policies an employer implemented. Strategic age management policies were more commonly associated with larger organisations, a higher density of professional staff, unionised workplaces and higher proportions of women in the workforce. The probability of an employer actively pursuing strategic age management policies was significantly reduced in workplaces with: a high density of blue collar staff or older workers aged 50-plus and staff working in the hotels, restaurants and construction sectors.

### 7.2.2 Flexible work and the older worker

Employers varied considerably in the extent to which they offered flexibility to their workers and what that flexibility consisted of (working from home, part-time work, flexitime, redeployment etc). At one end of the flexibility scale, these practices were formalised and embedded in their contractual systems and practices while at the other they were almost non-existent. Most employers offered staff some form of flexibility informally or on a case-by-case basis, however, and while they usually did not differentiate between the reasons why long-term flexibility might be needed (care, health issues, a long commute) a small number considered only caring roles or health needs as legitimate. The informality of the processes meant there was little monitoring in place.

Importantly, employers did not view age as important in their decision-making around flexibility. The nature, demands and costs of a particular role were more significant factors. Reflecting the survey findings, blue-collar staff working shifts in construction and manufacturing had little flexibility. Even employers at the flexible end of the spectrum, where formal policies appeared to be embedded, argued that there were some roles for which flexibility was simply inappropriate and several were able to provide examples where they had refused requests for flexible working for operational reasons.

Despite the legislation, most employers interviewed had almost no experience of an employee asking to reduce their hours or change the nature of their job simply because they were older. Where there was some awareness of requests made by older workers these tended to be in the months leading up to retirement or as part

of the negotiations to continue working after normal retirement age. This tended to be assumed to represent a lack of demand for more flexible work on the part of the workforce. This was particularly true in blue-collar occupations where the assumption was that the (largely male) workforce wanted to maximise hours and earnings rather than reduce them. Some employers also noted the impact of different pension schemes on staff behaviour at this time and others pointed to the gendered nature of requests for flexibility, where they did occur, reflecting patterns of part-time work among women more generally. Redeployment of older workers was also rare and several employers argued that these types of flexibility were liable to lead to marginalisation and then exit and as such did not represent long-term solutions for extending working life.

### 7.2.3 Managing health issues among the older workforce

Ours WERS analysis highlights the risk factors that can precipitate health problems, particularly mental ill health and MSDs in particular. More widespread knowledge and awareness of the working environments which can trigger ill health may lead to the wider adoption of preventative interventions.

Professional, managerial and other jobs characterised by high levels of autonomy, most notably in male-dominated working environments, are associated with a higher incidence of stress and other mental ill health. These jobs are typically well paid and interesting and often functionally flexible but can, nevertheless, be stressful and associated with unmanageable workloads. The health sector, ironically, stands out as being unhealthier than other sectors. Having control over start and finish times and other flexitime arrangements can, however, partly offset the impact of more adverse working conditions. Teams can also spread the pressure provided team members are not co-dependent to effectively perform their tasks. In terms of MSDs, risk-enhancing characteristics include: a larger proportion of older staff, use of performance-related pay, shift working, long hours and multiple but repetitive tasks. This is consistent with the findings of the qualitative analysis.

The employers in the qualitative research spanned a wide range, both in terms of the extent of work-related health risks, and the availability and use of preventative health measures. Retention of older workers with health problems depended on the demands of the work, both in terms of hours and content, and on the extent to which employers were able or willing to modify these to take account of individual health needs.

Larger employers tended to have more day-to-day experience in dealing with ill-health issues among the older workforce, but despite this, line managers often struggled to meet particular situations flexibly because of operational and regulatory demands, so sector and industry type may be more important factors



than size. Older workers in skills shortage areas or with tacit knowledge are recognised as a valuable resource and employers are keen not to lose them, but this does not apply in sectors with a lower skills base and no shortage of suitable applicants.

Small firms clearly face greater pressures in responding to issues such as ill health, and can find it particularly difficult to absorb the costs of long-term sickness or to manage the workload in the absence of the person concerned. However, close working relationships in teams can help small employers to respond flexibly when someone is ill, and they may be motivated to go beyond the strict legal requirements of the employment relationship by the psychological contract or because of personal loyalties and bonds.

