

Creating more fulfilling lives for older workers: lessons from a study of employer practice in five European countries

The HR profession has an important role to play in helping to embed cultural change in workplaces to create more fulfilling lives for people as they live and work for longer.

Key policy points

General observations

- Despite the welcome increase in the employment rate of older workers in recent years, CIPD research shows that the proportion of people in employment drops by 64.4 percentage points between the ages of 53 and 67 (CIPD and ILC-UK 2015).
- The UK Government and employers urgently need to respond to the challenges and opportunities of demographic change, and employers need to offer appropriate and attractive employment propositions that enhance opportunities to remain in the labour force for longer.
- In the UK we already have the benefit of finely tuned and crafted policy thinking at government level in this area, but more focused and sustained action is needed in key areas to create fuller working lives and embed more profound cultural change across business and in the workplace.
- The HR profession has an important role to play in helping to embed cultural change in workplaces to create more fulfilling lives for people as they live and work for longer. HR professionals are in a position to stimulate change and create workplaces that can adapt to the needs of older workers.
- Older workers are not a homogenous group; therefore, arrangements to support them need to be tailored to suit their individual aspirations and requirements as far as possible.

Looking after people's health and well-being

- It is important that employers don't have preconceived ideas about older workers' health, while at the same time being aware that workplace adjustments may be needed to support some older workers.
- People working in physically or psychologically demanding jobs are most likely to reach a point where they feel they cannot continue in their role, and employers should be prepared

to reward their contribution and commitment by retraining or reskilling where possible.

- The new Fit for Work service has considerable potential to support older workers and could give workers with long-term health problems the support they need to stay in or return to work, but we support the view that there is scope to develop the service so that it provides more focused support for older workers.
- The introduction of wider tax incentives could strengthen the incentives for employers to introduce health interventions to support healthy ageing (beyond that available through the Fit for Work service, when people are already likely to have been off sick for at least four weeks).
- A number of our employer case studies across the five countries in our European study provide employees, and specifically older workers, with tailored health and safety consultations and programmes.

Adopting a mid-life career review

- A key way in which government can take action to 'retain' and 'retrain' older workers is by providing a 'mid-life career review' for employed and unemployed people over 50, as recommended by Baroness Altmann CBE when Business Champion for Older Workers; the CIPD therefore supports the call for a wider rollout of a 'mid-life career review' (Altmann 2015).
- A sustainable and effective approach to implementing mid-life career reviews would be to make them part of a broader infrastructure of information, advice and guidance available to support learning and development throughout life.
- In terms of workplace practice, employers also need to be proactive in managing the changing career aspirations of their workforce and pay particular attention to the needs and requirements of older workers; line managers need to be trained so that they have the

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confidence and competence to have an open and honest, ongoing dialogue with their staff at every stage of their career. This should form an ongoing dialogue as part of the performance management system.

- In terms of employer practice in the workplace, this is one area where the UK could take inspiration (if not the exact terminology) of an established workplace practice in Denmark, where many companies hold ‘senior conversations’ with their older employees. The conversation covers issues such as job content, working time, personal and professional development goals, strengths and development needs, future challenges, and thoughts on how the company can best support them.

A more rounded approach to flexibility

- Older workers often have health and caring responsibilities, and other commitments on their time, so providing flexibility must be at the heart of any strategy to improve the retention of older workers.
- There is more scope for the statutory right to request flexible working, which is now available to all staff, to explicitly support the increased flexibility that many older workers are likely to need to support their continued employment.
- Aside from flexibility in working time arrangements, older workers could also benefit significantly from employers offering more flexible solutions in terms of their role – for example, in terms of their duties and level of responsibility.

Better support for working carers

- Employers need to develop policies and supportive working practices to help older workers manage their work and caring responsibilities as the population ages and the demand for informal care in the UK rises.
- Government and other stakeholders have an important role to play in promoting this agenda, for example by raising awareness and disseminating good practice guidance.
- A Eurofound study points out that measures to support work and care do not have to be ‘*expensive and onerous*’, but should ‘*contribute to making life easier and better for carers*’ (Eurofound 2015).
- Caring for an elderly or ill dependant can place challenging and unexpected time demands on people and often does not fall into a regular routine, so employers may need to think more creatively about the kind of flexibility that staff in this position may need.

This can present opportunities to enhance job roles for workers of all ages and experience levels (for example, by promoting multi-skilling so that employees can provide cover for each other).

- Employers need to encourage an open and inclusive environment at work, where all forms of caring and other types of commitment outside the workplace are acknowledged and regarded as legitimate issues for discussion; line managers should recognise that flexibility works both ways and that working arrangements need to be tailored and agreed at an individual level where possible.

