

Making better use of older workers: guidelines for employers

The following guidelines are based on the research into extending working life. The study was carried out by CROW between 2004 and 2006 to investigate the experience of work among people over 50, what would make staying longer in work more attractive, and what employers think about these ideas¹.

The guidelines provide a concise guide to ways of making better use of older workers. They outline:

- why it is in an organisation's interests to make better use of older workers,
- what practices and policies would make work more attractive to older people.

Why think about older workers?

There are a number of reasons why it is wise for employers to think about making better use of older workers.

1. The supply of young people is drying up
In all European countries birth rates have been falling for decades. We are approaching the point where more people will retire each year than enter the workforce from school and university.
2. Costs of recruitment
Recruiting new staff is expensive, in advertising, selection and induction. Providing some updating training to people who already know the organisation can be much more cost effective than recruiting from scratch.
3. Loss of experience
Long serving employees often have a wealth of knowledge of the organisation, its ways of working, customers and markets. When someone retires, they take this knowledge with them (sometimes to competitors), and it is lost to the organisation. The "tacit" knowledge of how things are done, and who can get them done, is often undervalued (until they are no longer there).
4. Loss of stability
Although organisations need change to evolve to meet new needs and technologies, they also depend on some stability to ensure smooth working within teams and workgroups. Young people may bring new skills, but in general they are less likely to stay. An organisation dominated exclusively by young people

¹ Different people "age" at different rates, and it is wrong to assume that all people reach the same stage of development, physically or psychologically at a given age. However, for practical purposes in this paper we use "older" to mean people over 50, which is the age when some people begin to plan for retirement, and where age discrimination begins to affect career options.

- may appear dynamic, but is potentially unstable. A broad mix of ages can be more productive.
5. Loss of networks
Experienced workers build up networks of contacts, inside and outside the organisation which they can call on to get things done, quickly or cheaply. When they leave it takes time to rebuild these contacts and networks.
 6. Legislation
In 2006 age discrimination in employment and training became illegal in all EU countries. Employers who refuse to consider older candidates for vacancies, or who make the older workers redundant when they reorganise, run the risk of expensive and time consuming cases in Employment Tribunals or the Courts.

What matters to older workers

Many workers over 50 have some degree of choice about whether to stay in work, and if employers want to encourage them to stay it helps to know what makes work attractive to older people, bearing in mind that most older workers like work (though not always their present job), and many would like to continue in work, usually on a part-time or flexible basis, after normal “retirement”. For older workers work is much more attractive if it provides:

1. Respect
Older people resent being sidelined, having their experience and contribution devalued, and overlooked for promotion or development opportunities.
2. Purpose/usefulness
Older people want to feel that their work is making a real contribution, to a cause, to an organisation or the world.
3. Autonomy
Older people want to feel that they have some say in what is done, and how it is done. What this means varied greatly between individuals, and sometimes very small degrees of control are very important. Management systems which force people to do the work in ways which they feel are inefficient can lead older people to premature retirement.
4. Social contact
Many people have strong networks of friends and acquaintances in their workplaces. These relationships can be very important to people, especially those without strong social networks outside work. Providing opportunities for people to maintain these without reducing efficiency can make the difference between staying and retiring.
5. Money
Research suggests that money is a less important reason for people to stay in work after the mid 50s than one might expect. Nevertheless, some older people stay in work (especially up to State Pension Age) because they do not have adequate funds for their retirement. Fair pay, and the opportunity for promotion matter to many.
6. Flexibility
Over 80% of workers over 50 say that they would like to work after retirement if that could be on a part-time basis. Industries which have large labour demands

and the possibility of flexible working, like retailing, health and financial services have found that many people are willing to continue to contribute into their late 60s and beyond.