Because some of these situations are not encountered very frequently, especially in small employers, there is potentially a major role for increasing information about how health issues for older people in the workplace can effectively be managed, although this does not necessarily imply a demand for advice, as not all employers perceive the need for such a service.

The HSE have recently piloted Workplace Health Connect, which offered an occupational health helpline to SMEs. While this is viewed as having successfully reached small employers without access to occupational health services, those employers who have used the service so far have tended to focus on immediate safety concerns, rather than broader or longer-term health issues (Tyers and Lucy, 2008). This again is consistent with the rather reactive or minimally compliant approach adopted by some employers in our study.

## **7.3 Policy implications of the research**

Some of the employers interviewed had given little thought to managing age in the workplace as they had no staff in the 50-plus age group at all. Others were dealing with such issues regularly, and are likely to welcome advice and support, provided it recognises their day-to-day business realities. This section highlights ways in which policy could enhance the management of age in the workplace.

### **7.3.1 The need for more communication**

The need for clear and timely communication at all levels is a strong theme to emerge from the findings. The government needs to better communicate to individuals their rights to and eligibility for flexibility, opportunities for pension deferral and the option of pension drawdown. Employers need to communicate that alternative working arrangements are a possibility and that staff have some degree of choice, and scope to make changes, in the run-up to SPA. Finally, employees need to feel able to communicate with their managers and employers,

to warn them if health or caring issues are causing problems and to express preferences for alternative working arrangements rather than either 'voting with their feet' or risking ill health. Sometimes quite simple things can have a big effect; when the college told its support staff explicitly that they were allowed to work after state pension age this resulted immediately in a larger uptake.

Employers without a qualified HR manager to provide advice on alternative workplace practices might benefit from more advice in this area. Several employers ruled out various flexible practices believing they would lead to substantially higher costs (for example in employing staff part-time or on job shares or implementing flexitime) without any assessment of what would be involved in practice, or of the potential benefits that these might provide in terms of greater flexibility for the business.

One of the clearest messages to emerge from the research is the importance of separating the management of age and retirement from other issues such as performance management. In responding to the Linda scenario, involving an older worker who is under-performing, organisations which had a clear handle on performance issues were confident that this kind of situation would not generally arise, and also avoided the risk of age discrimination or triggering early exit in the type of responses they suggested. A related issue is that of identifying sickness absence separately from other forms of absence such as leave to care for dependants. However, this can only be done if suitable forms of leave exist which enable people to meet these domestic commitments. In their absence, or if such forms of leave are unpaid, people may be forced to fall back on using their own illness as an explanation for absence. The most progressive employers were actively responding to the new realities of older people's lives, for instance by providing paid leave for grandparents at the time a grandchild is born, or extending time off to care for dependants to grandparents.

Many previous studies have emphasised the importance of non-standard working arrangements and reduced hours opportunities to meet the preferences of older workers and promote extended working lives. Evidence from the interviews with employers suggested that, by and large, requests for a change in working practices or hours are met with a favourable response. Yet, regardless of sector or size, most employers indicated that very few staff actually made requests for such changes. There was little evidence of employers advertising the fact that adaptations to working practices were a possibility even where modifications had been willingly implemented in response to individual need. Lack of communication arises, in part, due to the apparent preference of many employers and managers to respond to changing needs on a discretionary, case-by-case basis rather than instituting more standardised rights in the lead up to state pension age.

Managerial reticence in relation to institutionalised flexibility reflects a host of operational obstacles. Barriers to more flexible working arrangements were multiple. These included shift working, team working, the need to cover specific locations and hours, inflexibility associated with small staff numbers and other business exigencies. Even apparently 'good' employers, who did accommodate particular needs, tended to indicate that they would manage non-standard arrangements only for what they perceived to be a worthwhile reason and provided they were not inundated by such requests. There was a limit to what they felt was possible and regarded their accommodations as a generous response to individual needs. Under these circumstances perhaps it is not surprising that few employees make requests for change.

The Flexible Working Regulations extension (2007) broadened the right to request flexible or reduced hours to carers of dependent adults if the older parents were living with the carer. There is support for extending the right further to allow all older workers opportunities to downshift as they approach retirement age (Age Concern England, 2008). Individuals may be more prepared to ask for changes if they feel they have the right to make such a request (while recognising that an employer can refuse on business grounds). Ghose (2008) similarly recommends a shift from the language of 'needs' to that of human rights in relation to older people and organisational culture.