Launching an ‘Age Confident’ campaign to build awareness and momentum

- Older workers can experience prejudice and stereotypical attitudes from employers, colleagues and society in general, with these attitudes often reflecting misconceptions about older workers’ flexibility, health, ability to learn and their general skills and qualification levels.
- However, CIPD research shows that employers and employees appreciate the benefits of working in an age-diverse organisation; while stereotypes of ‘younger’ and ‘older’ workers do exist, overall employees tend to enjoy working with colleagues of different ages.
- Employers need to think about how to educate their workforce, and in particular line managers, to value older workers for their performance in the job, recognising their experience and expertise, while emphasising that older workers can be as flexible and eager to learn as their younger colleagues.
- Policies to support older workers need to be implemented as part of a workplace culture that embraces diversity as a thread that runs through every facet of organisational life.
- One way of countering potential bias against older workers and fostering an age-diverse workforce is to encourage their involvement in mentoring younger workers. In this way, their skills and experience are appreciated and valued by both the organisation and younger colleagues, helping to nurture intergenerational learning and inclusivity.
- We believe that the launch of an ‘Age Confident’ campaign, as proposed by Baroness Altmann CBE, would have considerable potential to raise awareness and understanding among employers about the positive benefits of employing older workers; it could also provide a gateway to a range of support and tools to help employers to create fuller working lives.

Introduction

There is increasing recognition that the UK urgently needs to respond to the challenges and opportunities of an ageing population. The implications of people living longer are manifold, but it is clear that we need far-reaching policy changes across our health, social care, housing and welfare systems. This policy briefing focuses on just one area where significant change is needed to embrace people's rising life expectancy – the workplace. A key question for employers, and one that our government is already taking steps to tackle, is how to optimise older workers' active participation in the labour market and allow them to work for longer.

The UK is but one of many countries seeking to respond to the extensive demographic shifts resulting in an increasing number of older people in society and in work. For example, a European Commission report projects that those aged 65 and over will comprise a much larger share of the EU population by 2060 (from 17% to 30% of the population), while those aged 80 and over will rise from 5% to 12% (European Commission 2012). In the UK, population growth will continue to be weighted towards the older population:

by 2030, compared with 2014, the number of people in England above the age of 65 will increase by 50% and that of people aged 85 or over will double (DWP 2014a). To gain a broader perspective with which to hopefully inform aspects of the UK policy landscape, the CIPD therefore commissioned research to examine the national policy frameworks and employer initiatives on offer to support older workers in five European countries: the Czech Republic, Denmark, France, Germany and the UK. This is published as a separate study and forms the basis for this briefing document (CIPD 2016a).

The contrasting national policy frameworks in these five European countries (including social welfare and pensions systems, as well as employment and collective bargaining structures) mean that we can draw out interesting and divergent approaches to extending working life. However, this divergence also means that it is not necessarily possible (or desirable) to import a specific legislative measure or employer initiative from one country to another. Nonetheless, we believe that this European research provides useful learning – as well as inspirational practice – to help broaden the UK debate on what kind of action is needed by the Government

The age of opportunity: key points about 'older workers' in the UK

The commentary surrounding 'older workers' can be fraught with assumptions and misconceptions, so it's important to be clear about the basic terminology and facts used in this briefing and the wider debate. For example:

- When we talk about the 'ageing population', we are referring to the demographic shifts which mean that there is an increasing number of older people in society and in work. In 1992, one in five people in employment was aged over 50; today, it is more than one in four (CIPD and ILC-UK 2015).
- Age diversity and age discrimination legislation apply to people of all ages; everyone is 'covered' and perceptions of age discrimination at work are evident at all ages, although they are more pronounced in relation to both young and old people.
- Attitudes about what ages count as 'young', 'middle-aged' or 'old' vary across the population, over time and between countries; for example, one study finds that people perceive 'old age' as starting at 59 in the UK compared with 63 in France and 64 in Germany (Age UK 2011).
- In this report, we generally use the term 'older workers' to refer to people aged 50 and over. This reflects the UK policy context, where discussion led by the Department for Work and Pensions and others has focused on this age group, as well as evidence indicating that a drop-off in employment rates and an increased likelihood of long-term unemployment are greater for this age group.
- Policy-makers and employers need to be sensitive to these issues; the categorisation of 'older workers' as a group implies no automatic judgement about the health or capability of individuals, and any language or actions which unintentionally make blanket assumptions about age groups should be avoided; the right approach is to treat all employees as individuals. Where actions are focused for good reasons on a specific age group, in this case 'older workers', it is important that employers and policy-makers are open and honest about the reasons behind a chosen course of action.

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and business to make the workplace a more appealing and suitable option for older workers. It is also possible that some initiatives, or at least the essence of a particular initiative or principle, could be adapted in a way that fits the UK context.

The UK's developing policy framework recognises that the aim is not only to increase the labour market participation of older workers to increase the nation's ability to meet its economic needs, but to enable people to carry on leading *fulfilling* lives that include an element of paid work if they wish. Yes, there is a pressing economic imperative to extend working lives, but more and more people will face financial hardship if they retire early. CIPD research shows that a significant proportion of employees feel they can benefit in a number of ways from working longer, including economic independence (45% of the 2,691 employees surveyed), stimulation (36%), social interaction at work (34%) and improved personal well-being (26%) (CIPD 2014). Interestingly, 17% of respondents realistically expected to retire after the age of 71, with the highest proportion (38%) expecting to retire between the ages of 66 and 70: given the planned incremental increases in the state pension age (SPA), it is just as well that the majority of people seem to be adjusting their retirement expectations accordingly.