Facts, not myths, about older workers

There are a number of commonly held beliefs about older workers which research has proved to be untrue. They include:

1. Declining capacity for work
There is little evidence that older people, at least up to 65 become less capable of work. It is true that physical strength, and some mental functions, decline with age, but these affect different individuals at quite different ages. Furthermore, technological change means that few jobs now require the kind of intense physical effort that once dominated much of industry.
2. Declining motivation to work
It is true that some older workers become disillusioned with their workplace, lose motivation and enthusiasm, and become less productive. However, this is much more often the consequence of poor management than anything directly related to age. Where people are sidelined, treated as if they did not matter, or experience repeated reorganisations which appear to make no difference to productivity or customer benefit, they can become disillusioned.
7. Declining health
Poor health is the main reason why people leave work before their late 50s. This can be physical or mental, and stress is now one of the principal causes of ill health in later working life. However, international research suggests that supportive health assessment in the mid 40s can identify people who are likely to have problems later, and enable employers to put systems in place (like the modification of processes or equipment, or adjustments to working hours) which reduce the risks.
3. Investing in older workers
Employers sometimes argue that investing time and money in training, and development activities for older people is poor value for money, because they are not likely to stay. However, staff loyalty increases with age, and where an employer invests in training a 55 year old and a 25 year old, he is much more likely to be still reaping the benefits from the older worker five years later, when the younger has moved on to another organisation.
4. "Teaching old dogs new tricks"
There is a widespread belief that peoples' ability to learn declines with age. The research evidence provides little support for this, at least into the late 60s for most people. However, where individuals, and their employers, both believe this, and behave as if it was true, it becomes a self fulfilling prophecy: employers refuse to invest in training older workers, who do not ask for or expect training. As a result, their skills become progressively more out of date, and as they become less productive, negative stereotypes about older workers are reinforced. Employers then give them less rewarding work to do, and they become demotivated.
5. People want to retire

It is possible that it was once true that most people wanted to retire as soon as possible. When most work involved heavy physical effort and dull repetitive tasks, many people were physically worn out by retirement age, and looked forward to a few years of rest before ill health and death. Now work is less physically wearing, and retirement for most people means more than 10 years of healthy active life, the desire to escape to retirement as quickly as possible has declined. Many people would like to stay in work longer than they expect to be allowed. If employers treat them well, they are likely to stay.

6. Stealing jobs

One widespread belief in the population at large is known to economists as the “lump of labour fallacy”: the belief that there is a fixed number of jobs in the economy, and that if an older worker stays longer in a job, he is preventing a younger person entering. The economic evidence is clear that this is not the case, certainly not in a growing economy like the UK’s. It is true that if an older person stays longer in a particular role, the result may be a blockage in promotion routes for others. This is less likely than in the past, because organisations have become less hierarchical. It can also be avoided by good design of later career routes, for example by allowing older workers to move into mentoring roles, which many welcome, removing some of the stress of senior jobs, but giving people status and recognition for their life’s work.

Positive action

There are a number of key messages from the CROW research for employers’ practices.:

1. Talk, don’t assume

One of the principal causes of demotivation among older workers is lack of communication. Managers assume that people want to retire, or do not want development opportunities, but the issue is never discussed. Clear communication about career aspirations (and some older people still seek, and get, promotion into their 70s), and retirement plans can help both parties.

2. Promote positive policies – they often don’t know

One striking finding of the research is that individuals often believe that their employers would reject requests, for example for flexible working, so they do not ask, for fear of seeming uncommitted to the organisation. Employers, however, often say that they would consider such options, but that no one ever asks. There are examples of organisations who have had a very positive response when they publicised flexible working policies, enabling them to keep valuable staff who had been preparing to leave.

3. Make recruitment criteria clear

Under the Age Discrimination Regulations it is illegal to select people for jobs on the basis of age. It is important that job specifications and advertisements are clear about what people will have to do, and that evidence is sought of those things, without arbitrary assumptions about peoples’ ages.

4. Make sure line managers understand

One recurrent theme of research into employment is the gulf between organisation policy and line managers’ practice. There is evidence that this happens in relation to age. Often line managers do not know, or agree with, enlightened and non-

- discriminatory practice at corporate level. Awareness raising for all those who make recruitment, promotion and development decisions is important.
5. Make sure trades unions/staff representatives understand
Trades unions, staff representatives and Union learning representatives provide an important channel of communication, but they often share outdated assumptions about age which need to be corrected, if they are not to find themselves fighting outdated battles to over the “right to retire”.
 6. Remember people are different
People do not become more alike as they age, and there is no reason to suppose that all older workers want the same things. Some want new challenges into their 70s, others look forward to gradually downscaling and phasing out of work in their 50s. The critical issue is to ensure that decisions are based on rational discussion of the individual’s options and preferences, in the context of the needs of the business, and not on untested preconceptions.

