

In-House Research

Extending Working Life Sector Initiative

A Review

By Maria Strudwick and Andrea Kirkpatrick

Department for Work and Pensions

In-House Research No 13

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Abbreviations

ACAS	Advisory, Conciliation and Arbitration Service (ACAS)
BIS	Business Innovation & Skills
DRA	Default Retirement Age
DWP	Department for Work Pensions
EMs	Engagement Managers
EWL	Extending Working Life
SMEs	Small and Medium-sized Enterprises
SPA	State Pension Age
UKCES	United Kingdom Commission for Employment and Skills

Summary

Introduction

Extending Working Life (EWL) is needed because of: demographic changes; increases to State Pension Age and the current state of under-saving for retirement. Age discrimination within employment is unlawful and the Default Retirement Age (DRA) has been phased out. However, the employment rate for those aged 50-64 is lower than for those aged 25-49. The extent of this difference varies by employment sector. The Department has been promoting the business benefits of employing older workers through “Age Positive” which provides guidance and case studies to employers.

The Extending Working Life (EWL) Sector Initiative was an innovative approach to employer engagement, using contracted intermediaries or ‘Engagement Managers’ to equip a range of sector bodies (such as Sector Skills Councils, trade and professional bodies) with information about the benefits of employing older workers and to provide practical guidance on the removal of the DRA. The nine sectors: Construction, Retail, Hospitality, Public Administration, Manufacturing, Transport, Health and Care, Finance and Education were chosen to represent a large proportion of employers and of the total workforce.

Engagement Managers worked closely with over 80 sector bodies between July 2010 and December 2011. Following this over 40 of these expressed an interest in receiving further updates. The Department provides a sector specific newsletter with updated information and guidance about extending working life and the removal of the DRA to these organisations.

This research

This qualitative review aims to assess the extent to which the Sector Initiative was successful in engaging sector leads to communicate messages to their employers and whether this would be sustained after the initiative. The review assesses the overall rationale and methodology; delivery and implementation; and the overall effect. The review is designed to provide insights into an experimental approach to employer engagement and the Department’s overall EWL Strategy. It aims to illustrate perceptions of the effect on attitudes and behaviour of sector leads and employers from the perspective of the EMs and the sector leads they were able to involve.

Interviews took place during the end of 2011/ beginning of 2012 with: the Project Manager and the five Engagement Managers who provided the support; representatives from nine sector bodies and; the policy team from the Department.

Key Findings

The **short term aim of engaging across the sectors was achieved**. Sector bodies, with the support of Engagement Managers, produced articles in trade magazines about the abolition of the DRA; “concerted campaigns” on age discrimination and; management guides. There were also examples of

attitudinal changes amongst some sector leads who became more convinced of the benefits of employing older workers as a result of their involvement.

The extent to which sector leads were planning to promote extending working life issues after this initiative varies. The initiative has left a legacy of material for sector bodies to use but it was not clear from the interviews about whether they had the resources to keep promoting this now that support from the Engagement Managers has been withdrawn. Sector bodies also discussed the time needed to change culture in their sectors but many spoke about this being on the agenda now.

The effect of the initiative is best illustrated by looking at three broad groups of sector leads. For one group, who were already convinced about the benefits of employing older workers, the initiative provided them with the impetus to actively promote this. The greatest impact of this initiative was on a second group who were initially unsure about the business benefits but had been willing to engage in part as a result of the arguments used by Engagement Managers. A third group, who were on board with EWL issues, would have preferred to be resourced directly to promote this rather than through intermediaries so were less convinced about the added value.

Lessons Learnt on EWL employer engagement

- Interviews with sector leads confirmed the benefits of targeting employers through intermediaries using an approach which recognises particular needs. Sector leads did discuss the importance of relaying sector specific messages through specific sector bodies themselves as it avoids employers saying: *“it wouldn’t work in construction – we’re different”*. The review confirmed that there is not necessarily a consensus on these issues within individual employment sectors.
- Sector leads discussed the importance of using businesses or organisations with: *‘brand presence’*, to influence employers in the sector. This chimes with some of the behavioural analysis work undertaken by Bath University¹ about the importance of *“undertaking segmentation analysis”* to determine different approaches; ensuring a higher rate of impact for the amount of resources given.
- The greatest impact was achieved amongst those sector bodies who were not already promoting equality issues who were nevertheless keen to engage. Identifying these bodies is important to target future work but this is not straightforward as there is no clear distinction by size or sector.
- Some sector bodies may benefit from help with interpreting legislation and the management of retirement practice. It is essential that this support is individually tailor made. Sector bodies had different requirements for the sorts and style of information which would influence their employers.
- The Department is considering the lessons learnt from this initiative for future engagement work with sector bodies and employers on Extending Working Life.

¹ Weyman, A (2012) **Extending Working Life. Behaviour change interventions**, DWP research report no. 809 <http://research.dwp.gov.uk/asd/asd5/rports2011-2012/rrep809.pdf>

Extending Working Life Sector Initiative - A Review

Chapter 1 – Introduction

1.1 The Extending Working Life Sector Initiative

The Extending Working Life (EWL) Sector Initiative was a contracted programme of support designed to encourage leading sector bodies² such as: Sector Skills Councils; trade and professional bodies, to communicate to employers a positive approach to extending working life through the retention and employment of older workers and to provide support on the removal of the Default Retirement Age (DRA). The aim was to achieve a change in the attitudes and behaviour of sector lead bodies with regard to employment practices relating to age and older workers. This support was delivered to nine different occupational sectors: Construction, Retail, Hospitality, Public Administration, Manufacturing, Transport, Health and Care, Finance and Education.

1.2 Why is Extending Working Life (EWL) important?

Extending employment beyond the current average age of labour market exit³ is needed because of: demographic changes; increases in the age at which people are entitled to claim State Pension and the current state of under-saving for pensions.⁴ As the population ages the proportion of older people will increase⁵. Demographic changes have meant changes for State Pension eligibility with women's State Pension age being equalised with the State Pension Age (SPA) for men (65) by November 2018. SPA for both men and women is set to rise to 66 years by October 2020. Under current legislation SPA will increase to 68 years by 2046. Accompanying these changes the Department commissioned a report on macroeconomic impacts of EWL⁶ which discusses the potential for raising Gross Domestic Product (GDP) and consumption through the increased supply of labour. This report found that: "a one year extension of working life increases real GDP by around one per cent about six years after its implementation".

To promote extending working life means providing opportunities for those who want to work longer, both up to SPA and beyond. There are potential benefits for the employer, the individual and for society as a whole to utilise skills effectively. For employers, adopting practices that support extending working life can help maximise the productive contribution of the ageing

² Sector bodies are: arbiters of good practice; understand and translate legislation and provide regulation and standards.

³ Average age of exit for men is 64.6 years and for women is 62.3 years. ONS (2012)

Pensions Trends Chapter 4 The Labour Market and Retirement

⁴ Estimates on provision being made for retirement incomes see: DWP (2012) **Estimates of the number of people facing inadequate retirement incomes**

⁵ ONS (2011) **National Population Projections 2010 Based Statistical Bulletin**

⁶ Barrell, R., Kirby, S. and Orazgani, A. (2011) **The macroeconomic impact from extending working lives**, DWP Working Paper no. 95

workforce. The employment rate for those aged 50-64 is lower than for those aged between 25 and 49 (66 percent and 80 percent respectively)⁷. The level of decline in employment from age 50 onwards varies from sector to sector.⁸

1.3 Promoting EWL through Employers

The Department has been promoting EWL with employers extensively since the 1990s; most notably through the Age Positive⁹ initiative which has included partnerships with employers. The aim of Age Positive is to understand more about what issues employers were facing; what practices seem to work and to share good practice. Age Positive provides guidance and case studies to employers and business organisations on employing older workers and the business benefits of adopting flexible approaches to work and retirement¹⁰. It also produces research into effective employer practices with respect to age. Age Positive provides practical help on legislation, specifically: the Employment Equality (Age) Regulations (2006) which made age discrimination within employment unlawful and; the phasing out of the Default Retirement Age (2011) which meant employers were no longer able to issue notifications of retirement to employees using the DRA procedures.

Initially, Age Positive guidance and information to employers tended to be provided on a generic level but evidence suggested that differences in policy and practice according to industrial sector might warrant a different approach. Age Positive reports have provided an illustration of how different sectors were managing an ageing workforce¹¹. And the latest survey of employer practices with respect to age found differences by sector:

- awareness of the 2006 regulations was lower amongst Manufacturing, Construction, Hotels and Restaurants, Retail and Transport and,
- prior to the abolition of the DRA: “compulsory retirement grew with organisational size, was most common in the Public sector and in Education, Public Administration and Defence, Health and Social Work, Financial Intermediation and Manufacturing”¹².

1.4 Developing the EWL Sector Initiative

Some sector employer bodies maintained views which were not favourable to employing older workers which they upheld in sector wide publications. This suggested that generic messages about EWL and older workers were not having an impact on certain sector bodies. Internal research had suggested that sector specific bodies were listed as organisations that employers trust to advise them on issues affecting their sector: therefore it was important to

⁷ DWP (Dec 2012) **Older Worker Statistical Information Booklet 2012**,

⁸ DWP (Jan 2013) Extending Working Life Sector Initiative Analysis.

⁹ <http://www.dwp.gov.uk/age-positive/>

¹⁰ DWP (2011) **Workforce Management without a fixed retirement age**.

¹¹ See for example: McNaire, S. and Flynn, M. (2006) **Managing an ageing workforce in construction. A report for employers**. Age Partnerships Group, DWP.

¹² Metcalf, H and Meadows P (2010) **Second survey of employers' policies, practices and preferences relating to age, 2010**, DWP report no. 682 and BIS report no 110

engage these bodies as a conduit for reaching wider employers. In addition, the Department had received requests from sector bodies who were interested in more guidance on managing age within their workforce and also from representatives who were concerned about the issues but were still interested in understanding more.

Whilst some sector bodies had shown an interest and wanted advice from the Department about how to put out guidance to their employers with their own branding; others were still not convinced that they needed to do anything. The Department ran a development phase with five sectors: transport, construction, retail, health and manufacturing. This was designed to explore whether there was an effective process which could be applied in engaging other sectors to provide useful support. This development programme resulted in four of these wanting to produce age related guidance themselves. This EWL Sector Initiative aimed to put in practice lessons learned from this.

1.5 The EWL Sector Initiative - Objective

The objective of the EWL Sector Initiative was to equip sector organisations with the understanding and information to be able to communicate to employers in their sector the importance of addressing barriers to older worker employment. In the short term the aims were to: ensure sector bodies understood the facts about the ageing workforce and employing older workers; tackle the circulation of ill-informed views and material, and help sector bodies to promote the facts and possible benefits of employing an ageing workforce in their particular sector. It was intended that over the longer term this initiative could lead to sustained change in employer practices; to maximise the impact of removing the DRA; and to increase older worker employment and retention.

Following an open tender competition the Department contracted a project manager and five Engagement Managers (EMs) to work closely with sector bodies across each of the nine industrial sectors for a period of about 18 months.

1.6 Rationale of the EWL Sector Initiative

The rationale of this approach was that employers would respond better to their own sector leads (those who tend to offer advice, guidance and standards) than central government and that sector bodies had the expertise on how specific issues concerning EWL would impact on their employers. The initiative lasted for 18 months: previous experience of trying to engage with sector bodies suggested that a reasonable length of time was needed to gain access to appropriate representatives to support them in promoting this agenda.

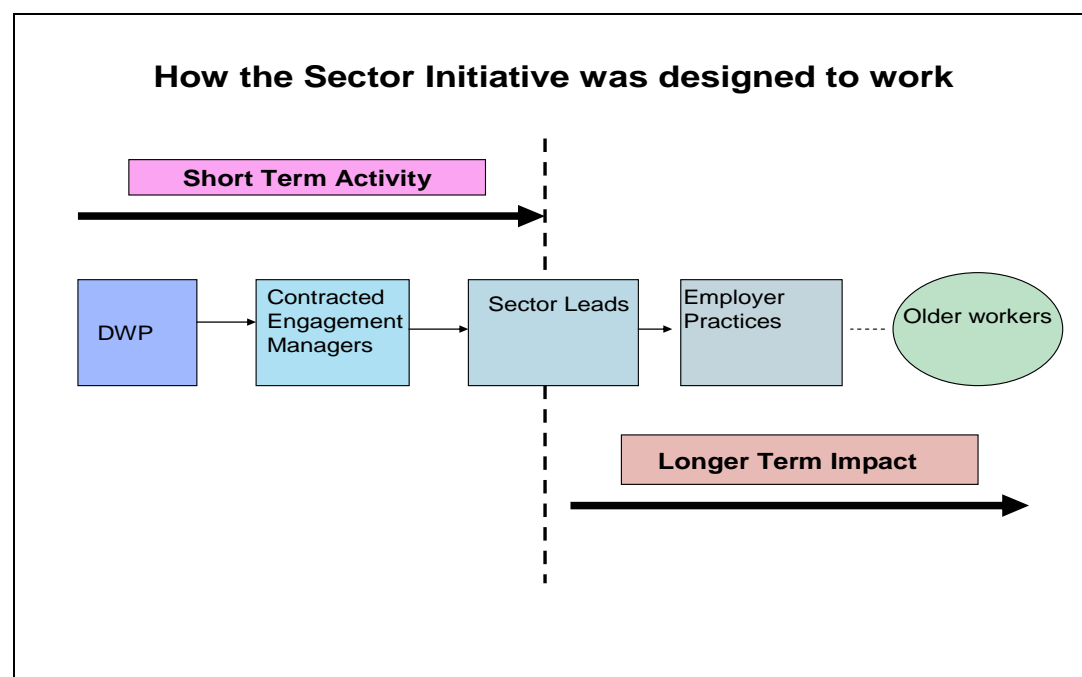
The aim of the initiative was to reach a large proportion of employers and a large proportion of the workforce. Employee and employer volumes were used to identify nine industrial sectors. Those selected were also ones where there were clearly identifiable sector bodies providing guidance and

standards. Work with the Public Administration sector focused on local authorities but not central government departments as it was felt that it would be a better use of money to target those outside of central government. There were alternative nil cost opportunities to work across central government internally.