We are fortunate in the UK in that we already have the benefit of finely tuned and crafted policy thinking at government level in this area. We are now one year on from the publication of the report by the then Business Champion for Older Workers Baroness Altmann CBE, which stated that *'Government should do more to incentivise employers to "retain, retrain and recruit" older workers'* (2015). This is therefore an opportune time for policy-makers to consider how best we can continue this *'great national debate'* (Altmann 2015), and collaborate to take forward this crucial agenda and build on the sound policy initiatives that are already in place or under recommendation.

One pressing consideration arising from the work to date is how we can work together to embed more profound cultural change across business and in workplaces to drive more rapid and sustainable progress in supporting older workers. In 2013 Lord Filkin CBE (now Chair of the new Centre for Ageing Better) chaired the House of Lords Select Committee on Public Service and Demographic Change; the

resulting *Ready for Ageing?* report highlighted how government and society are *'woefully unprepared'* for the ageing demographic (House of Lords 2013). In the area of 'work' it called for *'changes to attitudes as well as policy and practice'*, and pointed out that employers need to be *'much more positive about employing older people'*.

The HR profession has an important role to play in helping to embed cultural change in workplaces to create more fulfilling lives for people as they live and work for longer. The CIPD's 140,000 members are responsible for devising and implementing employment policies and stimulating change in workplaces throughout the UK. As such, HR professionals are in a unique position to appreciate and act on the strategic importance of creating workplaces that can adapt to the needs of older workers. They can help to ensure that senior managers see the retention, retraining and recruitment of older workers as integral to business performance.

The UK policy framework to sustain more fulfilling working lives – in brief

As already acknowledged, extending and creating fuller working lives has started to gain profile and coherency in the UK public policy arena. This doesn't mean that there isn't scope for considerable acceleration in the rate of progress to implement suitable government- and employer-led initiatives. For example, our 2015 research into labour supply and the UK's ageing workforce noted that, despite the welcome increase in the employment rate of older workers in recent years (the number of people of state pension age and above in employment has nearly doubled over the past 30 years; Taskila et al 2015), there remains a 64.4 percentage point drop in the employment rate between the ages of 53 and 67 (CIPD and ILC-UK 2015).

The Government has already made potentially far-reaching reforms affecting older workers' participation in the labour market, including the end of the default retirement age (formerly set at 65) in 2011, and phased increases in the SPA. The SPA will rise to 65 for women between April 2016 and November 2018 to place them on an equal footing with men, while from December 2018 the SPA for both men and women will start to increase to reach 66 by October 2020 and 67 between 2026 and 2028 (DWP 2014b). However, the Pension Act 2014 provides for regular reviews of the SPA, based on the principle that people should spend a given proportion of their lives receiving a state pension. Therefore, in March 2016 the Government announced an independent review of arrangements for the SPA, although this will not cover existing arrangements before April 2028 (DWP 2016).

In the area of workplace health and safety, the Government is seeking to expand employer-related support to help people, including those with health conditions, remain in, or access, the labour market. In 2015 the Government introduced a 'Fit for Work' service – although available for all employees, the service will nonetheless support this group of workers and can potentially give workers with long-term health problems the support they need to stay in or return to work, including GP referral for an occupational health assessment for employees who have reached, or expect to reach, four weeks' sickness absence (employers can also now refer employees who have been off sick for four weeks).

In 2014, the UK Coalition Government (2010–15) launched its Fuller Working Lives initiative setting out a framework for action '*within which all the key players can bring about the changes we need to ensure adequate income in retirement, better wellbeing in later life, a more productive labour market, and increased economic activity*' (DWP 2014a). The current government is progressing this agenda, and the framework sets out the actions it has taken, and intends to take, to help people benefit from fuller working lives.

In 2015, the report to government *A New Vision for Older Workers: Retain, retrain, recruit* by the then Business Champion for Older Workers Baroness Altmann CBE (now Minister of State for Pensions) made a number of detailed recommendations to government, including – in terms of the 'retain' element – joined-up government '*to examine and promote the benefits of fuller working lives*', national campaigns to encourage later working, greater and more positive government promotion of flexible working to both employers and employees, and an 'Age Confident' campaign to follow on from the success of the 'Disability Confident' programme.

In terms of 'retrain', the recommendations include a national strategy for skills and adult learning jointly owned by the DWP and the BIS, tax breaks for employer-funded training, funding for mature apprenticeships, and a national rollout of mid-life career reviews as the plan to extend these to unemployed older people '*is not enough*'. Positive initial findings from NIACE (the National Institute of Adult Continuing Education) research show that mid-life career reviews can prove '*a powerful tool to help lengthen and improve working life*', says Altmann.