Alongside the requirement to write to staff in the year before state pension age, good practice might therefore also include routine consultation with staff once they reach, perhaps 60, to establish health and other needs and to alert staff to the possibility of alternative working arrangements, implications for pensions, and the possibility of pension drawdown to support choices. Government must better communicate the rights that employees have and where employers are willing to accommodate downshifting or other changes in the lead up to retirement, this should be communicated to staff well in advance in order to allow individuals to think and plan ahead. With adequate two-way communication, supported by legislated rights, employers and employees can better consider their range of options, and thereby make informed preparations for the future. Small employers may benefit from the provision of additional support in this area.

### 7.3.2 Managing health at work

The research highlighted a lack of confidence in dealing with health issues and the continued need for a more widespread adoption of preventative approaches to workforce health. The quantitative analyses highlighted a fairly widespread incidence of workplace absence due to illness caused or exacerbated by work. A broad range of working practices were identified as strongly associated with poor health outcomes. The interviews found that employers were generally compliant

with health and safety regulations and, where relevant, attempted to minimise exposure to dangerous situations. Some employers also went further and arranged regular medical examinations to ensure that staff were physically able to remain in post. Technology was also updated to improve safety and reduce physically demanding tasks. No examples were encountered, however, of stress or job design auditing or of more general health education or interventions. In other words, there was little evidence of a preventative approach toward health, for instance in the form of information, documentation or exercise classes. As Dishman et al. (1998) observe, the length of time people spend at work means that this is an ideal site on which to focus a range of health and physical activity interventions. The Black Review (Black, 2008) has more recently emphasised the importance of occupational health services to prevent job loss. Findings from the study suggest that much work is needed to implement the range of measures proposed following the Black Review, including; a national centre for working age health and well-being and a challenge fund to encourage local workplace health initiatives. Any take-up of employer-led initiatives will be starting from a very low base and will depend upon a widespread change of attitudes. Health is still largely regarded as a private, individual matter and not generally a concern for employers, beyond specific work environment factors. In addition to government there may be a role for professional bodies, unions, regional development agencies and other stakeholders, to address sectoral challenges in terms of investment in improved health and safety measures and the technological developments needed to support this.

### 7.3.3 Lifelong learning and employability

The majority of employers interviewed were able and willing to consider a range of solutions to health or eldercare-related problems that arose. In workplaces that were downsizing there was no evidence of older workers being targeted for redundancy and most employers either employed people over state pension age or saw little reason to impose a standard retirement age. As a result, the retention of older workers up to and beyond normal retirement age does not appear to present major problems for employers. The situation is different in relation to recruitment. While most employers had positive views of the skills, reliability, and work ethic of older people, many felt that the physical demands of their available jobs were incompatible with the recruitment of older workers. Older workers were also regarded as a potential health risk in a number of instances. Other employers had experienced a number of absences attributable to physical demands which were generally seen to become increasingly challenging with age. In terms of policy, therefore, individuals need to be provided with opportunities and, perhaps, financial support, to undertake training and learning in preparation for career change particularly if their jobs involve challenging physical tasks. Small organisations can rarely offer alternative jobs or redeployment and, as a

consequence, responsibility for lifetime employability tends to fall to individuals. Improved sources of information on lifelong learning, career alternatives, training requirements, availability of grants, and where courses are offered, would be invaluable for older workers in this position. Being prepared and taking steps well in advance of jobs becoming difficult or tiring would promote smooth transitions to alternative occupations. To this end, employers can potentially play a role by supporting their staff either financially or in terms of leave of absence to enable them to prepare for the future. There are also other routes out of the labour force into retirement such as through becoming a trainer for young apprenticeships in the workplace, which could potentially be expanded.

## 7.4 Implications for further research

### 7.4.1 What impact will age discrimination legislation have on the recruitment and retention of older workers

Few employers saw the need for a compulsory retirement age and most either had staff working over normal retirement age or would, in principle, be happy to retain staff for as long as they wished to continue. By contrast, several employers expressed reservations about the recruitment of older workers, viewing them as a health risk, or not suitable due to the physically demanding nature of jobs.