Figure 1.1 shows how the Sector Initiative was expected to help produce a longer term benefit in employer practice. Communication of messages and guidance produced by the Department and the Advisory, Conciliation and Arbitration Service (ACAS) was used by the EMs to inform sector leads. In turn it was expected that sector leads would use this to communicate the benefits of retaining and recruiting older workers and the legal position, particularly around the removal of the DRA. These communications, it was intended would influence employer practices and ultimately an improvement in the retention and employment of older workers.

It was up to the sector leads how much they did during this support phase and also whether they continued to try and influence employer practices after the initiative finished. The initiative did not expect sector bodies to run separate additional older worker programmes or communications, but to tackle barriers and promote a better understanding of older worker issues through their existing work and communications across the sector regarding: skills shortages, turnover, productivity, offering employer training and guidance, etc. Therefore, the Sector Initiative's direct influence was with the representatives of the sector leads. EMs were not expected to work with employers directly. Any longer term impacts would need to be the result of an ongoing appreciation of older worker employment by each sector body in their normal work with employers.

Figure 1.1



1.7 The Wider Context

The Sector Initiative contract ran from July 2010 to December 2011, with engagement activity beginning from September 2010. It was whilst this initiative was progressing that the Department for Business Innovation and Skills (BIS) took steps to remove the DRA. This initiative provided an opportunity to offer support to sector bodies to understand the issues faced by their employers and to provide guidance to employers on the implications of an ageing workforce for their sector and how to manage without compulsory retirement ages. It is important to note that the Sector Initiative was taking place during a time of flux: following an economic downturn and significant change for sector bodies; particularly Sector Skills Councils who faced a review of their funding during this period. The initiative was introduced at a time of a freeze in the Government's communication and marketing support which meant that the Department could not provide funding to support marketing efforts. Sector bodies were therefore reliant on existing channels and communication mechanisms.

1.8 This Review

This qualitative review aims to assess the extent to which the Sector Initiative was successful in engaging sector leads to communicate messages to their employers and whether this would be sustained after the initiative.

This Sector Initiative review has three core elements, an assessment of the:

- overall rationale and methodology;
- delivery and implementation; and the
- overall effect.

The review is designed to provide insights into an experimental approach to employer engagement and the Department's overall EWL Strategy. It aims to illustrate perceptions of the effect on attitudes and behaviour of sector leads and employers from the perspective of the EMs and the sector leads they were able to involve.

Interviews were conducted with: the Project Manager and the five Engagement Managers who provided the support; representatives from sector bodies and; the Project Manager from the Department. Sector leads were chosen from a list of the 83 sector lead organisations who had responded positively to approaches from the Engagement Managers. A selection was made to capture the different industrial sectors and also the different types of sector bodies (e.g. Sector Skills Councils, trade bodies and professional bodies). Not all those approached responded; therefore it was only possible to capture eight out of the nine sectors. Nine interviews with sector leads were conducted (one in each of eight sectors and two in one sector). The review did not include interviews with sector leads who did not engage at all with this initiative. It is likely that this review will tend to reflect the views of those more positively disposed to this initiative rather than being representative of all sector leads approached to take part.

Interviews were semi-structured. Some took place face to face; others by telephone. Interviews were transcribed, coded and then organised into themes for analysis.

The review is not designed to measure a quantifiable impact from the Sector Initiative on employers' attitudes or behaviour. The large scale surveys of employers' practices on age¹³ have previously been used to quantify broad changes over time but cannot demonstrate the impact of specific initiatives in isolation from other changes. Whilst the survey conducted in 2010 could have provided a baseline measure this survey has not been repeated since. Regular employer surveys conducted by The Pension Regulator do cover this timeframe and the changes in employer attitudes are referred to in the conclusion but again they cannot prove the effect of this initiative in isolation from the wider context on extending working life.

1.9 Summary

This chapter has discussed the reason for promoting Extending Working Life and the objectives and rationale of the Sector Initiative. It also included a brief discussion of the objectives and methodology for this review. The following chapters cover: implementation (chapter two), overall effect (chapter three) and conclusions and lessons learned (chapter four). Research instruments are provided in the Appendix. The Appendix also includes examples of slides to engage sector leads; publications and case studies which resulted from this initiative and examples of the Sector newsletters: Age Positive News sent to those wishing to receive updates on EWL.

¹³ Metcalf, H and Meadows P (2010) **Second survey of employers' policies, practices and preferences relating to age, 2010**, DWP report no. 682 and BIS report no 110

Chapter Two – Implementation

2.1 Introduction

This chapter outlines the delivery of the Sector Initiative, which took place through a contracted Engagement Team of a Project Manager and five EMs, and specifically focuses on:

- the rationale and background to this approach of employer engagement;
- how sector bodies became involved and the activity which resulted
- what helped and hindered in the Engagement

The discussion below is based on interviews with the Engagement Team, with the Department and with the selection of sector leads.

2.2 Project Rationale

The Sector Initiative was an experimental approach to promoting EWL through the use of business intermediaries to disseminate messages to employers across a number of broad industrial sectors. The innovative nature of this initiative and subtlety of the approach meant that it took several meetings between the Department and the EMs to clarify understanding. The contracted Engagement Team thought that the role of trying to direct change with limited resource was challenging. There were different views about the target audience: with EMs assuming they would be working with sector bodies and individual employers and the Department requiring a focus on sector bodies only. This was based on an objective to ensure the widest representation across each individual sector. Previous experience suggested there are limitations in relying on specific employers to influence others in the sector if the organisations are very different. EMs felt that providing initial support and guidance to sector bodies and then withdrawing after a year, was the correct approach to adopt but recognised that the continuing progress of the initiative would be dependent on the willingness of sector bodies to commit further resource to the activity.

2.3 Sector Intelligence and Culture

The Department required EMs to provide individual sector reports for each sector within the first few months. This proved to be another area of difficulty in understanding between the Department and EMs. The intention for the initiative was to develop a coherent picture about their current age profile and work practices including: contracts of employment, retention, training, performance management, career development and retirement/ pension policy. It was envisaged that this intelligence would form the basis of each sector's individual Development Plan and assist in the design of a customised engagement strategy. Some EMs were not persuaded of this approach and wanted to talk to sector leads about what was needed first. In some cases the EMs felt that information was not specific enough for the different elements of their sector and there was too much of an attempt to standardise

across the sectors rather than tailor the evidence. However, the development phase suggested the need for a well-constructed plan on engagement rather than ad hoc activity based on the consultants' former knowledge.

EMs were encouraged to develop a detailed understanding of each sector by: identifying key stakeholders and networks; developing their knowledge of how the sector operated and key issues which concerned the industry. Some EMs already had prior experience of their sector and had previously been employed or engaged in an advisory capacity. This experience was considered to be extremely useful by EMs and allowed them to quickly identify stakeholders and define the key issues for a given industry. However, most EMs felt that prior experience of the industry was not an essential requirement for successful engagement activity. They suggested that with sustained effort the culture of each sector could be picked up by individuals with no previous experience of the industry.

EMs agreed that some elements of the initial intelligence gathering were used throughout the progress of the initiative and were useful in engaging key sector stakeholders and in drafting relevant sector specific articles and papers. In some circumstances EMs felt that it was important to engage people through a constant drip feed of information during the project; whereas others felt it was appropriate to ensure they gave stakeholders enough material to sustain them beyond the lifetime of the project.

2.4 Champions or Leads within the Sector

The Engagement team initially proposed the identification of a single Champion for each industrial sector. It was envisaged that these individuals would be respected senior leaders and be instrumental in the dissemination of core policy messages, attract positive media attention and act as an advocate for older workers within their sector. EMs found that some sectors had obvious candidates who were already enthusiastic and engaged with the subject. Other, more fragmented sectors provided a challenge to identify individuals who could provide widespread representation. A number of EMs felt that industrial champions were more likely to emerge from the business community, rather than sector intermediaries, and suggested it was difficult to identify people who had the necessary respect of the business community and the gravitas to execute the role effectively. One of the sector leads discussed how they might use employers who have a '*brand presence*' which might not be the largest employers but an employer who was recognised as being good in their field.

By agreement with the Department the emphasis was shifted from identifying sector Champions to focusing on key *Sector leads* as it was not possible to identify a single source of influence across a sector. These were representatives of intermediary bodies who expressed an interest in the work of the initiative and were active and credible across a number of networks. Again EMs had a mixed experience in terms of identifying such individuals. In some sectors such as retail, individuals were easy to identify because of the dominance of one or two key intermediaries. In other sectors such as

hospitality, individuals were identified because they were already engaged with the agenda and had undertaken work to promote the recruitment and retention of older workers in their industry. However the fragmented nature of some sectors made it difficult to identify a key representative. For example, within higher education the autonomous nature of universities made the issue of finding a key leader particularly problematic, despite having cross sector networks in place employment related policies tended to be unique to each university.

2.5 The Process of Identifying Sector Leads

EMs initially relied on personal contacts or names supplied by DWP and used cold calling (followed up by emails and repeat phone calls) where named contacts were not available. They maintained detailed communication logs to keep track and highlight where more work was needed. EMs recorded what the different stakeholders were doing within each sector and used this to stimulate less proactive organisations to become involved. EMs directed letters to the Chief Executive Officer (CEO) of an organisation, with the expectation that the email would be cascaded. This had the advantage of being endorsed at a senior level and so yielded a response.

The Engagement team felt that explaining the rationale of the Sector Initiative was a relatively easy task and the majority of the intermediaries seemed to understand the concept of the programme and welcomed the offer of support. DWP had provided a range of introductory slides which EMs used to tailor to sectors. The slides covered: the changing employment landscape for older workers, issues of demographic change and the removal of DRA. The overall vision included three elements: that this initiative would be underpinned by business need; that it was to be based on existing mechanisms within the sector and that it was designed to create sustainable change (see Appendix 5 for an example of how generic EWL slides were adapted for hospitality).

Interviews with the selection of sector leads confirmed that they tended to get involved in this initiative because they were already working on these issues. The reasons for some sector leads being contacted were fairly obvious: some had equality promotion roles; others had conducted research into ageing for their sector and had written about these issues. These contacts were often known to DWP, members of the Engagement team or both. But for other sector leads their involvement was more accidental: they happened to be working on recruitment and retention issues; someone had left and they were picking up the work or they did have a key role providing a range of information to their employer members but not specifically about age or equality.

Not all lines of communication were successful and EMs noted that the smaller trade bodies which represented individual segments of a given sector were particularly hard to engage. EMs reported that the smaller organisations were often suspicious of the free resource being offered and assumed that they would have to pay some fee in the long term, or commit themselves to doing something they didn't really want to do. They also felt that promoting

the employment and retention of older workers in their industry to be irrelevant given the current economic climate. There were one or two examples of smaller trade bodies that did engage with the initiative but these tended to be the exception to the general trend.

2.6 Ensuring Ongoing Commitment from Sector Leads.

There were factors which helped the engagement process, such as the removal of the DRA and factors which may have hindered it such as restrictions on Communications and Marketing. These are discussed below.

2.6.1 The Removal of the Default Retirement Age

A key objective was to provide support on the legislative changes being made to the DRA; this had immediate resonance with sector intermediaries who understood that this would affect their members and they wanted to translate these changes into effective guidance. A number of the EMs thought that the DRA removal was the single most important issue in engaging with sector representatives and that without this, many broader discussions concerning the wider ageing workforce would not have taken place. The EMs thought this was largely because the DRA agenda was considered to be of immediate concern. Issues to do with demographic trends and their effects on workforce planning were more difficult to communicate because of their longer term impact. EMs provided information to be used in trade articles and guidance material to explain the consequences of the legislative change and accompanying issues of performance management, workforce planning, retention and flexible working policies. An example of how this was translated for the retail sector is provided in Appendix 9 (see separate file).