For 'recruit', the Government must tackle age discrimination and encourage whistleblowing when there is clear evidence of age discrimination in the workplace. There needs to be better adherence to voluntary codes of practice within the recruitment industry (where Altmann found '*extensive anecdotal evidence of discrimination against older applicants*') and the National Careers Service is recommended to reintroduce its later life strand, whereby the over-50s are treated as a priority group. Jobcentre Plus advisers should be trained specifically to recognise older jobseeker issues on a nationwide basis, and early intervention at Jobcentre Plus for the over-50s should be used to discourage early retirement. The Government should also

consider offering temporary National Insurance contributions relief for employers who keep on or recruit older workers.

This briefing does not aim to replicate the detailed policy thinking and recommendations for fuller working lives already established in the UK following the publication of reports such as *A New Vision for Older Workers: Retain, retrain, recruit* (Altmann 2015). Neither does it aim to develop new policy recommendations where none may be needed. Therefore, this section provides but a brief overview of the current policy framework to encourage later-life working. This should help us to identify, with the wider perspective provided through our European study, where the greatest scope for action and impact lie, both to speed up progress and to stimulate greater demand from employers so that they can benefit to a much greater extent from the skills and talents of older workers.

It is important that employers don't have preconceived ideas about older workers' health, while at the same time being aware of workplace adjustments they may need to make to support some older workers to remain in work.

Speeding up progress to create more fulfilling working lives

Viewing the UK policy landscape for extending working lives through a European lens highlights both the areas of commonality and difference. The starting point for all countries is the same, as each one needs to prepare for the effects of an ageing workforce, and a common response has been to raise the state pension age (SPA). While this structural change could be appropriate, increasing the supply of older workers in the labour market, it has to be matched with greater attention on boosting demand for them from employers. As well as shifting mindsets so that the increasing availability of talent and skills among the 50-plus is regarded as an exciting opportunity to boost workforce capability, organisational practice needs to change significantly across a number of dimensions to create the right environment to attract and keep older workers.

There are many interrelated factors inside and outside the workplace that will impact on people's desires and decisions relating to retirement, and the areas highlighted in this briefing are by no means exhaustive, but merely aim to shine a light on wider European practice by employers that could help to inform some elements of UK practice. A key learning point to emerge from the research is that older workers are not a homogenous group; they are individuals and have individual needs, depending on their specific circumstances and attitudes, which means that arrangements to support them need to be tailored to suit their individual requirements as far as possible.

Looking after people's health and well-being

In most of the countries studied in our European research, the majority of initiatives targeted at older workers fall under the category of supporting the health and well-being of older workers. This is not surprising given that health issues can be a major influence on people's attitudes to remaining in work. It is important that employers don't have preconceived ideas about older workers' health, while at the same time being aware of workplace adjustments they may need to make to support some older workers to remain in work. This means that organisations need to have the processes in place to proactively identify any health problems and the appropriate support to reduce the likelihood of early exit from the workforce. People working

in physically or psychologically demanding jobs are most likely to feel that they cannot continue in their role, and employers should be prepared to retrain or reskill in these circumstances wherever possible. However, many roles could be continued by people well into their fifties and sixties – and even their seventies – if employers are prepared to offer flexibility such as a reduction in responsibilities or working hours, and specific health and well-being support such as access to counselling, occupational health advice and health checks.

The 2015 UK report *A New Vision for Older Workers: Retain, retrain, recruit* emphasised the importance of employer health and well-being policies to promote healthy ageing and retain older workers, including those that provide support for women during the menopause (Altmann 2015). It also called on the Government to do more to promote its 'Fit for Work' and 'Access to Work' services, *'to increase awareness of the help available to ensure those with health issues can return to the workplace or to fund disability adjustments at work'* as well as helping employers to *'retain older staff whose health is failing but are not ready to stop work'*.

Although quite rightly available for all employees, the new Fit for Work service (to which GPs and employers can refer employees who have been, or are likely to be, off sick for four weeks or more for a voluntary occupational health assessment) has considerable potential to support older workers and could give workers with long-term health problems the support they need to stay in or return to work. However, we would support the view of the Health at Work Policy Unit that there is scope to develop the service *'with specialist awareness of and provision for the needs of older workers'*, for example by offering *'a specific directory of national and local services relevant to supporting older workers to stay in work to which Fit for Work advisers could signpost'* (Taskila et al 2015).

One area of possible public policy reform that could provide incentives for more organisations to implement health and well-being programmes is wider tax incentives – at present employers have very little access to funding for health and well-being initiatives, which are taxed as benefits in kind (CIPD 2016b). Providing and promoting a financial incentive for employers to introduce health interventions (beyond that available through the Fit for Work service, when

people are already likely to have been off sick for at least four weeks) could encourage more employers to take a preventive and positive approach to supporting people's health. NHS England's five-year forward review raised this possibility by stating that: *'there would be merit in extending incentives for employers in England who provide effective NICE recommended workplace health programmes for employees'* (NHS England 2014).

A number of our employer case studies across the five countries in our European study provide employees, and specifically older workers, with tailored health and safety consultations and programmes. The precise nature of these arrangements varies according to each individual company, although they are all tailored in some way to the needs of the workforce. In the construction sector, for instance, workers may find it difficult to carry on with their particular type of work as they age and there are therefore examples of how companies support their older workers by moving them to alternative tasks. There are also many examples of companies moving their older employees to different roles, adapting their workstations or allowing them to work more flexible hours or reduce their working time.