Furthermore, one of the main challenges facing the older unemployed, or older workers seeking job change, is penetrating internal labour markets (ILMs), which tend to favour younger recruits who can be moulded to fit highly specific organisational and managerial cultures and develop organisation-specific skills. This is a cost-efficient model for employers – younger recruits are cheaper to employ and, with the promise of rewards in the future, are used to secure organisational commitment and act as a disincentive to ‘shirking’ (Lazear, 1981). McGovern et al. (2007) suggest that internal labour markets and an organisation-oriented employment relationship<sup>11</sup> is fairly widespread and stable within the UK – 70 per cent of employers recruit professional and managerial posts internally and 60 per cent recruit other positions internally. It is possible, however, that age

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<sup>11</sup> Organisation-oriented employment relationships are characterised by permanent employment contracts, firm-specific training, job ladders, incremental pay scales, organisational careers and, often, occupational pensions. This employment relationship provides incentives for staff to be loyal, work hard, to align their interests with those of their employer and maintain a long-term relationship with financial and career rewards accruing over time (see Dore, 1990, McGovern et al., 2007). Conversely, a market-oriented relationship is characterised by high turnover, multiple recruitment entry points, external hiring, wages benchmarked according to the market and an absence of long incremental pay scales.

legislation and current economic conditions could lead to widespread change in this area.

Further theoretical and empirical research is required to understand the tensions for older workers between market-oriented and organisation-oriented employment systems. The introduction of age discrimination legislation in 2006, however, has the potential to undermine organisation-oriented employment relationships with uncertain implications for older workers in the aggregate. Legislation dictates equality of treatment in relation to recruitment, training, retention and promotion. Long incremental pay scales can discriminate against younger people insofar as earnings reflect longevity rather than productivity. Similarly the recruitment of 'junior' staff may be interpreted as discriminating against older workers. Yet these practices are the mainstay of the existing organisation-oriented employment relationship. The implications of a legislated disruption to this form of employment relationship are uncertain but carry potential consequences for the well-being and earnings power of older workers who can benefit from enduring employment relationships.

There is a need for more detailed analysis to determine the extent to which employers are making changes to their employment relationship models in response to age discrimination legislation. Implications for older workers arise in terms of lifetime earnings, job retention and the ability to save for retirement but also, more positively, in terms of increased scope to change jobs and careers later in life or re-secure employment if made redundant.

#### 7.4.2 Work design, health and age

In keeping with findings from other studies (Ilmarinen and Rantenen, 1999), our secondary analysis of WERS indicated that workplaces with larger proportions of staff aged 50 had a heightened incidence of absences due to work-related ill health (WRI). Further research is necessary in relation to older workers and ill health as it is not clear whether older workers become less able to cope with particular styles of working or whether they are at greater risk of 'burn out' or experiencing ill health due to their longer exposure to potentially hazardous working practices as stressors take their toll over long periods of time (Ganster, 2008). Poor job quality, stress and undue work pressure can precipitate early retirement (Higgs et al., 2003; Barnes et al., 2002). The way work is organised and managed is also critical for good mental health (Cox et al., 2004; Jones et al., 2006) but too few studies have examined the relationship between work design, health and age. Consequently there is a need for more research into the effect of job design, target setting cultures, management styles and other workplace terms and conditions on the sustainability of working lives. The health implications and consequences of work design may vary with age and few empirical studies have investigated these

relationships in detail in the UK. Griffiths (2007) has similarly noted that the relationship between age and optimal work design or management style is an under-researched field of enquiry.

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## Appendix 1: Topic guide

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*Gather written, formal policies and practices relating to diversity – plus other materials highlighting ethos and HR goals of the organisation – in advance if possible.*

### **Background information (try to obtain as much as possible in advance)**

- Size
- Industry
- Occupational profile
- Age profile
- Gender profile of organisation
- How many older workers – over 50 – in the organisation?
- HR systems/lines of reporting?
- Union recognition/staff association
- What equal opportunities policies are in place? How are they monitored?
- What are the key challenges for the organisation in relation to staffing?
- (eg recruitment problems, particular skills shortages, retention issues? How do these relate to the broader context (competitors, market)?)