EMs found that the Age Equality legislation was another key reason for involvement for many sector groups especially those in the public sector, who knew they had a duty to comply with the new age and employment regulations. The equality agenda sparked their initial interest in the Sector Initiative and allowed EMs to develop their broader arguments around the employment and retention of older workers.

Sector leads discussed how the removal of the DRA was exercising employers in their sector. Some were very concerned about it:

“We watched [the removal of DRA] because we write regulation updates for our members, so we watched that and we thought about it. However, to implement it fully, it’s a disaster I think.”

The reasons cited for this concern were about small businesses who did not have Human Resources (HR) departments to advise on legislation and its implications (in general not just the removal of DRA) and that they could not afford to retain older workers whilst recruiting younger apprentices.

Others confirmed that discussions around the DRA were the reason for their involvement in this project and that: *“knowing really about what that meant*

tangibly from a HR aspect” was important for their sector.

One respondent when questioned about the impact of the DRA removal said:

“It’s had none really, to be honest, not on [our employers] because they were all prepared and they all do what they should do anyway. You know I think in that sense they were all very prepared for it.”

However, this interviewee went on to discuss the issues that the removal of the DRA had thrown up and how these were still being worked through. They discussed the issue of managers having to think about performance management throughout the course of someone’s career rather than being able to rely on a fixed retirement age. They also spoke about the implications on Human Resources departments needing to change contracts for staff wanting to work flexibly. These responses suggest that sector bodies could benefit from help with interpreting legislation and with practical steps on managing this.

2.6.2 Communications and Marketing

The objective of the Sector Initiative was for EMs to encourage and stimulate activity undertaken by the sector bodies themselves. This meant that sectors would brand the messages themselves rather than using a central brand or a DWP logo. This decision was based on previous Age Positive initiatives working with individual sectors where certain sector bodies were keen to produce sector specific information in their own style. In addition, the department was keen that sector stakeholders ‘owned’ the information in order to encourage sectors to continue promoting the agenda after the end of the initiative. The Engagement team found the lack of obvious branding, strap line or programme identity meant that introductions needed to be long and detailed in order to explain the broad concept and services offered. The Department felt that this was necessary to ensure that the relationship between the Engagement Manager and their sector body was built up over time and therefore sustainable rather than a response to instant marketing. Sector leads were aware that this was a DWP initiative but tended to want to use their own branding as employers were more likely to look at material from sector bodies rather than government websites.

This initiative also took place during a time of a freeze on government advertising and marketing spend¹⁴ which meant that EMs were not allowed to fund marketing activity. These costs had to be met by the sector leads themselves with support on content provided by the Engagement team. EMs raised concerns about the lack of access to a central pot of money through which small engagement activities could be funded. They felt that undertaking certain activities such as booking meeting rooms, providing refreshments at events and photocopying or printing relevant material would have positively encouraged a number of additional engagements. Without a

¹⁴ <http://www.dwp.gov.uk/supplying-dwp/transparency-in-procurement/constraints-on-dwp-spend/>

central budget in place EMs felt that a number of potential opportunities were lost. The engaged sector leads did not mention this as an issue but did refer to a lack of resource in terms of their own time to commit to this.

2.7 Types of Intervention Which Were the Most and Least Useful

When engaging with sector bodies EMs attempted a number of different interventions ranging from the production of written material, to hosting workshops and attending trade conferences.

EMs thought that private sector bodies responded better to written communications in the form of trade articles, E bulletins, web content and guidance materials. Much of this information was published through trade related websites, newsletters or trade magazines and was easily accessed by employers. Whereas EM found in general public sector bodies tended to show a preference for other forms of communication; including workshops, seminars and oral presentations. EMs felt that public sector bodies were, therefore more interested in developing their knowledge and understanding of age related employment issues through discussion and debate rather than guidance products.

When reflecting on the content and style of written material a number of EMs mentioned the necessity of producing content that was simple to digest and quick to read. This was considered to be of particular relevance when the target audience was small and medium sized employers (SMEs). Sector bodies themselves explained that summarised guidance that quickly and clearly explained an issue would always most effective. Interviews with the engagement team suggested that there were difficulties balancing the need for headline grabbing prose to maximise readership verses accuracy on the technicalities of key legal requirements. One EM noted that the Advisory, Conciliation and Arbitration Service (ACAS) published guidance relating to the removal of the DRA stretched to 10 pages and that this length of documentation was not suitable for many SMEs. As an alternative the EM drafted a one page guide to the DRA, which they thought was being used extensively across the sector. The need to provide succinct guidance was confirmed in interviews with the sector leads who discussed the need for guidance to be condensed to one page but they did actually favour the ACAS approach over and above long policy documents:

“a practical list of the do’s and don’ts. You know rather like an ACAS approach – just what the actual deliverers want.”

A number of the EMs mentioned that they found themselves being more proactive in the production of material for the sector bodies than they had first anticipated. An intention of the initiative was for sector bodies to take the lead in drafting content, but this task was more often undertaken by the EMs. There were examples of collaboration where the main body of an article was drafted by the EM and then the sector body would top and tail the content making it relevant specifically to their sector audience. This was considered to be extremely successful method of communicating the core messages of the

Sector Initiative. A number of EMs also noted that this provision of drafted material was also welcomed by representatives from sector bodies, who often did not possess the time, resource or ability to produce the material themselves. Sector leads acknowledged that whilst they would have liked to do more they lacked the resource to do so: one respondent explained:

“One of the things which [the Engagement Manager] did very well is that sometimes I did provide the channel and then she just went ahead and did.”

2.8 What makes a Successful Engagement Manager?

The EMs were asked to reflect on the role of EM's and to consider what particular skills and characteristics were needed to execute the role effectively:

- background knowledge of the sector was important to quickly engage with industry leads;
- working together in partnership to ensure that ideas came from both parties;
- communication skills and the ability to network and build contacts across a range of organisations;
- the ability to listen and respond to sector needs;
- and to draft, well written industry relevant material for use across the sector.

Sector leads were asked about their relationship with the EMs. One of the sector representatives suggested that: *“support and regular communication does make a difference”*.

Many of the sector leads spoke about the key role of the EMs in ensuring that things got done:

“without [the EM] or anybody there constantly saying: ‘how are you getting on with x or why or is there an opportunity with this’ it wouldn’t have been done to quite the same extent.”

However, not all of the sector leads agreed that the EMs had provided added value:

“Having had meetings with DWP if they had just provided the data direct, we could have used it in the same way, I’m not convinced that you needed that middle man because I’m not sure they added enough added value to make it worth doing it that way.”

In this instance the sector body felt they could have achieved more if they had more funding directly to do the things they wanted to do.

2.9 Ongoing Work to Promote the Agenda

Over 80 organisations took up the offer of support from the Engagement team to provide some information to their sector. Of these over 40 were interested in maintaining contact with DWP once the initiative ended.

At the end of the project EMs left sector leads with a resource pack of information that had been produced during the course of the initiative with the sector stakeholder's involvement which included: age projections; suggestions on how best to manage an ageing workforce including 'myth busting' and; case studies of employers in their sector who were developing good practice in this area.

Sector leads tended to find aspects of the resource packs useful and spoke about the possibility of using them in further communications with their sector. For example, one mentioned using information for an article on "what will your business look like in five to ten years?" as way of encouraging employers to think about the skills of their existing staff and how best to utilise them. For some sectors they were clear about which sections were more useful:

"I think they find the sort of case studies useful but, the facts and figures, to be honest aren't much of a surprise."

Another sector lead was interested in the statistics:

"the more generic data sets - so about the workforce generally, the population, demographic stats which we can use – which we could get hold of but actually it's much easier the fact that they're there".

This suggests that for information on EWL, older workers and practical steps around retirement issues to be used effectively it must be individually tailored.

2.9.1 Role of Sector Bodies and their Networks

One of the intentions was for this initiative to create networks promoting good practice across the sector. However the Engagement team found that networks had been difficult to build and thought they were unlikely to last beyond the lifetime of the project. This was partly because EMs would not be there to drive the process and also because of the dominance of other issues such as youth unemployment. Sector leads who had agreed to take part tended to acknowledge that EMs played an important role in ensuring that tasks were done and that this was usually within specific sector bodies. Sector leads did talk about networks with other organisations but they did not provide examples of collaboration to promote Extending Working Life. In some cases different parts of the sector were in competition with each other because they were representing different types of workers or industry. There were also examples of arrangements to share information which stopped short of joint working:

"I think we were the only one who became actively involved... and then other stuff was disseminated to them [others in sector] to ... making sure they were

informed of what we were doing... so it came up on the agenda ... but we didn't do anything active or proactive with those other organisations."

2.10 Summary

This chapter discusses the challenges involved in identifying intermediaries to promote the benefits of extending working life within their sectors. This experience suggests that an individually tailored approach needs to be applied: both in terms of information provided and the approach to delivering any messages to employers. Even within one sector different traditions and cultures will mean a different response to this offer of support. EMs undertook a considerable amount of activity to promote EWL which was appreciated by sector leads. It would appear that many employer representatives were most focused when considering the legal and practical implications of the removal of the DRA. The next chapter will discuss the overall effect of the Sector Initiative.

Chapter Three – Overall Effect

3.1 Introduction

This chapter discusses the overall effect of the Sector Initiative on sector bodies and employers. The aim of the Sector Initiative was to positively promote the benefits of employing older workers to sector bodies with the intention that they would in turn influence the views and behaviours of employers within their respective sectors. It was intended that over the longer term this initiative would provide sustained change in employer practices. As part of these overarching aims there was a very specific short term objective to provide support on the DRA removal.

3.2 Change in Attitudes of Sector Leads

When asked about the impact on the attitudes and behaviour of sector leads EMs cited examples of sector leads who said that they had changed their perspective and they now consider the promotion of older workers to be part of their role. One of the sector representatives who was sceptical, did warm to the EWL messages promoted by the Engagement Manager, in providing 'myth busting' facts, research, information and practical examples:

"I must admit that after a couple of meetings with [the Engagement Manager] and reading the publications [they] sent , it moved me to think 'no, I'm going to enter this project [with] a positive approach', so I changed my mind because there were loads of HR ways and psychology [issues] involved in. . . changing our old traditional members thinking."

This in turn led to this sector body reproducing material in trade magazines in different articles over-time, to ensure that the message reached employers. However, in the main, interviews with sector leads suggested that it is difficult to be certain about whether there is a *change* in attitudes as a result of this. Many felt they were aware of this agenda (prior to the initiative) and some mentioned specific research or activities which they were already undertaking on EWL. In some cases it was this existing activity which led the EMs to contact them.

3.3 Change in the Behaviour of Sector Leads

Regardless of whether the initiative led to a change in attitudes it did result in activity to promote EWL. EMs cited examples of: articles about the abolition of the DRA being produced in trade magazines; "concerted campaigns" on age discrimination and; management guides. In some areas this evidence of 'impact' appeared to be quite clear. For example, an Engagement Manager cited an example of a sector body which had produced negative articles about the removal of the DRA was persuaded to produce helpful guidance and an article based on information provided by the Engagement Manager.

Amongst the sector leads there was agreement that the EMs had persuaded them to undertake work to promote the case for older workers, for example:

"[The EM] helped us choose recommendations from the research. Out of that came some case studies,... seminars and. . . work with stakeholders [The EM] was constantly talking to them about what needed to be done, how it needed to be done, what kind of information was needed. [The EM] also contributed to a lot of our training events which we organised"

3.4 Sustained Activity on behalf of Sector Leads

The Engagement team felt that there maybe limited capacity for sector leads to sustain the level of activity produced during this initiative because of other work priorities. Interviews with sector leads illustrated their views on the project management role provided by the EMs: agreeing actions and checking that activities were undertaken. In some cases, sector leads felt that if the EM had not been present then key activities would not have been undertaken. This suggests that future promotional activity in this area is not guaranteed. EMs provided an additional resource which the sector bodies used to think about opportunities to promote EWL issues and actually undertake that activity. EMs put a particular emphasis on providing guidance on the removal of the DRA to meet this particular need. When asked about whether this would have been done without the Engagement Manager one sector lead explained:

" Yeah, the movement around the ageing workforce we would have definitely done. The extent to which we could have done it because of the new things coming in to keep the story going would have been challenging. . . It might not have happened quite as quickly because ultimately we're not paid to do this."

Sector leads discussed the possibility for ongoing activity to promote the benefits of EWL because the resources which the EM helped to produce could be used by employers after the project had finished:

"I think one of the legacies which [the EM] left with us with, is that we've got an age equality resource being developed at the moment Yes we've got that on-line resource which is there for the sector to use and before [the EM] left is [they] actually helped us to draw up the specification for that."

Others clearly remained interested but were less specific about what this meant in terms of future activity:

"We're not going to drop this because we see it as important but I think it is more integrated as part of wider education of more permanent and professional staff. So we will carry it on. I think it's always been helpful to see the bigger picture so for work to continue we want to view it as part of that."