At high-tech group Safran in France, for example, the company agreement on supporting older workers emphasises that improving working conditions and avoiding any health problems in the workplace (including psychosocial risks) is the main challenge to maintaining the employment of older workers. The company therefore carries out a health assessment for older workers: employees aged 50 or more may have a health assessment every five years undertaken by the company doctor if a doctor works on site, or by a private doctor if not.

Steelite International in the UK, meanwhile, provides targeted health and well-being support for its workers, including access to a monthly on-site occupational health (OH) clinic; the OH service develops tailored support plans for individual employees which may comprise workplace adjustments, additional equipment, training, changes to working hours, or adjustments to an individual's role. This approach has allowed workers with health problems to return to, or remain in, work at Steelite.

Line managers need to be trained so that they have the confidence and competence to have an open and honest ongoing dialogue with their staff at every stage of their career.

Adopting a mid-life career review

Education and training is a key area to support the employment of older workers in the labour market. If the skills and competences of older workers are kept up to date, particularly in fast-moving areas such as IT, they will be better equipped to remain in work. Employers need to ensure that older workers are not overlooked for training and that they receive development opportunities to progress their careers; providing older employees with opportunities to retrain and develop their skills is a vital part of ensuring that they continue to feel motivated and challenged in their role (CIPD and ILC-UK 2015).

A key way in which the UK can 'retain' and 'retrain' older workers is by providing a 'mid-life career review', which can *'give people the chance to think about changing roles, rather than feeling they must retire'* (Altmann 2015). The report recommends that these could be *'rolled out nationally following the successful pilot in 2013, in which NIACE tested career reviews for workers around age 50'*. It notes the plans to extend these to unemployed older people but says *'this is not enough'*, and the CIPD fully endorses the proposal for a wider, national rollout of mid-life career reviews.

These career discussions could support older workers' well-being at work and continued working in a number of ways. For example, the HWPU recommends that mid-life career reviews should *'include discussions about health as a matter of course'* and provide *'an excellent example of how flexibility can be developed'*, with some employers and pilot schemes already offering health-focused measures such as preventive action for common work-related conditions as part of their practice (Taskila et al 2015). The mid-life career review should also include advice about free NHS health checks for 40–74-year-olds, says the report, as these health assessments are *'specifically tailored for older people and can allow older people and individuals to identify and plan for any potential health risks which might affect their future employment'*.

Employer practice for career reviews

In terms of workplace practice and career reviews carried out by employers to help retain older workers, a sustainable and effective approach would be to base such a conversation on a lifelong learning approach covering all employees. While wider take-up of a career review could support people's health and

career in their later years of employment, the employer must take care not to offend people by making them feel that they are being singled out because of their age and categorised in a certain way. Therefore, a good practice approach would be to hold personal development conversations with employees of all ages and ensure that the issues under discussion take on board the development and employment needs and desires of the individual at every stage of their career – if an employee is used to taking part in a discussion that takes a broad view of their circumstances, there should be no need for that individual, once they reach a certain age, to suddenly feel the focus of attention is either on their age or their capability.

This is one area where the UK could take inspiration from a widespread workplace practice in Denmark, where many companies hold 'senior conversations' with their older employees, which examine the individual's plans for the future (see Box 1). The conversation covers issues such as job content, working time, personal and professional development goals, strengths and development needs, future challenges, and thoughts on how the company can best support them. This example also demonstrates that a practice cannot necessarily be imported 'as is' from one country to another but would need to be adapted; for instance, whereas the use of 'senior' in discussions about older people is common linguistic practice in many north European countries, referring to a career review would be more acceptable in a UK setting. However, the rationale for this practice – that tailored individual conversations help employers make the right adjustments as people become older, thus preventing the loss of valuable employees – is just as relevant here, and the Danish practice implements many of the same aims. It is therefore an opportunity to learn from a practice designed to retain older workers that has been widely tried and tested, albeit in a different country.

Line managers need to be trained so that they have the confidence and competence to have an open and honest ongoing dialogue with their staff at every stage of their career. As workers approach the latter phase of their career, the conversation can then naturally take on board the individual's expectations and attitudes towards retirement. The proviso is that these types of conversation need to be handled with care and sensitivity by the individual's line manager.

Box 1: The ‘senior conversation’ in Denmark

Many employers in Denmark hold ‘senior conversations’ with their older employees. This is a conversation concerning the employee’s arrangements and plans for the future and is often a part of an employee development interview. The exact point at which these conversations begin varies from organisation to organisation, and the first step for the organisation is to define the age at which an employee is classed as an older worker.

Before the senior conversation, it is important that both the employee and manager are prepared and have spent some time thinking about expectations, needs and opportunities for the future.

A senior conversation is often based on questions such as:

- What are your wishes in relation to the future content of your job?
- What are your wishes in relation to your future working time?
- What are your goals in terms of personal and professional development?
- What makes a working day especially good for you?
- What motivation drives you to utilise your resources most efficiently?
- What are your strengths and development needs in relation to future job content?
- What challenges do you see?
- How can the company best support you?