Review practices and policies

There are a number of key processes which employers should review if they are to make best use of older workers. These include:

1. Recruitment criteria
Make sure that criteria are clear and explicit, and that selection processes look for those things, and do not make assumptions about age, capacity and motivation. Taking age information off application forms is a small but important step (the information can be put on equality monitoring forms, with factors like ethnicity and disability, to be considered only after the appointment decision is made on the basis of capability)
2. Retirement policy
It is now effectively illegal to require anyone (male or female) to retire before the age of 65. Many smaller firms have never had compulsory retirement ages, and some large firms have abolished them in recent years. Although some employers fear “difficult” or incompetent employees insisting on staying longer, there is little evidence of this happening in reality. Abolishing retirement ages can give positive signals to the workforce of an intention to use people to best effect, and not to discriminate unfairly.
3. Flexible working/work life balance policies
Many, but not all, jobs can be done on a part-time basis. Where this is possible it can make them more attractive to people who are approaching retirement and want to phase out gradually.
4. Home working
Again, some jobs, and some individuals, are not suited to home working, but for some people this is a way of continuing to be productive while reducing the stress of commuting, or coping with the occasional caring responsibilities for elderly partners and relatives, which is a common experience for people in their 50s and 60s, and which drives many unwillingly out of work.
5. The financial implications of flexible working (including pensions)
Pensions systems have gone through considerable upheaval in recent years, but some still include powerful incentives to retire early. These are clearly

undesirable. There are also now options to defer retirement in order to earn an enhanced pension later, which many people are unaware of. It is also worth examining, and perhaps promoting, the options now available to allow people to draw part of their pension while continuing to work. For some workers this can be a very attractive option.

Things to consider

There are a number of practices which make work more attractive to older workers, and which employers might consider if they wish to recruit older people, or encourage their existing workers to stay longer.

1. Encourage progression
Many organisations stop considering career management and job change opportunities when employees enter their 50s, yet some (not all) employees welcome new challenges, and will take them on enthusiastically if they are known to be available.
2. Encourage and support training
In a rapidly changing world all workers need to keep their skills and knowledge up to date, but older workers in general receive less training and development. For those who are reluctant to take on major pieces of training, relatively small, tailored, pieces of training can enable them to build on their experience and remain fully productive.
3. Create knowledge sharing opportunities
When experienced workers leave they take with them a body of knowledge and expertise, much of which is not written down or included in formal qualifications (about the way particular machines work, or about who in a particular organisation is most likely to help solve a problem). Such knowledge can save time and money, but organisations often do not make any systematic effort to pass it on when the worker retires. Systems of mentoring and knowledge transfer can help avoid this loss, and give a sense of status and value to the retiring worker.
4. Provide mid career advice/review
Many organisations carry out some form of annual review or appraisal when employee and manager have a chance to review the individual's performance, and plans for the future. Some organisations have found it valuable to create a more formal opportunity for employees to discuss their aspirations and career options in mid career (typically in the late 40s), perhaps with someone other than the immediate line manager, and sometimes with an external careers adviser. This can ensure that individuals remain motivated, and that there are no misunderstandings about the options available. Linked to a review of physical and mental health it can also provide the opportunity to make small changes to the workplace or the job which can reduce the chances of health problems later.
5. Monitor equal opportunities policy
Most organisations have some form of equal opportunities, and a growing proportion of these refer specifically to equal treatment regardless of age. However, not all organisations have reviewed whether their practices match the policy, and it is particularly important to ensure that line managers, who often

- make key day to day personnel decisions, understand the policy and implement it.
6. Provide pre-retirement advice/courses
Helping people to plan for retirement can increase their sense of security and self confidence in the later years of working life. Programmes which help them to prepare mentally, as well as financially and socially, for the change can be particularly valuable.
 7. Encourage flexible working
The single commonest preference expressed by older workers is for flexible and part-time work, and some leave their main employer to take up lower paid and lower status work elsewhere for this reason. It is worth reviewing which jobs can practically be done on a part time basis, and making it clear that part-time working would be welcome.