3.5 Did the Sector Initiative enable sector leads to measure changes in attitudes and behaviour of employers?

One of the key aims of the Sector Initiative was to ensure that sector bodies

maintained an interest in issues relevant to an ageing workforce beyond the lifespan of the project. The collection of age related data across each industrial sector was considered to be one way in which to achieve this aim. EMs encouraged sector bodies to place relevant questions in *established* sector surveys and to use this data to inform employers about current demographic trends and future age related work planning issues. EMs experienced mixed success: some sector bodies ran established industry based surveys and so did include additional questions relating to age. The Engagement team felt that they could see evidence of changes in sector leads: they were also keen to see a change in employers but any changes for employers would not be apparent during the course of this initiative.

Within one particular sector the EM reported that two separate intermediaries added age specific questions to their surveys. One of which formulated the questions as part of the broader equalities agenda, while the other defined them as a workforce planning issue. The latter found that the survey responses from their members suggested that the majority felt the ageing workforce agenda was not an issue for their sector and as a result they were unlikely to prioritise this line of questioning in the future. This might have represented a missed opportunity to persuade the sector of the importance of following up to understand the reasons why it was not deemed to be important.

Interviews with sector leads found one of the sector representatives was intending to use a regular employer survey every two years to include questions about older workers:

“the questions this time . . . [were] about the extent to which they were recruiting older workers so we’ll continue to test that to see if there has been any impact.”

Another group of sector bodies planned to include age specific questions in surveys but at time of interview they hadn’t done so. It was noted that this work would be dependent on resources, while others undertook surveys but had not planned to look into this issue specifically. The initiative was intended to build on existing monitoring and feedback rather than create new systems.

3.6 What do Sector Leads think will be the impact?

Sector leads were also asked about what they thought would be the ongoing impact of the initiative and many stated they were unsure what this was likely to be:

“I think that we’ve had impact in terms of thought leadership but whether that has fed down because we didn’t win any bid money [from a source outside of this initiative], whether that’s actually fed down to employers changing what they do because of the project, I’m not convinced that I’ve seen any evidence that that’s the case.”

“The information was welcome but not sure if any interventions happened as a result of this information.”

In other cases there was evidence that the issue was being discussed on an informal basis between employers looking for particular business solutions, for example:

“It is quite intangible. You are having conversations and it might not even be on the agenda but it’s a conversation you are having over coffee about it. So people are saying I’m struggling to get someone who is authoritative and got good customer service but I have looked at this solution and that’s where you hear about actually its an older worker and its worked fine. Or the employers are talking themselves over lunch sometimes – it’s that type of thing.”

These seem to suggest that subtle cultural changes are taking place in some of these sectors and this initiative may have helped to promote this. It was a commonly held view that changes to business behaviour and practice would take a long time. This sector lead discusses other factors influencing individuals’ choosing to work longer:

“it would be hard to say how much of that [any changes which might occur] was due to the work we’ve done on promoting and supporting this and how much would be as a direct result simply of economic imperatives for individuals as the changes to when they qualify for a pension or need to retire kicks in. But that is going to be a few years down the line before we see a shift in the make up of the workforce by age.”

3.7 The different responses from Sector Leads.

The quotations above illustrate the importance of the context in which EMs were seeking to build momentum. The situation for the sector leads can be categorised into 3 broad groups:

- ‘already convinced and positive about the initiative’;
- ‘unsure but willing to engage’; and,
- ‘already convinced but sceptical without additional resource’.

These are described below.

Those who were **‘already convinced and positive about the initiative’** were already interested in promoting EWL: they had undertaken research or work within their sector to consider the benefits of employing older workers. These individuals were convinced either due to the business benefits of recruiting or retaining older workers or because they worked in an equality promotion role. They did appreciate EMs identifying additional opportunities and ensuring things happened. They remain committed. Some intended to continue to promote good practice in employing older workers: others were less clear that they would have the resource to do so. When asked about further supported they tended to say they didn’t want any.

The sector leads who were '**unsure but willing to engage**' were struggling with extended working lives issues and in particular the removal of the DRA. However, they were concerned about legislation and did want to advise their members correctly. The skills and knowledge of the Engagement Manager coupled with this concern meant that they did produce articles and case studies for their members. They did have plans to use the information further despite remaining concerned about the implications for small employers. They want to continue discussing the issues; they had suggestions for how the department could influence their members but they also wanted to lobby government to reduce the amount of legislation affecting businesses.

There were also a number of sector leads who were '**already convinced but sceptical without additional resource**.' This includes those who were already doing work in this area, understood the arguments and some who thought they had '*got it all sorted*' with relation to the DRA. This group felt that the EMs did not really provide anything which they could not have done themselves. Their concern was about a lack of funding within their own organisations and thought that they should have received the resource directly rather than as consultancy support. Interviews revealed there were still issues relating to the DRA which were causing concern in these sectors. In terms of further support this group wanted direct funding to achieve further changes in their sector.

These different groups also illustrate a **distinction between attitudes and behaviour**: that is that those pre-disposed towards EWL issues are not necessarily those who took the most action. Equally those who were concerned about the implications of the removal of the DRA due to a concern about the viability of employing older workers in certain roles were not those who took the least interest in this initiative.

When asked about **further support** sector leads were not seeking this. This may reflect the fact that EMs, whilst offering support also took up their time. In not seeking further support seem to reflect the fact that Sector leads felt that they had done as much as they could to promote the issue and they were provided with a resource pack to use after this initiative. This lack of desire for further support does not detract from the fact that 40 (out of 80) sector bodies that were engaged wanted to maintain contact with the Department. This desire for contact means that they continue to receive updates via a quarterly newsletter which does not require any further commitment on their time.

3.8 Factors which might affect change in the longer term:

3.8.1 The timing of the initiative

It is important to remember that this initiative took place during an economic downturn and a time of reductions in budget for many public sector bodies. Sector Skills Councils who were engaged in this initiative did discuss a change in funding arrangements and some specifically mentioned funding as a barrier to doing more work in this area. But one of the sector leads suggested:

“Well there is never really a better time, we are all resource light and the priorities are for the projects we are being funded for and this was obviously in addition to that so...None the less we did manage to put out enough information judging by the feedback from employers.”

3.8.2 Removing the DRA

It was whilst this initiative was progressing that the Department for Business Innovation and Skills (BIS) took steps to remove the DRA from legislation. EMs used this to persuade sector leads to engage with the initiative. This was a key objective and reason for this initiative taking place. This worked for sectors who either had particular concerns or wanted to accurately reflect the legislative implications for employers in their sector. There were sector leads that thought they understood the issue already, so focused on wider issues around the age profile of their sector.

Sector bodies were in the process of thinking through retirement practices and management of a multi-age workforce; given the phasing out of the DRA and changes to State Pension Age. Despite being involved in this initiative some employer bodies still discussed the workforce in terms of opposing groups by age:

“You know I think in that sense they [employers in the sector] were all very prepared for it [the phasing out of the DRA]. The only concerns that they did have was that there wouldn’t be enough new blood coming into the organisation. You know with people staying on for longer – how is that going to create jobs for the unemployed especially with the whole youth unemployment which they are trying to tackle, the NEETs? ”

This particular sector body was working with employers to encourage them to think seriously about their ageing workforce. The sector body was planning events, policies and practices to support this, but was still referring to the potential for older workers to block opportunities. In some cases there were contradictory concerns: interviewees spoke about not wanting to let people go (due to a loss of knowledge or expertise) but at the same time were concerned that retention of staff reduced opportunities to recruit.

3.8.3 Promoting Extending Working Lives and Youth employment

Sector bodies discussed the impact of messages on youth unemployment on this EWL initiative:

“Older workers are in many ways largely forgotten about in terms of funding...all the money is being directed at younger workers and with the best will in the world, if there is no money there; it’s not very likely to happen.”

There was also a reflection about the number of different initiatives pulling employers in different directions:

“they are really getting to the point where they are saying: we’ve got so many people talking to us about so many different things, we just can’t cope with it.”

A change in emphasis for employers has practical implications: for example one organisation spoke about changing recruitment leaflets to have younger people represented on them and then thinking this would put off older or ‘middle-aged’ potential recruits so changed them again. This sector body discussed how they saw recruitment and retention of staff:

“I think that recruitment and retention . . . does need to be dealt with as a cohesive whole. You can’t just say: ‘right we’re just going to recruit a whole load of young people’”.

3.8.4 Age as a diversity issue or business issue?

It was interesting to note the different ways in which interviewees described age policies in the context of other ‘diversity groups’. A couple of sector leads thought that gender issues received more attention than age (or ethnicity). For one sector lead they thought that it was easier for people to see and react to an imbalance with relation to gender (for example in terms of equal pay) as compared to age. One organisation described age as ‘*the poor relation*’ in comparison with the work they were doing on other diversity issues but that this was strange as ‘*we all have an age*’ so should all be able to relate to this.

For those individuals who had really understood the message and were trying to persuade employers to look differently at their recruitment practices it was important to get across the business case rather than it being about selling this on this basis of being a socially acceptable thing to do. This was one of the key objectives underpinning the Sector Initiative and the reasons for working with employers via the sector bodies; which is borne out in this response:

“If we’ve got data that can try and get the message across and say look there’s a better way of doing this but rather than a nice to do thing that you really should be ... it was more about the business case so saying: ‘look you are struggling to recruit and there’s issues around customer service actually... [and]... the customer base is ageing’”.

3.9 Summary

This chapter discussed the overall effect of the Sector Initiative. Sectors leads are broadly categorised into the following groups: ‘already convinced and positive about the initiative’, ‘unsure but willing to engage’, ‘already convinced but sceptical without additional resource’. There are clear shorter term effects and some discussion of sustained activity amongst some sector bodies. Some sectors had established surveys and feedback mechanisms which they could use to further monitor attitudes and practices on older workers. For those who did not have such tools, it will be difficult for them to

establish sustained change in this area. The factors affecting the sustainability of the initiative such as the economy and youth unemployment were also discussed. The abolition of the DRA provided a platform for discussions with sector bodies about managing an ageing workforce more generally. The next chapter will discuss the lessons learned from this initiative.

Chapter four – Conclusions and Lessons Learnt

4.1 Introduction

This review assessed the extent to which the EWL Sector Initiative was successful in engaging sector leads to communicate messages to their employers. It has focused on the rationale and methodology; delivery and implementation and the overall effect. An assessment of the overall effect from the interviews is provided below followed by a discussion on lessons learnt from the initiative and next steps.

4.2 Assessment of the overall effect from interviews with Engagement staff and sector leads

Interviews with sector leads suggested that **the short term aim of engaging across the sectors was achieved**. Over 80 sector bodies were engaged: ranging from full engagement (involving workshops, newsletters, collection of case studies) to the production of at least one article by each for their members which were placed in specific newsletters and websites. There is a legacy for the sector leads in terms of information and materials which sectors can use to promote EWL or provide advice on the DRA. In addition, the initiative produced a number of case studies outlining good practice by particular employers in each of the sectors (see example Appendix 7).

The extent to which sector leads were planning to promote extending working life issues after this initiative varies. Chapter three discusses how the sector leads fall into the following broad categories:

‘already convinced and positive about the initiative’;

‘unsure but willing to engage’; and

‘already convinced but sceptical without additional resource’.

It was difficult to establish the impact or extent of change amongst sector leads because the review took place after the initiative and there was no baseline to measure against. Instead, sector leads were asked for a retrospective view of their position prior to the Sector Initiative. It was also not possible to detect the effect on employer practice. Whilst some sectors had put in place mechanisms to measure change there was no information available at the time of interview. It is too soon for this to have had an effect. Sector leads did think that change will take time but that they had noticed that people were starting to think about older workers a bit more. The Sector Initiative did intend to encourage gradual change through subtle messaging. Some sector leads spoke about the time needed for the Human Resources issues around abolishing the DRA to be worked through: others thought change was inevitable as the economic reality will be that individuals have to work longer in the future.

4.3 Assessment of effect through monitoring and surveys

There is evidence of remaining interest: over 40 of these organisations expressed an interest in receiving continuing updates via sector specific newsletter from the Department. This newsletter provides updated information

and guidance about extending working life and the removal of the DRA (see examples in Appendix 8). The potential for on-going impact from the initiative also exists from several sector bodies including older worker issues in their longer term published strategies or reports for the first time. Also material from the initiative remains embedded in web-based guides and training for employers provided by some of the sector bodies.

Monitoring of sector bodies publications by the Department has suggested there are examples of a change in attitude. In addition to this review the Department has collated some 'before and after' examples indicating a positive change in attitudes amongst sector leads. For example, one sector body had been referring to older workers being 'set in their ways' and 'difficult to motivate'. Following the persistency of messages received from this initiative the sector body wrote to the Department with a very different perspective:

"With this information we can encourage employers who may be thinking about role redesign to consider more effectively utilising the skills and experience of older workers."