### **The working environment**

#### ***Hours***

- What are the 'normal' working hours of your staff?
- What are the opportunities/expectations regarding working overtime?



- Is there a norm of working long hours? Does this differ by occupational group?
- Have your establishment's work arrangements changed to comply with the 48-hour week? Have you asked any staff to opt out of the Regulations?
- Do staff work more intensively or for longer hours now than compared with three years ago. *If so, why is that?*

### **Pay**

- Do some or all staff receive performance-related pay?
- Do they have incremental pay scales which staff automatically ascend the longer they stay with the organisation?

### **Skills and Training**

- To what extent do you expect people to arrive ready-trained for the job they will be doing?
- What sort of training is available to your staff? *Probe on routine induction, procedural training, career development, in-house, external, regularity, content? Does it differ by occupational group?*
- How are decisions made about who does training? *Who is involved? How much discretion do line managers have? How are training opportunities publicised?*
- What's the take-up of training among older members of staff?
- What systems do you have in place for monitoring performance? Appraisals, performance reviews? *Do these differ for different occupational groups within the organisation? Are they used to discuss career progression, development and training needs?*

### **Health Issues**

- What specific occupational health issues have arisen? *(Refer to connections between particular disorders and particular occupations if known.)* How are they (would they) be dealt with? (eg back pain or mental health/stress issues)
- Do staff have any exposure to things such as heat, cold, vibration and noise? *(Probe on how they minimise the effects of these.)*
- Are occupational therapists or occupational health and safety representatives used? *How (eg in-house, via insurance scheme etc)?*
- Have working practices been reviewed to avoid work-related health problems, including stress? *ie hazard monitoring or risk assessment, regular staff health checks?*

Have these led to any job re-design/adjustment policies or practices (current or planned)?

### ***Flexible working policies***

- Flexibility rating from survey
- What's changed since the survey in terms of policies and practices? *When were changes introduced? How are they reviewed?*
  - requests for changed hours
  - requests for changed tasks/responsibilities
  - requests for downshifting

*Probe on reasons for (and patterns in) the requests eg health, parenting, caring*

- How do they respond to these requests and who makes the decisions? *Ask for details of a specific case and how it was dealt with. Who do they go to for advice on such matters?*
- Are particular types of flexibility restricted to specific groups such as parents, carers or specific occupational groupings?
- Which flexible working arrangements are available to older workers? How and to what extent are they taken up?

### ***Provision for older workers***

- Can I start off by asking, in your line of work, who would you regard as an older worker? *(Probe on reasons.)*
- Do you have a sense of the demographic changes affecting your staff profile? (Is your staff profile getting older?) What about your customer profile?

### ***Recruitment***

- Do you get older people applying for jobs? *Do you know why this is? How suitable do they tend to be, in practice?*
- Probe on older people recruited in past 18 months. *How old were they? What was their occupational profile? Was there any resistance to taking on these staff?*
- Are there any specific things you do to encourage applications from older workers? *(where do you advertise, statement, age positive logo etc.)*

- Do you have any positive reasons for wanting to recruit older workers? (*eg skills shortages, reliability, customer base, retention, etc.*)
- Are there any negative factors which tend to limit your recruitment of older workers? (*eg lack of skills required, demands of the job make it unsuitable, balance of team, concerns re health problems etc.*)

### **Retirement**

- What is the NRA of staff (if any) and are there differences according to occupational group? Is it different for women?
- Do you have an occupational pension scheme? What type is it (eg DC/DB/GPP/stakeholder)? Who is the pension provider? *Are there any features of it which encourage or discourage certain work/retirement patterns? Have there been any recent changes which aim to address this? Have you noticed any changes in what people do as a result?*
- Do you provide any retirement planning service for older staff members? *If yes how does this work? If no can you see this being useful to your staff?*

### **Downshifting**

- Are downshifting (eg reduced responsibility) or 'phased retirement' packages available? What form do they take? Has anyone asked for this?
- Opportunities for redeployment to other jobs (according to occupational group) in principle and in practice? What are the implications for occupational status, income and pensions?
- To what extent does access to various schemes vary according to occupational group, seniority or manual/non-manual status?
- Do your current arrangements for older workers (downshifting flexible working) have any advantages/cause any problems for the organisation/you as a manager? (eg succession planning, corporate memory, unproductive staff, workforce management.) Are you aware of them causing any problems for your older staff?