By having an individual senior conversation, the employer is able to put in place the right adjustments and initiatives and thus prevent the loss of a good employee. For the employee, this is an opportunity to shape expectations and wishes about future working life and to work with the employer in implementing them.

A more rounded approach to flexibility

Providing flexibility for those who are more likely to have ill health, caring responsibilities and other commitments on their time must form a key component of any strategy to improve the retention of older workers (CIPD and ILC-UK 2015). The House of Lords *Ready for Ageing?* report made the crucial point that employers need to demonstrate *‘more flexibility towards the employment of older workers, and help them to adapt, re-skill and gradually move to more suitable roles and hours when they want to do so’* (IER, University of Warwick, cited in House of Lords 2013). The emphasis here on flexibility in both working hours and roles is important.

In terms of flexibility in working time, flexible working is becoming more commonplace among the UK workforce as a whole, due to technological advances and the statutory right for all employees to request flexible working. It is a bit too early for an in-depth assessment of whether or not the relatively new statutory right has positively affected older employees’ ability to remain longer in the UK labour market. However, 2015 research by the DWP reveals that 35% of employers reported providing an opportunity for older workers to work part-time, 33% provided the opportunity for older workers to work flexibly and 29% provided the opportunity for older workers to gradually

decrease working hours (DWP 2015). The same research shows that nearly a third (32%) did not offer any opportunities specifically to support later-life working. While all employees currently have the right to request flexible working, employers do not have to grant it but, in our view, *‘they must be duty-bound to accept the request unless they can show it could cause irrefutable damage to the business’* (CIPD and ILC-UK 2015).

Aside from flexibility in working time arrangements, older workers could also benefit significantly from employers offering more flexible solutions in terms of their role – so in areas such as tasks and level of responsibility. One recent UK study looking at flexible working arrangements (FWAs) in small firms expands the definition of FWAs beyond flexibility in working patterns to include, for example, ‘functional flexibility’, where older workers develop a range of skills to facilitate job rotation (Atkinson and Sandiford 2016). The report develops the kind of FWA offered to include ‘work role’ – so *‘not just where and when but how work is arranged’*, because *‘an extended definition addresses the needs of older workers as work-role adjustment here supported the diverse needs and changing abilities and desires of workers as they aged, sustaining capacity and motivation to work’*.

Employees who have reached a certain level of responsibility within an organisation may not always want to retain this until the day they leave.

Practices may include role variation to reduce physical strain or a change in responsibilities and/or reduced workload. In one firm, for example, a GP surgery worker downshifted from a full-time supervisory role to working two days as a receptionist.

Building on this wider approach to flexibility, more work is needed to investigate and promote the kind of flexible working arrangements that could best support people to sustain a more extended working life, including phased retirement. This could include the collection of good practice employer case studies that expand the definition of flexible working, to demonstrate the breadth of flexible working practices – relating to working time and roles – that can meet the diverse needs of older workers and encourage later working. Baroness Altmann CBE said she *‘would like to see Government to do more to promote (flexible working) policies positively, both to employers by way of good practice and to employees so they are aware of options open to them – flexible working and its benefits for young families are well known, but I feel there is more we can do to promote its utility for people in the later stages of their careers.’* The CIPD is keen to work with the Government and other employment partners with effective reach in workplaces to make this campaign a reality. We can collaborate both to build on the flexible working good practice guidance already available and to tailor this to increase awareness among employers and employees of how flexible working practices can best support older workers.

Several of our European case studies demonstrate the extent to which some organisations are prepared to go to retain valuable talent, devising a range of creative working arrangements to appeal to the varied needs of their older employees.

For example, Danish bus company Arriva (where 21% of its workforce is over 60) offers all employees reduced working hours when they turn 60. The company also has a range of other types of flexible working arrangements, including job-sharing and a working time reduction scheme under which the employer carries on paying fully into the employee’s pension scheme. The company has two schemes: 80-80-100 and 90-90-100. Under these schemes, employees reduce their working hours to 80% or 90%, with a corresponding reduction in pay, but Arriva continues to pay 100% of its pension contribution. These schemes are intended as attractive opportunities to reduce employees’ working hours and wages without reducing their retirement pension provision.

In Germany, meanwhile, there are many examples of companies adapting working time to the needs of older workers. One of our case study organisations, an airport owner and operator, has developed and tested different approaches to how shift work can be designed to take into account employees who are no longer able to withstand the stress of traditional shift work. Traditional models for full-time employees in shift work are based on a schedule whereby seven working days are followed by three non-working days. According to newer scientific findings in Germany, an alternative duty rotation should be based on only four working days in a row, so this approach is now taken on board.

Steelite in the UK proactively offers flexible working arrangements to retain experienced workers who wish to achieve a different work-life balance, where this is compatible with the requirements of their role. According to the company’s age management policy, *‘individuals should, where appropriate, be given the right to a phased retirement, going from full-time to part-time over a period of time.’* For example, two employees in the same department were offered a job-share arrangement when they simultaneously professed the desire to retire which allowed them to achieve the work-life balance they wanted without retiring.