The latest **Pension Tracker¹⁵ survey suggests that employer attitudes towards EWL have changed.** However, this survey does suggest some inconsistencies amongst employer attitudes: for example, there were increases in the percentage of employers agreeing with the statement: 'employers should be able to retire older workers' (from 36 percent in 2011 to 42 percent in 2012); but a *decrease* in those agreeing with the statement 'as people get older they are less productive in the workplace' (from 26 percent in 2011 to 20 percent in 2012). Comparing the two statements might suggest that employers increasingly see the value of older workers but want to retain the right to retire people when *they* choose. This may in turn be a misunderstanding about the legislation around dismissal connected to performance issues. This survey also found that only one percent of all employers reported that their organisation enforced a compulsory retirement age (ranging from 1% of micro employers to 3% of large private sector employers and 5% of large public sector employers). Employers were asked whether they were aware that the law that allows employers to force their workers to retire at 65 has been removed. Three quarters (73%) of all employers reported that they were aware of this, which matches the levels achieved in Spring 2011 (73%), prior to the introduction of the changes.

4.3 Lessons Learnt from the Sector Initiative

The last chapter discussed the wider context which impacted on this initiative: the economic picture, the concern about youth unemployment; the review of sector skills councils and the communications and marketing freeze. But there are also specific lessons to learn from this innovative approach to engaging employers. These are discussed below:

¹⁵ BMG Research for The Pension Regulator and the Department for Work and Pensions (2012) **Employers awareness and understanding and activity relating to workplace pensions reforms**

The rationale for the Sector Initiative was based on previous studies suggesting that different sectors had very different practice in terms of employing older workers and the use of the compulsory retirement age (prior to removal) so a general approach may have less impact than a targeted approach. Experience suggested that sector bodies were keen to develop their own messages to employers based on the particular experience of their sector rather than relying on generic messages on government websites. Interviews with sector leads confirmed the benefits to **targeting employers through intermediaries** using an approach which recognises particular needs. Sector leads did discuss the importance of relaying sector specific messages through specific sector bodies themselves as it avoids employers saying: “*it wouldn’t work in construction – we’re different*”. However, this initiative did not find networks of sector bodies working together to promote this EWL agenda. In some cases this is because they consider themselves to be in competition with each other for member support or because they represent different types of workers within one sector.

A number of sector bodies suggested that it is easier to influence larger employers than smaller employers because they have dedicated personnel working on HR, recruitment and diversity issues. Sector leads spoke about using employers who have a ‘*brand presence*’, that is, it is about who employers respect themselves which may well be a larger employer but not necessarily. This chimes with some of the behavioural analysis work undertaken by Bath University about **the importance of undertaking segmentation analysis** to determine different approaches which will ensure a higher rate of impact for the amount of resources given.¹⁶ For some sectors there was a suggestion that the national arena was the relevant level at which to deliver further messaging, especially if the sector was dominated by larger national or international firms (e.g. finance). Whereas others suggested focusing at a more localised level, especially where local industry based clusters exist for example in manufacturing/construction where there might be networks ‘*around the supply chain*’, that is, between mutually dependent businesses).

In trying to engineer a cultural shift through intermediaries with limited resources **there is a trade off between short and longer term gains**. Because of the time and effort needed to engage people EMs sometimes targeted those who were already keen. By undertaking a lot of work for the sectors: thinking about opportunities, suggesting articles and delivering workshops EMs secured support but at a possible risk that this was not embedded in the sectors ongoing work. There were also sector bodies who despite being approached with offers of support from the Engagement team did not take up the offer. In some cases a keenness to build contacts and demonstrate results meant that EMs may have approached organisations who did not have sufficient influence to be relevant. The fact that some sector bodies felt very strongly that they should be given direct funding to continue promoting the agenda suggests a misunderstanding that lots of separate

¹⁶ Weyman, A (2012) **Extending Working Life. Behaviour change interventions**, DWP research report no. 809

activities were required rather than this being embedded in normal practice. The greatest impact was achieved amongst those sector bodies who were not already promoting equality issues who were nevertheless keen to engage. Identifying these bodies is important to target future work.

4.4 Lessons Learnt on Messages to Employers

When communicating with employers Sector Bodies made the following observations:

- Most SME employers are time poor and have little or / no time to dedicated to activities not directly relevant to their business operation. This is one of the reasons it is so difficult to engage them on issues like diversity. The current economic climate compounds this issue.
- All employers' related communication should be short and simplified at much as possible, especially when legislation and guidance material is being issued.
- All communication material should be directly relevant to the sector and to the employer.
- There was a suggestion that employers prefer their own communications to Business.Link.gov.uk website or Directgov (now gov.uk) or DWP/BIS websites.
- The most effective way of influencing employers is to engage with them on a face to face basis: so road shows, conferences, meetings and having a dedicated field force were all considered useful activities.
- Policy messages from Government should not be contradictory. The issue of seemingly opposing messages on age and employment were cited. Many sector bodies and employers were confused that the government seem to be concerned with youth unemployment and yet are also campaigning separately about older workers. They preferred to view the workforce as whole.
- BIS/DWP/UKCES should be more joined up in their approach to engaging employers.

4.5 Next steps

Some sector bodies may benefit from help with interpreting legislation and the management of retirement practice. It is important to target this effort on those for whom this will have the most impact. These are identified in this study as those who may be unconvinced by EWL issues and the removal of the DRA but are nevertheless willing to engage. This is not straightforward: there is no clear distinction by size or sector of employers. Whilst some sector bodies suggested that small and medium sized employers (SMEs) need the most help, as they do not necessarily have HR departments,

evidence suggests that SMEs were less likely to have used a compulsory retirement age than large or medium sized employers¹⁷. It is not possible to characterise all sector bodies within one sector as being either willing or not willing to engage. It is essential that this support is individually tailor made. Sector bodies had different requirements for the sorts and style of information which would influence their employers. For example, one sector discussed the value within larger organisations of not viewing this as an HR issue and had found workshops and seminars which targeted staff of more value.

There may be a case for trialling different sorts of engagement: through sector bodies, through local business partnerships and directly with employers to find out which works. Given the confusion about the number of different initiatives and the separate promotion of younger and older workers there is a need for further joining up across government to promote the benefits of a mixed age workforce.

¹⁷Metcalfe, H and Meadows P (2010) **Second survey of employers' policies, practices and preferences relating to age, 2010**, DWP report no. 682 and BIS report no 110

Appendices

Appendix 1

Information sheet for Engagement Managers

Sector Initiative Research Review- Information Letter.

DWP Sector Initiative Research Review

- The aim of this review is to assess the success of the Sector Initiative in achieving its stated aims and objectives. In particular an assessment will be made of the initiatives;

- Overall rationale and methodology,
- The delivery and implementation process,
- The overall effect and any discernable impacts.

- To achieve these stated aims a series of face to face interviews will be held with individuals involved in the design, management and implementation of the Sector Initiative. These will include the Sector Engagement Managers, Sector Leaders, the Management Team and the DWP Policy Team.

- Findings and lessons learnt from this review will be use directly to inform the development of future employer engagement policy and to improve the design and delivery of implementation activities.

- Your participation in this research review is voluntary and you may choose to end the conversation at any point. Your responses will be treated as confidential and your name will not be used in any recorded or written material. However, because of the small number of key individuals involved in the delivery of the sector initiative, it will not be possible to assure you of complete anonymity. It is possible that you could be identified because of the nature of your responses in relation to specific activities or sectors. The research team are sensitive to these concerns and will therefore not report, or publish direct quotes from interviewees.

The interview will be recorded using a digital / encrypted recorders and all recorded interview files will be destroyed once they have been transcribed.

The typed transcriptions of the interviews will be stored on a DWP secure server until the end of the research programme. At which point all transcription files will be permanently deleted.

The research review is being conducted by an in-house team of DWP Social Researchers and it is our intention to publish the final written report as part of the DWP Research Report Series. Research reports will be posted on the DWP Internet site approximately three months after the completion of the final report.

If you have any further queries or concerns about the research please contact the DWP Project Manager.

I have read [or heard] the information above [and information sheet] and agree to take part in the study.

Participant

Name _____

Signature _____

Date _____

Person taking consent

Witness name _____

Signature _____

Date _____

TOPIC GUIDE – THE SECTOR INITIATIVE REVIEW SECTOR ENGAGEMENT MANAGERS

Name

Sectors Represented

Dates

Interviewer Note – If Engagement Managers cover 2 sectors please encourage responses that reference both sectors, highlighting any clear differences between sectors.

1. Rationale and Methodology -

Can I ask you to reflect on the overall rationale and methodology of the sector initiative? Thinking about the content of the overall policy message and the proposed design for delivering that message.

- How well did you understand the overall rationale of the sector initiative
- How well did you understand the proposed methodology of the sector initiative
- Did you have any concerns / issues about the rationale or the methodology – where these concerns voiced / where they addressed
- How easy did you find communicating the rationale and the methodology to sector leaders?
- Did you feel [your organisation] clearly defined your role and responsibilities?

2. Assessment of Delivery and Implementation -

Can I ask you to reflect on how effectively each stage of the delivery plan was executed?

2.1 Building Business Intelligence

- How easy was it to compile specific (hard) data about staffing and employment policies for each sector?
- How easy was it to build up knowledge about the culture of the sector?
- What sources of data did you primarily use; did you think the data was reliable / robust?
- Did DWP or [your organisation] support you in building business intelligence?
- Did you receive support from the sector leads / trade bodies?
- How long did this development process take and was it a useful investment of time?
- How useful was this intelligence building in terms of you carrying out your role.

2.2 Identifying Sector Lead Organisations and Sector Leaders (Champions)

- How easy was it to establish initial contact with sector leader organisations – what techniques / methods did you use, what was most effective?
- Did you draw on previous contacts / experience to establish these links?
- Do you think developing these contacts requires a particular skills set and/or previous experience of the sector?
- How easy was it to convince sector leader organisations to meet you and engage with the sector initiative?
- Can you define what the characteristics of a sector leader (Champion) should be?
- How easy / difficult was it to identify possible Sector Leaders (Champions)?
- Were individuals willing to become Sector Leaders (Champions)? Was this an attractive proposition, or did they need to be persuaded. ? If so how?

2.3 Strategy Development and Planning

Interviewer Note - In this section we will be discussing all forms of strategic thinking and planning that took place as part of the sector initiative. Direct reference will be made to the 'Sector Plans', 'matrix plans' (Excel Spreadsheet) , written planning or strategies drawn up by sector lead organisations and any virtual (unwritten) planning you engaged in.

- How easy was it to develop 'sector plans' at the beginning of the initiative?
- How easy was it to engage sector leaders in developing the initial sector plans?
- Were the plans used throughout the implementation stage, were they a useful tool in keeping the sector strategy on track? (I.e. fit for purpose)?
- To what extent were the plans revised / adapted by [your organisation] and DWP. Did you agree / accept these changes. ?
- Did you find the 'matrix planning' (Excel spreadsheet) a useful tool in organising your work across each sector. ?
- What other forms of planning or strategy building did you develop in conjunction with the sector leaders? Was this led by you or the sector leaders?
- Were you building on existing strategies (within sectors)?

2.4 Monitoring and Recording Activity

Interviewer Note - Please make reference to the 'matrix plan' (Excel spreadsheet), the results matrix, record files and monthly written reports.

- You were required to record activity within each sector in order that work could be measured. Was this a useful process to engage in?
- How did you personally gauge the level of success you were achieving with each sector? Was this via the recording of tangible products (articles policy documents etc), or through less tangible activities (meetings / discussions / culture change)?

2.5 Development of Sector Specific Interventions

- How did you develop thinking on what would be the most successful types of intervention for your sector?
- To what extent were interventions planned by the stakeholder or steered by you, or jointly negotiated? What worked best and why?

- What types of intervention were most successful – can you explain why?
- What types of intervention were least successful – can you explain why. ?
- What measures of success were agreed for different interventions?
- How easy / difficult was it get questions embedded into existing sector specific surveys?
- If this occurred how useful do think the inclusion of questions was. ?

2.6 Building Networks and Sharing Best Practise

- To what extent were networks built beyond initial sector contacts. ?
- Were other sector bodies interested / engaged in the sector initiative?
- How easy do you think these networks will be maintained beyond the lifetime of the project?
- Did you actively share best practise with other sector engagement managers?
- How effective / useful was this process?
- Were there some examples of best practise that could be used across all sectors? (generic approaches / tactics / information)

3 Project Management and Governance.

Interviewer Note -Can I ask you to reflect on the overall management and governance of the Sector Initiative, the extent to which you felt you had the necessary support to undertake the job?

- Did you feel you had enough resource (money / staff support) to execute this job efficiently?
- Was the project management (by your organisation) of the initiative run effectively – if not why not. ?
- Was the project Governance (by DWP) of the initiative run effectively – if not why not. ?