### **The impact of age discrimination legislation**

- How aware are you of the Employment Equality (Age) Regulations 2006 which came into force on 1 October 2006?
- Have any changes been implemented recently/are any planned in the near future in response to these Regulations (details)? Probe on:

- changes to normal retirement age
- new policies on responding to requests for flexible working.
- Have you taken any advice on how to implement changes in response to the legislation?
- Have there been any/has there been an increase in the number of staff requesting to work beyond the NRA? *Are there any patterns in who is making these requests (eg by gender, grade, job type)?*
- Have any/has their been an increase in older staff requesting flexible working since the legislation?
- How easy is it/would it be to accommodate these requests? *Ask for example that has worked well. Explore reasons for success.*
- Are there operational obstacles to compliance with staff preferences for flexibility?
- Which are (would be) more difficult? (Explore reasons.) *Ask for example where it has not been possible to accommodate a request – could anything have been done differently, with hindsight?*
- How confident do you feel about making these decisions on a day-to-day basis? Is there any support/advice you feel would help?
- What opportunities, obstacles and problems are foreseen should the workforce remain in employment beyond 65? *(Perceived implications for employers? Workforce planning /management concerns?)*

**Introduce scenarios here ...**

**Scenario 1:**

Alan is 62 and works as a project manager for a medium-sized engineering firm. He had a heart attack six months ago, and although back at work, is not in good health and finding the long hours difficult. He has had a chat with the boss about early retirement but is not sure he wants to retire yet. He also raised the subject of working fewer hours, but his boss is sceptical that he could meet the needs of the job in these hours. The firm do not currently have any part-time employees.

**Scenario 2:**

Linda is an administrative assistant. She has worked for you for 20 years. She knows the organisation inside out and is loyal to the company, as well as being very well organised and competent. At the same time, you feel that she can be a bit resistant to change; she won't move to another department, and she really prefers to use a

diary, not the electronic calendar system that you've tried to introduce. Linda will be 65 during the next year, which is the normal retirement age. You don't know what she plans to do, and would like to have some clarity on this so that you can plan ahead.

### **Policy drivers**

*Finally, we'd just like to explore what you feel are the main influences on how your policy in this area is developed and pushed forward.*

What do you see as the main drivers for company policy on older workers?

*Within the organisation:*

- Workforce profile, nature of work, managers' perceptions of older staff?
- Good practice/ethical reasons
- Business case

*External influences/constraints on policy development*

- Pension implications of changing jobs pre-retirement?
- Insurance issues – eg employers cannot insure staff after a certain age
- Legislation (UK/EU) – probe relative importance – *were they already doing things or was the change a spur to action?*
- Trade Union/Staff Association presence – role in formulating diversity policies? – typical consultation processes?
- Is it possible to single out the most important factor for your company/organisation?

## Appendix 2: Characteristics of Employers Associated with Pro-age Recruitment Policies

		Coefficient	Level of significance
Size	5-10 (ref.)		
	26-50	1.401945	*
	51 plus	4.964678	***
% workforce aged 50 and above	0% (ref.)		
	1-9%	1.385936	
	10-19%	0.697221	
	20% plus	0.442935	***
Team based working (% of workforce)	0-39% (ref.)		
	40% plus	2.00034	***
% workforce blue collar		1.374587	
Unionised		3.272753	***
% workforce female		1.007225	***
Pay reflects years of service		0.654446	***
Pay reflects years of experience		1.533799	***
Industry	wholesale/retail (ref.)		
	manufacturing	0.269839	***
	electricity, gas and water	1.112731	
	construction	1.144961	
	hotels and restaurants	0.386036	***
	transport & communication	0.417652	*
	financial services	1.916735	
	other business services	0.834318	
	public administration	0.945667	
	education	1.084177	
	health	1.66913	
other community services	1.4828		

Logistic regression model. The coefficients show the odds of an employer being pro age in their recruitment policies. Figures above 1 are more likely than the reference group, figures below 1 are less likely than the reference group. For example, employers with more than 50 staff are nearly five times as likely as small employers with fewer than 11 staff to have implemented equal (age) policies.

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