

Answers to employer questions on older workers and retirement

Age Positive

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Don't older workers block opportunities for younger workers?

There is no evidence of older workers blocking opportunities for younger workers over the longer term.

Some employers believe removing older workers to 'make way' for younger can be damaging to productivity, as it can fail to maximise existing skills and experience. It can increase staff turnover and the costs of training and recruiting new workers. It can constrain business effectiveness. Instead many employers retain experienced workers to maximise productivity and to help mentor and train up new recruits.

There is no guarantee that younger workers won't move to a different employer in any case.

Evidence indicates that retiring older workers early to release jobs for younger workers has no positive effect.¹ The number of younger people joining the labour market is also dropping and by 2020 about a third of the workforce will be aged 50 and over.

Employer examples:

Stanair Industrial Door Services report that they hold onto their older workers well into their later years as it gives them a significant bank of knowledge, skills and experience.

South Wales Forgemasters have no retirement age and report that there are no concerns about reduced progression opportunities. In fact the process of training younger staff has been improved greatly by involving experienced, skilled, older workers as trainers.

Without fixed retirement ages won't older workers have to resign to finally leave?

Older workers can still plan to retire positively in the absence of a fixed retirement age. As they are coming up to the point when they plan to retire, they would have to give their employer notice that they intend to leave work.

¹ Releasing jobs for the young, Institute for Fiscal Studies, 2010

Many older workers will want to consider their options for working on or retiring as they approach an age from which a pension may be payable, whether that's the State Pension, an occupational pension or a privately arranged pension.

How do I get rid of poor performing older workers?

Many employers find that managing employee performance without fixed retirement ages is not a problem: they use fair dismissal procedures and performance discussions for all their workers.

Leaving someone to perform poorly in the years running up towards retirement and then letting them finally retire can be costly to the business. Line managers and supervisors need to be able to assess employees of all ages on their performance and ability, and take appropriate action.

If a worker is no longer able to do their current job, or an alternative job, then a change in their hours or responsibilities might help them to cope better and enable you to retain valuable skills and experience.

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 their job.

If performance can't be improved, use the same fair dismissal procedures as for workers of any age. Ignoring shortfalls in performance because it is assumed that an employee is near retirement may be discriminatory, particularly if the performance of younger workers is handled differently.

Generally employees know when they are no longer able to carry on and self-select to leave or 'retire'.

Rather than manage performance issues, isn't retiring someone more dignified than using performance management?

There's nothing dignified about letting someone continue under-performing, leaving them to think they're doing a good job. That's true of workers at any age. Employers are already successfully managing the performance of employees of all ages, through their formal or informal performance management discussions.

Where workers expect to be treated equally regardless of their age, the issue of 'loss of dignity' doesn't tend to arise.

Employer example:

B&Q uses performance appraisals to help their employees to 'get back on track' either in their existing role or in an alternative role which better matches their skills and strengths.

What has flexible working got to do with older workers?

Part-time or flexible working can be an important way of enabling employees of all ages to stay in work, or return to work, while meeting their wider personal needs. For many older employees flexible working is a popular option as it allows them to make a gradual transition between full-time work and retirement. 60 per cent of over 50s would like to continue working past State Pension age, but on a part-time basis.² Half of people who recently retired would have considered working longer if they could have accessed flexible work.³

Flexible working options can help employers to retain skilled and experienced staff. It can also help employers to manage the flow of work, whether on a day to day basis or over the longer-term. Benefits can include less downtime for machinery when 24 hour shifts can be covered, extending the hours that customers can access the business, or covering peak business periods.

² Working Better – The over 50s, the new work generation EHRC 2010

³ Changing Work in Later Life : A study of job transitions CROW, University of Surrey 2004

Consider which flexible working options best suit the business, and ensure your managers and supervisors know how to consider requests fairly and as positively as possible. Employees can often be wary about asking what options for flexible or part-time working may be possible. Evidence indicates that many older employees don't know how to raise the issue with their employer or discuss alternative options.⁴ As a result they may leave work altogether or take their skills and experience to a different employer.

Employer example:

Asda find that many staff, particularly older people, don't want to be working full-time hours all year round, so they have created a range of flexible working options such as: working for the ten busiest weeks of the year without having to leave and rejoin; job-sharing and shift-swapping available for colleagues needing to be absent from work for specific family or domestic reasons; 'Benidorm leave' where the job is kept open for while staff take a few months off. These flexible approaches are available to all age groups.

Aren't older workers a health liability and more likely to have accidents at work?

Many employers report benefiting from the commitment and good attendance shown by their older workers. Older workers tend to have fewer accidents and lower levels of short-term sickness.⁵

Effectively managing the health and safety of your whole workforce can generally pay dividends by helping to maintain the productivity of your workers in the short term and over the longer term as they age.

A health and safety risk assessment is an important step in protecting your workers and your business, as well as complying with the law. Ensure you use your regular formal or informal discussions to engage with employees openly about any health and safety issues they may have.

Employer example:

JD Wetherspoon has no retirement age and report that perceptions about high levels of sickness absence for older employees have been unfounded.

⁴ Employer Practices and Retirement Decision Making, DWP 2010

⁵ An update of the literature on age and employment, Health & Safety Laboratory 2010

Can older people do physical work as well as younger people?

Strength is an individual matter, some older workers can be more physically able than their younger colleagues. Age is not generally an indication of capability and does not tend to determine an employee's physical ability to do a job. Poor workplace design and inflexible working practices are more likely to prevent staff from being fully effective.

The physical demands of work can sometimes be minimised through adaptations in work design or the use of appropriate equipment.

Employer example:

T Shea Waste Management has no retirement age and reports that some employers have misconceptions around hiring older workers in a physical industry. T Shea find that older employees absorb training quickly as they can apply their life experience and common sense to the theory.

Don't older workers offer a poor return on training investment?

Research shows that older worker productivity does not usually decline at least up to the age of 70, where these workers have received the same level of training as younger colleagues.⁶

The risk of an employee leaving a company after training or promotion can be the same across all age groups.⁷ Age, therefore, is not generally a good indication of return on training investment.⁸

Encourage mentoring and sharing of skills within your business – draw on experienced workers to support and train new starters and other colleagues. Training can help businesses fill skills gaps, increase productivity and keep pace with change. It can support workforce motivation and retention across workers of all ages. Older workers are generally just as likely to successfully complete training.

⁶ An update of the literature on age and employment Health & Safety Laboratory 2010

⁷ Default Retirement Age: Employer qualitative research DWP 2010

⁸ Practical tips and guidance on training a mixed-age workforce DWP 2006

Employer examples:

At Beacon Foods a 61 year old team leader was trained to operate a forklift truck. She took a four day induction course and passed a practical and written exam, exactly the same as everyone else in the company.

Sussex Community NHS Trust has no retirement age and reports that a growing number of older staff welcome the opportunity to work longer and are fully capable of doing so. The Trust has seen notable benefits; retention of essential skills, greater stability, reduced recruitment and training costs.

Older workers don't want to take-up training

Older workers are not always aware of the opportunities that are open to them or assume they are for less experienced workers. Encourage workers of all ages to take up relevant training opportunities and ensure they understand the importance to your business and their own development.

Older workers often do take-up training when it is made clear that the training is relevant to them and they are encouraged to take it up.

Monitor the take-up of training by employee age to make sure all staff are benefiting from appropriate opportunities.

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