4. Impact and Sustainability

- To what extent do you think the sector initiative has/ or will have an impact on the actions, opinions and behaviours of each stakeholder and on the sector itself?
- What do you think the impact has / or will be?
- How has this impact been measured / or how should this impact be measured in the future
- What activities have you engaged in to ensure sustainability in each sector beyond the lifetime of the project?
- To what extent do you think the sector initiative activities will be sustained beyond the lifetime of the project? If not why not?
- What do you think should be done (by Govt and by others) to reinforce the messages delivered via the sector initiative. ?
- Do you think the sector initiative model can be replicated for other sectors? And for other types of stakeholder e.g. Chambers?
- Do you think the sector initiative model can be targeted at geographical areas? If so how?
- In your opinion what could be done to improve the approach?
- Overall in your opinion has the sector initiative made a difference? If so what has changed because of the Sector Initiative? Was it worth doing?

Is there anything else that you would like to add that we haven't already covered today?

Thank you for your time and thoughtful responses to these questions.

END

Appendix 3

Information Sheet for Sector Leads

Extending Working Lives Review- Information Letter.

Extending Working Lives - a Review

- The aim of this review is to assess the success of the support provided by [xxxxxxxxxx] on Extending Working Lives.

- To achieve these stated aims a series of face to face interviews will be held with individuals involved in the design, management and implementation of this Initiative (known in DWP as the Sector Initiative). These will include the Sector Engagement Managers, **Sector Leaders**, the Management Team and the DWP Policy Team.

- Findings and lessons learnt from this review will be used directly to inform the development of future employer engagement policy and to improve the design and delivery of implementation activities.

- **Your participation in this research review is voluntary** and you may choose to end the conversation at any point. Your responses will be treated as confidential and your name will not be used in any recorded or written material. It is possible that you could be identified because of the nature of your responses in relation to specific activities or sectors. The research team are sensitive to these concerns and will therefore not refer to your organisational name within the report.

The interview will be recorded using a digital / encrypted recorder and all recorded interview files will be destroyed once they have been transcribed.

The typed transcriptions of the interviews will be stored on a DWP secure server until the end of the research programme. At which point all transcription files will be permanently deleted.

The research review is being conducted by an in-house team of DWP Social Researchers and it is our intention to publish the final written report as part of the DWP Research Report Series. Research reports will be posted on the DWP Internet site approximately three months after the completion of the final report.

If you have any further queries or concerns about the research please contact the DWP project managers:

I have read [or heard] the information above [and information sheet] and agree to take part in the study.

Participant

Name _____

Signature _____

Date _____

Person taking consent

Interviewer name _____

Signature _____

Date _____

Appendix 4

Topic Guide for Sector Leads

TOPIC GUIDE – THE SECTOR INITIATIVE REVIEW

SECTOR LEADS

Name

Sectors

Dates

[Prior to interview check whether this is the person in the organisation who has had the most contact with the Engagement manager.]

I understand that you have been working with x? These questions relate to your work over the last 18 months.

1. Rationale and Methodology (Understanding of the initiative and why they were involved)

Can I ask you to reflect on the purpose of this work with x? Thinking about the issue of extending working lives within your sector:

- How were you chosen to undertake this liaison role with x e.g. equalities role, responsible for communications, recruitment/training? What is your role?
- Was the issue of extending working lives, ageing society and retirement ages something you were already thinking about and working on within your sector? What was your understanding of the issues? What sort of approach did you have before this involvement with x?
- How clear were you about the overall agenda and also how x were proposing to work with you?
- Were you aware that this was part of Government agenda from the Department for Work and Pensions?

2. Assessment of Delivery and Implementation

Can I ask you to think about the initial approach from x?

- What sort of contact did you have with x?
- How did this start?
- Had you worked with this organisation before?
- What was your initial reaction to the approach from x?
- How well did x understand about recruitment and retention for your sector?
- Did they understand about your sector in general?
- And specifically on extending working lives within your sector?
- Is the issue of an ageing workforce, the ending of DRA and rise in SPA an issue for your sector?

Can I ask you to think about your ongoing work with x?

- How did you work together with x?
- Did you work with other organisations within your sector on these issues? [E.g. liaised with other trade bodies or sector skills councils]
- Can you give me some examples of the sorts of activities you worked on? (Awareness raising e.g. via conferences, mail outs, articles or training on recruitment and retention or staff surveys)
- How did this approach fit with what normally happens within the sector when dealing with recruitment and retention or employment relations issues?
- Were these the sorts of things you would have done anyway?
- What about with work with specific employers? Is this part of your role? Are there particular parts of your sector for which this issue is more relevant?

3. Impact and Sustainability

Can I ask you to reflect on the impact of this work with x?

- Do you know what has been the impact of this initiative?
- Have some activities been more successful than others?
- Have you tried to measure the impact? For example: suggested adding questions in staff survey surveys, monitoring staff profiles, working patterns, training etc.
- Have you had any feedback as a result of your articles, workshops conferences – are people approaching extending working lives differently e.g. in terms of training, flexible working, are HR practices adapting?
- Does this differ in different parts of your sector?
- And with different employers?

And finally can I ask you about the support you received, what further support you would like and what happens now?

- What was most useful/ less useful about the support offered?
- What are your views on the resource/knowledge pack which X has produced for you?
- Do you have any further activities planned now?
- What further support would you like?

- What do you think should be done by Government and by others to reinforce the messages?

- Has anything changed in your organisation as a result of this initiative?

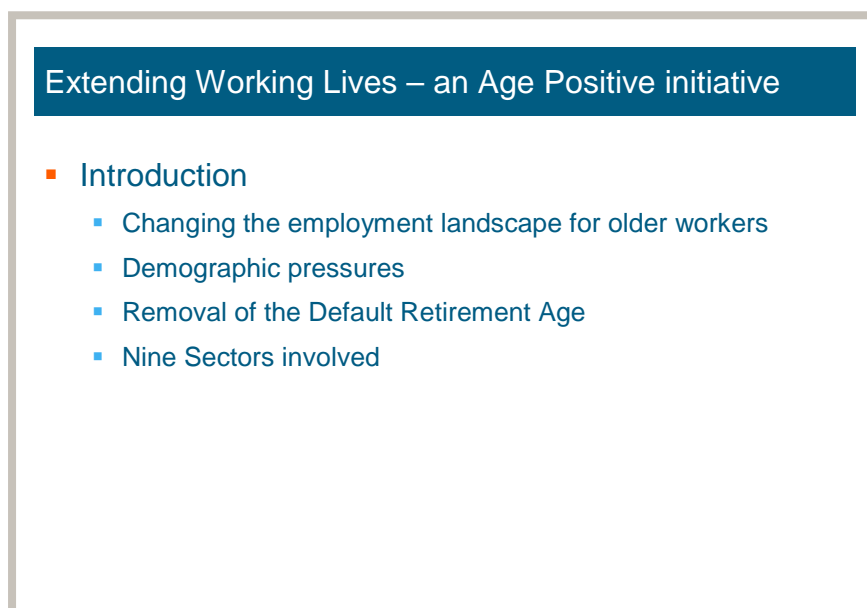
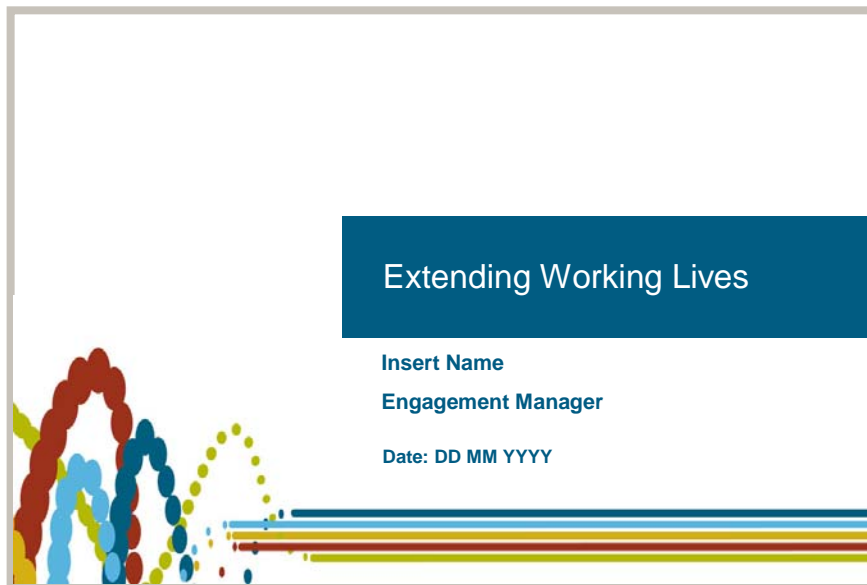
Is there anything else that you would like to add that we haven't already covered today?

Thank you for your time and thoughtful responses to these questions.

END

Appendix 5

Example of how generic slides provided by DWP were used by the Engagement Manager for the hospitality sector



Speaking notes

You will all be aware that demographic change and the fact we are all living for longer means we can't afford retirement of 20+ years. You are also aware – indeed you pick up on this in your agenda today – that the default retirement age is being abolished. Employers need to be prepared.

At the same time, evidence shows – across all sectors - that employers are losing valuable older workers through lack of awareness or a failure to respond to the demand for flexible work/retirement opportunities.

Age Positive is a DWP initiative to support the business community in driving forward and embedding sustained change on age/employment practices.

To help deliver this, the DWP has commissioned a unique partnership. Together we will work with sector lead bodies in nine key occupational sectors including hospitality to identify and implement interventions that support the retention of older workers.

Hospitality is one of the nine sectors and includes: accommodation; food and beverage service activities and travel agency, tour operator and other reservation service and related activities.

Extending Working Lives – An Age Positive Initiative

- Our Approach
 - Sector Champion
 - Sector Leaders
 - Engagement Managers
 - Supported by Specialists & Executive Steering Committee

The EWL initiative is not a campaign; it does not seek to impose activities or changes on the hospitality sector. It takes a different approach to other Government initiatives.

The intention is to work with (engage) those who have an interest in the EWL agenda and are most able to influence the hospitality sector (Sector Champions & Leaders); to enable **them** to identify opportunities to increase awareness of the ageing workforce and plug gaps which prevent employers in Hospitality from realising the benefits of extending working lives.

Where possible, engagement will be established by piggy-backing on existing work and initiatives, this is not about creating something new or doing something to a sector.

We want your input – you know best.

As an engagement manager, my job is to work with you to identify opportunities to progress the agenda; and to help me do this I am supported by age experts who have developed best practice on older worker recruitment and retention.

Extending Working Lives – an Age Positive Initiative

- Vision
 - To effectively engage nine sectors who will identify interventions based on solid business intelligence and examples of sector best practice and use existing mechanisms to communicate and embed sustainable change that will retain older workers.

The key elements of what we are planning that we would like to stress today are:

Solid Business Intelligence - the need for a very specific business case for the hospitality sector – perhaps even for different industries within the sector – which understands the age dynamics in hospitality and make a case that individual sector employers can identify with

Existing mechanisms – as I said before this is not about creating anything new, it is about looking at ways to incorporate messages about extending working lives into existing work streams and activities

Sustainable change – the success of this initiative will be judged on the degree to which age becomes a common factor for consideration ‘naturally’ (embedded) in what you do as a sector when looking at employment and other issues within the hospitality industry.

Extending Working Lives – an Age Positive Initiative

■ Objectives

- Sectors to understand how to maximise the business benefits of employing and retaining older workers
- Increased availability of flexible working and flexible retirement opportunities
- Improved retention of older workers, supporting business performance

The objectives are clear.

We want to work with you to ensure we all make the case for employing older workers – clearly demonstrating the economic advantages to businesses in hospitality.

30.4% of the workforce already works flexibly in hospitality. But statistics show that the part time workforce is more likely to be female and under 50; one outcome of activity might be increased opportunity for flexible working into retirement.

And overall, we need to improve the retention of skilled older workers

Extending Working Lives – an Age Positive Initiative

■ Business Intelligence – X Sector

- National Demographics
- Sector Demographics
- Sector Specific Research
- Sector Specific Issues / Barriers

By 2020 33% of the workforce will be >50, by 2026 this will be 50%.

National and indeed international demographics are important not just from an employee pipeline perspective, but also from a customer perspective. I would anticipate this is something the major employers in your sector have already factored into future planning. **But is this something smaller employers are considering?** (I recognise less than 0.5% accommodation/food & beverage companies employ >250, and of these majority employ <50; whereas Compass Group employ 25% of whole sector)

And regional demographics make stark reading – particularly the rural areas and coastal towns (heartland for many in the accommodation business) where population ageing is even more apparent. For example: in 2010, Hackney in East London has a median age 7.4 years younger than the national (39.7) while West Somerset has a median 13.3 years older – and set to increase still further through Government population modelling. What impact will this have on future sources of labour?

You may be familiar/not surprised by the next slides which show the employee profile for the hospitality sector

[Slides which follow show the employee profile for hospitality.]

This graph shows the age profile of the hospitality workforce based on ONS data qtr 1 2010

[Graph not shown in this report]

It clearly shows the traditional employment pattern – younger workers 16-24 34% v only 17% over the age of 50

How much work has been done within the hospitality sector on changing demographics with respect to employment? and the sustainability of current employment strategies which rely on a seasonal migrant, young workforce?