More fundamentally, there is a need for a public conversation about how organisations can enhance

flexibility and retain expertise by decoupling the (often implicit) assumptions made about the relationship between age, level of responsibility and status. Employees who have reached a certain level of responsibility within an organisation may not always want to retain this until the day they leave. However, there may be a lack of opportunities available to reduce working hours or responsibility levels that don't involve perceived (sometimes actual) demotion. Imaginative approaches that utilise experience while preserving a sense of individual dignity or status may help retention at little or no cost. Sometimes this could be as simple as a change in job description, reporting arrangements or job title (such as using a term such as 'adviser' to recognise the distinctive value of an experienced employee to others in the team). Some companies do this for senior executives as part of succession planning, but the same approach has wider application.

Better support for working carers

In line with rising life expectancy, in the UK (as across most of Europe) there is growing demand for informal care, and the level of unpaid care provided by people for ill and/or elderly parents or spouses or other relatives is expected to rise significantly in future years. By 2037, it is estimated there will be 9 million carers in the UK (Carers UK 2015). Women over 50 tend to have *'extensive and multiple caring responsibilities'*, with almost half (49%) caring for at least one of their parents (TUC 2014). This is a major phenomenon that is already affecting older workers' ability to participate in the labour market. A 2014 UK Government report notes that 12% of economically inactive people aged between 50 and the state pension age (SPA) are caring for a sick, disabled or elderly person for 20 or more hours a week, compared with only 3% of workers (DWP 2014a). It also reports that estimates for the Carers in Employment Task and Finish Group indicate that 315,000 adults below the SPA are out of work, having left work to care for someone. An employee survey by Employers for Carers found that *'nearly half of carers (43%) indicated that their work had been negatively affected by caring and that they felt tired, stressed and anxious'*, while one in three carers (33%) were worried that caring might have an impact on their capacity to work in the future (Employers for Carers 2011).

Previous research by the CIPD points out that employers *'are missing a trick if they do not take advantage of this provision to enable a greater number of older employees to remain in work'*, given the greater proportion of employees who

are caring for an older and/or ill relative as the population ages (CIPD and ILC-UK 2015).

The Government's Fuller Working Lives framework says there are *'a range of actions that can help more carers stay in employment such as ensuring that employers value carers and recognise their need for flexibility'* (DWP 2014a). The UK Government provides a range of employment rights and benefits to support working carers, including the statutory right to request flexible working. Further, as part of its Carers in Employment initiative, the former Coalition Government announced the investment of £1.7 million in nine pilot projects to examine how carers can be supported to stay in paid work alongside their caring responsibilities (Government Equalities Office et al 2015).

However, there is an urgent need to ensure that a far greater number of employers understand this issue and implement appropriate support for older workers with caring responsibilities; the Government and other stakeholders have a vital role to play in promoting this agenda, for example by awareness-raising and disseminating good practice guidance.

A study by Eurofound points out that measures to support work and care do not have to be *'expensive and onerous'*, but should *'contribute to making life easier and better for carers and avoiding unnecessary costs for employers either through absenteeism or presenteeism'* (Eurofound 2015). Simple instruments are *'often the most adequate'*, it says, such as more working time flexibility arrangements, including teleworking and allowing employees to take time off.

One consideration to bear in mind when developing policies to support working carers is that caring for an elderly or ill dependant can place challenging and unexpected time demands on people and does not often fall into a regular routine, and so employers may need to think more creatively about the kind of flexibility that staff in this position may need. Although supportive changes to working time could be relatively small-scale in many cases, where possible flexibility should be tailored and agreed at an individual level to meet the wide variety of people's caring circumstances. The 2015 report *A New Vision for Older Workers: Retain, retrain, recruit* called for the consideration of family leave/life events leave in its recommendations to businesses and employers – a period of unpaid leave to adapt to life events such as suddenly dealing with family illness or disability (Altmann 2015).

Policies to support older workers need to be implemented as part of a workplace culture that embraces age diversity as a thread that runs through every facet of organisational life.

Not all working carers even recognise themselves as such and/or feel comfortable discussing their situation at work, resulting in this often being a 'hidden' issue in many organisations. Others may feel under pressure because of their caring responsibilities and thus be more susceptible to stress, so they could benefit from access to counselling or available external support. All of these dimensions mean that employers need to encourage an open and inclusive environment at work, where caring is recognised and discussed as a legitimate issue and line managers are able to discuss creative and tailored working arrangements to support their staff who have these kind of caring responsibilities.

Our European study notes that national government and employer support for working carers with eldercare responsibilities is 'in its infancy' in most countries, with the exception of Denmark, where there is relatively good formal care provision by the state and workers do not face the same pressure to reconcile work and care demands. However, German law allows people to take time off to care for family members, either in the form of ten working days to organise care, or a six-month period of leave with full or partial absence from work for employees in organisations with more than 15 employees. Those taking short-term absence receive a care assistance allowance and those taking longer leave can claim an interest-free loan to compensate for loss of income. This legislation is controversial among some employers, however, who believe it leaves them unable to compensate for the temporary absence of an employee.