And on issues/barriers can we explain the current employment practices in the sector, are there good reasons why it is perceived to be a job for young people? Except for pub landlords? Or is it because there has always been a ready supply of young labour? Has this been explored properly? Does it need to be?

Optional Questions:

Where do you want to be in 2/3 years?

How are you going to get there?

Issues relating to older workers (emerging from the recession) – preparing for the future?

On Issues – what guidance is required?

Appendix 6

Published article on manufacturing resulting from Sector Initiative

Time to Innovate: Grey Talent

Elizabeth Donnelly, A|D|S Project Manager – Skills takes a look at the phasing out of the default retirement age.

The UK population is ageing, and the manufacturing workforce more significantly than most. By 2020 almost a third of the UK workforce will be over the age of 50 and in manufacturing over 43% of the engineering workforce is already over 40. At the same time, the number of workers under 35 is falling, with the fastest decrease among the 18-24 age group.

No surprise then that the Government is responding by increasing the state pension age to 66 by April 2020 and phasing out the Default Retirement Age by October 2011. Employers will no longer be able to ‘retire’ an employee (without objective justification) when they reach a magic number (65).

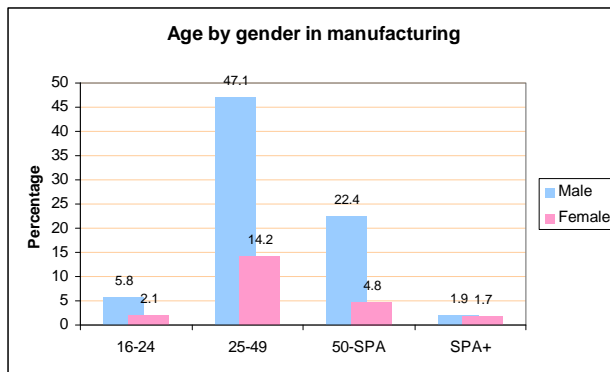
With widely reported skills shortages in aerospace and a declining population of 18-24 year olds, we need to look at how we can continue to engage and keep talented older workers. They hold a breadth and depth of valuable experience that we must harness and transfer to younger employees.

This in itself is challenging. The manufacturing environment is not always suited to older people. Only 3.5% of the manufacturing workforce are employed past the state pension age, compared to 6.7% in health and 5.4% in retail. Can we redesign work? Are there other ways to approach the long shifts and requirements for physical endurance? Or, has the engineering workplace already changed significantly and some of these issues so often quoted no longer apply? And, as a sector, how do we better support smaller companies (93% manufacturers employ less than 50 people) in retaining their older employees?

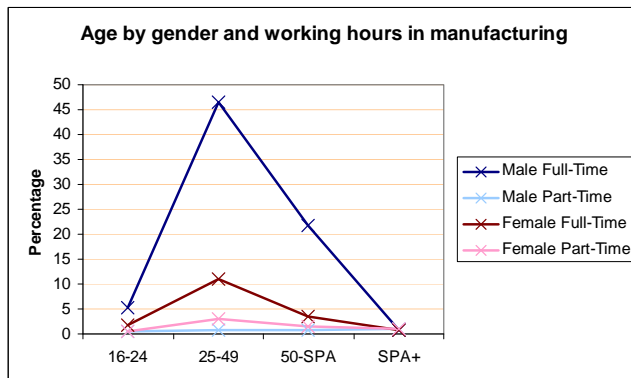
Our strategy needs to recognise that it is not just up to employers, we need to create and maintain demand from employees to work for longer too. Manufacturing is predominantly male and full-time (91.1% of jobs are full time). Introducing flexible working not only helps keep older people employed, but also makes the aerospace industry more attractive to women. We need to look around and see what works for others and develop a broad response to this agenda.

If the aerospace industry is to remain the strong innovative force that it has been for decades, this is an urgent issue that we should be planning for in greater detail. A|D|S looks forward to engaging with its members and the Government to tackle this important issue.

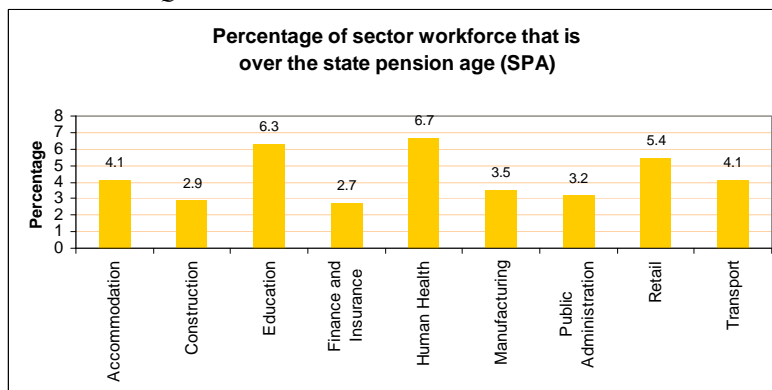
Graphs:



Source: ONS LFS Q 1 2010



Source: ONS LFS Q 1 2010



Source: ONS LFS Q1 2010

Appendix 7

Case study example resulting from the Sector Initiative

Transport

A T Brown Coaches, Telford

AT Brown Coaches Ltd is a family owned business. They operate 22 coaches, mainly 53 seats, with 70 seaters for school trips, and some 16 seat vehicles. Three-quarters of the company's business is in school and works contracts, including firms that operate late/early shifts. The remainder of activities involve private hire.

AT Brown employ 31 people. The company and staff have a flexible approach to work, for instance many older employees work reduced hours or take on a different role. There is no set retirement age.

Flexibility brings business benefits

"Staff value the flexibility and it helps me to retain the skilled people we need to keep the business successful", says Director Ewen MacLeod. "Our vehicles operate from 4:15am until midnight. We have to be flexible to meet customer demand for early and late shift hours and school runs, and of course during summer everyone wants extra coaches. Because we're able to respond, we get the business."

MacLeod believes it is vital for business to take advantage of the flexible approach of staff, and that managers need to be able to respond. Businesses that don't adapt will be left behind. Flexible working has proven benefits for AT Brown and its employees, in terms of commitment and helping retain staff.

Decisions are made on individual and business needs. MacLeod says: *"We don't have the flexibility to change the times that schools or factories start and finish – but I can bend, and if I can't fully meet my staff's flexible working requests then I will say what I can do. We have a two-way dialogue to make things work. If I just said 'no, I can't do that', they would go - and I'd have to employ the devil I don't know. I don't want to lose them to the competition. I offer the flexibility, they stay in a job that fits in with the hours they want to work. It's a win-win."*

"Being flexible is also about getting the balance right between full-time and part-time, so you're not paying for people to just stand around. It works for the business, it's not about altruism, as the business benefits just as much as the employees from the relationship", concludes MacLeod.

For example, Freeman (67) is a driver for the school-runs and occasional weekends. As an ex-school teacher, he transfers his people management skills into the job and his experience is essential when dealing with the customers in all kinds of situations.

Alan (69), is a former employee who was asked to come back part-time to drive a specialist coach with wheelchair access. As an ex-ambulance driver, Alan (69) successfully uses his experience to operate the vehicle which carries up to 12 wheelchair passengers.

Brian joined the business at age 57 as a full-time garage manager. With fifty years' experience 'on the spanner', Brian, now 67, plans to continue working part-time rather than retire. When he considered working differently he discussed options with his manager. A gradual twelve month handover was agreed, and he has moved from full-time to part-time three days a week. Brian is mentoring Andy (31) into the garage

manager role, where Andy is *“learning the lifetime of skills and knowledge they don’t teach you in a course!”*

Fred (75) works early shift hours through the year. In June he takes a week off. Although it is peak time, the company takes the balanced view that they benefit from Fred’s reliability throughout the rest of the year. When he had some hip trouble, Fred was swapped into runs with an automatic vehicle, and continues to work part-time doing mornings over 5 days.

Francis, who will be 65 at Christmas, wishes to scale back his working hours rather than stop working overnight. Plans are already agreed, both parties are happy, and arrangements will be reviewed regularly, as with all staff, and amended if necessary.

Ray (68) left the company last year after a period of ill health, but now that is behind him, he starts back on a totally flexible, almost casual, basis. Ray is one of life’s ‘characters’, and is viewed by the company as having a positive influence on morale.

The experience and knowledge of older workers plays a big part in the success of the business, growing from 7 coaches in 2002, to 14 by 2005, and now up to a fleet of 22.

Training that meets the needs of the business and staff

Across the industry, firms are at risk of losing older drivers who decide to leave rather than do Driver CPC training. But AT Brown is unwilling to lose experience and flexibility that would be costly to replace. By working with a provider to tailor the CPC to better suit the needs of his business and drivers, MacLeod is encouraging all his drivers to complete the training and stay with the business, saving the cost of additional recruitment and potential disruption. *“I have to take cost into account,”* he says, *“but you get out what you put in.”*

At any age, investment in training can show results, including increased motivation and better performance that helps the business grow. Part-timer Alan (69) recently completed a SAFED (Safe and Fuel Efficient Driving) course and says that it has improved the way he approaches his job and helps cut fuel usage.

Managing performance and workforce planning

AT Brown’s managers have discussions about performance with all their staff. They used to try formal staff appraisals but found that an informal approach suits the business better. Through an open culture between staff and managers, the ‘door is always open’ for two-way conversations: individual and company needs and plans are regularly discussed and aligned, for example about where people see themselves in the future, ideas and preferences for working or the timing or gradual phasing of any plans for retirement.

MacLeod says: *“Sometimes performance does start to tail off, it’s a fact of life, but is more than compensated for by the positive influences older workers have on younger staff. There’s no substitute for experience.”* AT Brown report no difference in the absence rates between older and younger employees.

MacLeod sees no need to remove older workers to make way for younger workers. *“They’re like gold-dust. Their experience and flexibility would be hard and costly to replace. At the same time we do also have a 16 year old apprentice mechanic who is shaping up well and is very keen. Life is full of conundrums, but the bottom line is that I manage my human resources for the best return. It’s better for my business to keep our older workers, many working flexibly, than to recruit replacements. It’s all about long-term survival, even more so in the current climate.”*

Key lessons

- Flexibility is a two-way arrangement (*Tip: start with a trial period to see if it works*)
- Business and customer needs come first
- Support from the top is essential
- Managers able to discuss options for working flexibly

Appendix 8

Example of sector newsletters (see next pages)

MANUFACTURING

Age Positive News

Information for the Manufacturing sector on workforce age management & Extending Working Lives

Following your work with xxxxxxxxx on the DWP's Extending Working Life Sector Initiative, you asked to be kept up to date with information relevant to Manufacturing employers on managing age issues.

This first edition of Manufacturing Age Positive News aims to provide you with that information, in brief and from time to time. I hope you find it helpful. You can draw from the information or cascade all or some of it to your employers and partners.

I'd welcome your views on this newsletter and any contributions on age management that you would like to share across the sector.

xxxxxxxxxxxxxxxxxxxxxx

xxxxxxxxxx

xxxxxxxxxxxxxxxxxxxxxx

Department for Work and Pensions

Younger & Older Workers Needed

– but 'Mind the Gap!'

Amidst media coverage of youth unemployment, manufacturing employers could lose sight of the demographic issues that will impact on their businesses.

A new CIPD report 'Managing a Healthy Ageing Workforce, a National Business Imperative'

warns 'despite the continuing economic downturn, it is predicted that UK employers will need to fill an estimated 13.5 million job vacancies in the next 10 years but only 7 million young people will leave school or college over this period. Migration alone will not fill the gap'. The report addresses the business case for managing an ageing workforce, the myths, and talent management.

Latest facts on unemployment

published this month show 2.65 million people are unemployed & looking for work, including 1,033,000 unemployed 16-24 year-olds. But these figures include 314,000 full-time students. Excluding these students there are 719,000 unemployed 16-24 year-olds and 1,617,000 unemployed 25-64 year-olds.

2012 European Year of Active Ageing and Solidarity Between the

Generations is promoting active ageing in employment and communities. For information on initiatives and how to get involved [link here](#).

Age, retirement & emerging case law?

Employers need to be wary of some of the media coverage arising from court judgements, such as in the current Seldon case. The case is being referred back to the Tribunal by the Supreme Court because, as previously explained in our Extending Working Life guidance, if any employer wants to impose a retirement age they would still have to be able to objectively justify it in their specific circumstances.

Employers should refer to professional legal advice and can in the first instance refer to Acas legislative guidance on [age and employment](#) and on [age and retirement and dismissal](#). This is supported by [DWP good practice guidance for employers on age, employment and retirement](#).

In addition the material for employers in the **Manufacturing Older Workers Knowledge Pack** remains a reliable source of information.

Free Occupational Health Advice Lines: a real help for small & medium employers (SMEs). The recently published [evaluation](#) of the helpline services found that about 11% of calls had been from Manufacturing SMEs and 92% of all users thought the service was very or fairly useful. Around the same proportion would recommend it to others for free impartial and trusted advice.

Advice Lines: England: 0800 0778844
 Scotland: 0800 0192211
 Wales: 0800 1070900

RETAIL

Age Positive News

Information for the Retail sector on workforce age management & Extending Working Lives

This is the second edition of Retail Age Positive News.

Following your work with the DWP's Extending Working Life Sector Initiative, it aims to keep you up to date with information relevant to Retail employers on managing age issues.

You can draw from this information or cascade it to your employers and partners as you wish.

I'd welcome your views and any contributions on age management that you would like to share.

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Department for Work and Pensions

Age Positive News No. 2 July 2012

New Research – Retail Employers Managing Without the DRA

This month The Pensions Regulator has published findings from its employer tracker survey on [Workplace Pension Reform and Extending Working Life](#).

On Extending Working Life, the sample survey of 89 Retail employers found that:

- 9% plan to enforce compulsory retirement ages;
- 84% agree that older workers can bring skills and benefits to the business; and
- 63% agree that retaining older workers saves time and money on recruitment;
- 76% help older workers to continue working - mainly through part-time work, flexible hours & change of role;
- 73% agree that people should be able to choose to continue to work as long as they wish;
- while 50% think that employers should be able to retire older workers 36% disagree; and
- while 18% think that older people get less productive in the workplace 60% disagree.
- Since the removal of the default retirement age 65% remain as likely to employ older workers and 68% openly discuss the issue of retirement with their workers.

Managing the Health & Productivity of an Ageing Workforce – Practical Solutions for Employers

The workforce is ageing - by 2020 about a third will be aged 50 to 65. That's why business lead organisations and experts on health and age management have come together in the Age Action Alliance's 'Healthy Workplaces' group. Their focus is to help employers maximise the health and productivity of an ageing workforce by pooling the best tried and tested tools for employers into one practical resource. We are working towards sharing this resource with you later in the year.

If you would like to get involved and recommend specific evidence or tools, do let me know.

Younger & Older Workers Needed :

The **BIG SKILLS SHARE** is the theme of this year's Older People's Day 1 October. Many employers, like *McDonald's*, know that older workers can support their younger colleagues and improve performance. *McDonald's* reports 'a real correlation between top performing restaurants and those with a broad and older age profile'. Outlets that include workers aged over 60 have on average 20% higher levels of customer satisfaction.

**More information is available in your
Retail Business Case: An age balanced
workforce**

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Age Positive information

(see <http://www.dwp.gov.uk/age-positive/>)

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Age of enlightenment

The law on retirement changed on 6 April 2011. **Business Link**, in association with **Age Positive**, has produced an online guide to help employers review their practices for compliance but also for the benefit of their businesses. This abridgement of the online guidance gives employers a briefing on some of the issues involved.

People are living longer and working longer. At the same time, fewer young people are joining the labour market. By the early 2020s, people aged between 50 and 64 will comprise almost one third of the workforce.

Bearing in mind skills shortages and changing labour markets, it makes sense to utilise all people's skills and experience, regardless of their age, and to encourage older workers to stay within the business.

Employers can benefit from employing older workers as part of an age-diverse workforce, reducing recruitment and training costs, and increasing productivity.

Age legislation and the default retirement age

The law on age and retirement is changing. The default retirement age (DRA) started being phased out from April 2011. From 6 April this year, employers are no longer able to issue notifications of retirement using the DRA procedure. Where notifications had already been made prior to 6 April in accordance with these procedures, employers will be able to continue with the retirement process as long as the employee is aged at least 65 – or the employer's retirement age, if higher – before 1 October 2011.

In accordance with DRA procedures, those employees will be able to request to work beyond their notified retirement date and employers will be able to agree an extension to their employment. If the employer wishes to give an extension that still ends with dismissal under the DRA, the extension must be for a fixed period of six months or less. This is the maximum period allowed without the need to issue a further notification of retirement.

Beyond these transitional arrangements, employers will not be able to rely on the DRA. This means that employers cannot force their employees to retire, unless the

retirement can be objectively justified in their particular circumstances.

In certain cases it might be possible for an employer to objectively justify a retirement age, but in order to do so they would need to show that they were acting to further a legitimate aim of the business and that their actions to achieve that aim were appropriate and necessary. The employer may need to defend these actions at a tribunal, if challenged.

Managing an older workforce without a fixed retirement age

Employees of different ages and with varied experience can make a significant contribution to your business. Successful workforce management requires a balance between treating all workers equally regardless of their age, while responding to their particular strengths and needs at different stages in their working lives.

Employers should ensure that all staff appreciate the business benefits of employing and retaining older workers as part of an age-diverse workforce.

Research shows that older workers generally have lower levels of staff turnover and do not block opportunities for younger workers. They have a broad range of skills, experience and ideas and can be as productive as younger workers. They have fewer accidents and lower levels of short-term sickness; they are as successful in training as younger workers and can help to mentor new starters.

To prepare for changes to the age profile of your workforce as employees begin to work beyond traditional retirement ages, you should understand the age profile of your existing workforce and how changes may impact your business in future. Consider too how to attract and retain older workers to maintain your skills base now and anticipate the future growth of your business. Experienced workers can share skills and engage in mentoring new starters.

You should ensure all staff are valued for the work they do, regardless of their age.

By helping skilled older workers carry on working, possibly through part-time or flexible working, employers can reduce staff turnover costs. Remember, though, that if part-time or flexible working were not open to all, targeting it at older workers would need to be objectively justified.

Recruitment and older workers

Recruiting new staff is time-consuming and expensive. To maximise the chances of taking on the best candidates for the job, focus on the requirements of the job and not the age of the applicants. That may mean thinking about where advertising is placed to reach candidates. It will mean taking care not to use terms that are “code” for certain age groups, such as “recent graduate” or “energetic”. If you cannot show that these are real and necessary attributes for the post, and not related to age, then terms such as these should not be used. Include your equality policy in the advertisement and reference your commitment to age-neutral policies. Only ask for experience or specific (as opposed to equivalent) qualifications if they are essential for the job. Describe the type of experience that is required to do the job, rather than a number of years’ experience.

“ensure all staff are valued for the work they do, regardless of their age”

Employers should be open-minded about work patterns to help attract the best range of candidates – many jobs can be done part-time or flexibly. Do not make assumptions about a candidate’s ability to do a job based on their age, future capability or their length of service. Age is not generally a good indicator of potential return on investment. Check interview

results to ensure no age bias, deliberate or unintentional, has influenced the decision.

You can ask for an applicant’s date of birth on the application form to assess how effectively you are attracting candidates of all ages. However, it is good practice to keep this separate from the application to ensure the selection process is not influenced by age; you are responsible for ensuring your recruitment agencies comply with age legislation.

You can set an age limit for a job which simply reflects the position set out in other legislation, i.e. where a job cannot legally be done by a person under or over a certain age. For example, serving alcohol or driving passenger vehicles will be age-specific. However, think about whether the job could be adapted first; for example, supermarket checkout staff can be younger than 18, where someone older takes responsibility for alcohol sales.

There are a limited number of other exemptions where it is legal to set an age limit for recruitment. These are:

- where someone of a specific age is required for the job – this is called a “genuine occupational requirement” and in practice this is unusual apart from, for example, acting in certain theatre roles
- in other specific circumstances an employer may be able to objectively justify an age-related restriction.

Whether the employer is using a general or a specific exception, the employer itself would need to be able to defend the age limit if challenged at tribunal.

Training and development for an older workforce

Training can help all employees to build on their skills, increase their productivity and keep up with change. It can motivate workers of all ages.

Research shows that where older workers have received the same level of training as younger colleagues, older worker productivity does not usually decline



until at least the age of 70. The risk of an employee leaving a company after training or promotion is the same across all age groups. To make training and promotion available to all age groups, you should:

- ensure training opportunities are offered to all employees regardless of their age unless differences in treatment can be objectively justified
- engage regularly with individual staff to discuss future training and promotion options that will benefit both your business and your employees
- ensure all your workers, including older workers, know what training opportunities are relevant to them and encourage them to take part – older workers too often assume training is intended for younger, inexperienced workers
- monitor outcomes from promotion exercises to ensure age bias has not occurred – it is illegal to exclude an employee from promotion on the grounds of age unless it can be objectively justified
- encourage mentoring and sharing of skills within your business – draw on

experienced workers to support and train new starters and other colleagues.

Managing performance and retirement for older workers

Two-thirds of businesses already operate without a fixed retirement age. This gives employers an opportunity to retain skilled and experienced staff, and opens up ongoing work options for older workers. Increasingly, it will be for employees to consider when and how they retire.

To help your business manage without a set retirement age, you should plan ahead, using formal or informal performance discussions to talk about ongoing work options, retirement options and further skills development. Ask all employees where they see themselves in a year or two to open up discussions about their options and encourage them to speak to their managers.

Ensure all managers are trained in how to manage regular performance discussions to also give feedback, motivate and develop staff regardless of an employee's age. Use discussions to manage underperformance, whatever the age of the employee. If poor performance cannot be resolved, follow the normal fair dismissal procedures that apply to employees of any age.

Review your business retirement procedures and communicate your policies clearly to managers and staff. Older workers should be aware that they can work longer, but are not expected to work indefinitely.

Consider offering a flexible approach to retirement to help retain key skills for your business. A change in working patterns, reduction in hours or a different role may encourage your experienced older workers to stay with your company and perform more effectively. Remember, if flexible working is not open to all, then targeting it at older workers would need to be objectively justified.

Think about directing older workers to sources of support which can help them

prepare for the financial and personal changes they may face when they retire.

Pensions and older workers

The state pension age is not a "retirement age" – older workers can carry on working past their state pension age, and continue to work while claiming their state pension. Alternatively, they can defer claiming their state pension for at least a year in return for either an enhanced pension or a lump sum when they do decide to claim.

If you offer a workplace pension scheme to staff, consider reviewing the terms with scheme managers to support members who want to work beyond the scheme's normal pension age.

Many employers have already adapted their pension arrangements to support flexible, later retirement. For example, some allow contributions to be made to the scheme as long as the member continues to work. Others allow access to alternative arrangements, such as a different scheme.

The Department for Work and Pensions notifies people as they approach state pension age. Workplace pension schemes notify members as they approach the scheme's normal pension age. These notifications help to prompt older workers to consider their options for retirement or working on. Be open to discussions with your older workers to help them consider their options to carry on working or take flexible or full retirement.

Older workers will need to consider their options for working on in conjunction with planning for their retirement and the implications for their pensions.

From 2012, employers will be required to automatically enrol all eligible job holders into a qualifying workplace pension and to make contributions into it.

Flexible working for older workers

Flexible working is a popular option for older workers as it allows people to make a gradual transition between full-time work and retirement. Research shows that 60

per cent of over-50s would like to continue working past state pension age, but on a part-time basis. Half of people who recently retired would have considered working longer if they could have accessed flexible working patterns.

Flexible working has benefits for employers and employees, increasing employee commitment, motivation and helping retain skills. It can also help employers to manage the flow of work.

However, if flexible working is not open to all, it should not be targeted at older workers without objective justification.

Redundancy and older workers

In the unfortunate event that employers need to make redundancies, it makes sense to try and keep the staff who have the skills and experience that are essential to the running of the business, whatever their age.

Employers considering redundancies should ensure that all staff involved in the selection and decision-making process are aware that it is unlawful to make a decision based on age unless this can be objectively justified.

Voluntary redundancy

If voluntary redundancy is considered an option, focus on the areas of the business that need scaling back, or on the workforce as a whole. Avoid making assumptions

about people which lead to workers of particular age groups being targeted.

Voluntary early retirement may be an option for certain age groups, if permitted by an occupational pension scheme that your business offers. This should be just one option within a wider voluntary redundancy offer that is age-neutral.

Health and safety and older workers

Age is not generally an indication of capability and does not determine an employee's physical or mental ability to do a job. Research shows that productivity does not usually decline in most jobs at least up to age 70, where older workers receive the same levels of training as younger workers.

In many cases, any decline in older workers' speed can be offset by better judgement based on experience. Poor workplace design and inflexible working practices are more likely than age to prevent staff from being fully effective. Older workers tend to have fewer accidents and lower levels of short-term sickness. The healthy life expectancy of older adults is improving – on average men aged 65 can now expect to live a further 12.8 years in good or fairly good health and women a further 14.5 years.

The minority of older workers who do develop long-term sickness tend to opt to leave the labour market altogether.

“60 per cent of over-50s would like to continue working past state pension age”

Risk assessment

A health and safety risk assessment is an important step in protecting your workers and your business, as well as complying with the law.

To manage potential risks, simple measures can include assessing whether heavy lifting is necessary for a particular job, adapting workstation layout to minimise repetitive movement, and adjusting lighting and temperature.

Where an employee develops a disability as defined by the Equality Act 2010, an employer may need to make reasonable adjustments to enable them to continue to do the job. Reasonable adjustments to hours, job type, or equipment could help you to retain valuable skills and experience for your business. ■



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Age Positive provides guidance and case studies for employers and business leaders setting out the business benefits of recruiting, retaining and training older workers, effective age management practices and the removal of fixed retirement ages. For further information and reports, see www.dwp.gov.uk/age-positive