There are also examples of individual employers in the five European countries we studied (including the UK) that promote supportive working practices for working carers. For example, more than half of the employees of an airport owner and operator in Germany are between 40 and 54 years old and thus in a phase of life which the company recognises as often being associated with eldercare. Since 2013, therefore, the company has been offering flexible working time models and homeworking to support those employees. The company also partners with external counselling services that provide employees with assistance in issues of home care, care facilities and related financial issues.

Another of our German case study organisations, a medium-sized company in the chemical industry, has a specific set of measures in place to support workers with care responsibilities, set out in a policy on reconciling work and family life, and overseen by a steering committee, together with the works council. The policy contains measures in four areas: co-ordination of family and work responsibilities; flexible work assignments; reintegration of temporarily exempt employees; and information and communication. To support the co-ordination of family and work responsibilities, the position of a 'family co-ordinator' was created who acts as a contact point for employees and managers for all aspects of reconciling work and family commitments.

Launching an 'Age Confident' campaign to build awareness and momentum

Older workers can experience prejudice and stereotypical attitudes from employers, colleagues and society in general, with these attitudes often reflecting misconceptions about older workers' flexibility, health, ability to learn and their general skills and qualification levels. A pan-European poll of attitudes towards occupational health and safety found that 42% think that older workers are more likely to suffer from work-related stress and 35% that they take more time off work because of illness. In terms of whether or not people think that older workers tend to be less able to adapt to changes at work than other workers, 50% of UK workers said 'yes' compared with an EU average of 60% (EU-OSHA 2013). '*Outdated stereotypes, unconscious bias and age discrimination*' are identified as a significant barrier affecting older workers' participation in the UK labour market, according to Altmann (2015).

There is definitely scope for creating more age-inclusive workplaces in the UK; CIPD research has shown that employers and employees appreciate the benefits of working in an age-diverse organisation; a recent study found that, while stereotypes of 'younger' and 'older' workers do exist, overall employees tend to enjoy working with colleagues of different ages (CIPD 2015). Some of the key benefits include knowledge-sharing across a range of ages and enhanced customer experience. Age diversity is also seen to bring to light different perspectives – different generations are felt to have varied approaches, which bring about new perspectives.

Employers will need to think about ways in which to educate their workforce, and in particular line managers, to the value of older workers in terms of their experience, expertise and mentoring abilities, while emphasising that older workers can be as flexible and eager to learn as their younger colleagues. A UK study based on the 2008 European Social Survey reports that a body of research *'has firmly established that a very powerful way to overcome prejudice is to foster close, honest and personal relationships with others who are seen as belonging to a different group'* (Age UK 2011). Line managers have a critical role to play in creating fuller working lives. Ultimately, it is the relationship that an individual has with their line manager, and the level of support they receive, that is likely to influence their decision to stay or leave an organisation. Therefore, line managers need to be trained to ensure that they are able to meet the needs of a diverse workforce, and are competent and confident to have sensitive conversations with people to discuss their needs and aspirations.

Policies to support older workers need to be implemented as part of a workplace culture that embraces age diversity as a thread that runs through every facet of organisational life. Policies aimed at supporting older workers and encouraging their continued participation in the workforce cannot be implemented in isolation – it is not about targeting one age group at the perceived expense of another, and employers will only succeed if they develop and implement initiatives to extend working life in the context of nurturing an age-diverse workplace. This does not mean that employers shouldn't introduce bespoke policies to support fuller working lives for older workers and increase their choices; however, a tailored programme for one age group could have implications for other sections of the workforce. John Lewis, one of the UK case study organisations in our European study, for example, believes it is more about ensuring that the organisation addresses the issue of intergenerationality.

Another way of countering potential bias against older workers and fostering an age-diverse workforce is to encourage their involvement in mentoring younger workers. In this way, their skills and experience are appreciated and valued by both the organisation and younger colleagues, helping to nurture intergenerational learning and inclusivity. Steelite International, for example, is one organisation that recognises

the value of older workers' experience. It aims to foster intergenerational learning by operating a mentoring programme, whereby older workers are matched with young colleagues to share their knowledge of the business, skills and life experience.

A crucial question that remains, of course, is how to boost demand for older workers on the part of employers and ensure that they embrace *'the fruits of older workers' experience, knowledge and wisdom'* (House of Lords 2013). Last year's report to the Government called for a tougher approach to combating age discrimination, particularly in the recruitment industry (Altmann 2015). It also called on the Government to consider an 'Age Confident' campaign to follow the success of the 'Disability Confident' programme. We believe that the launch of such a campaign, working with key partners such as the CIPD to ensure effective routes to market, would have considerable potential to raise awareness and understanding among employers about the positive benefits of employing older workers, and could provide a gateway to a range of support and tools to help them create fuller working lives in their own organisations.

The 50-plus demographic continues to experience significant barriers in accessing employment, particularly when they have been out of work for a while, and the challenges in tackling this lie on both the demand and supply side of the labour market. On the supply side, therefore, it's also important to develop effective routes into employment for older workers, for example by extending the role of Jobcentre Plus advisers who can provide more targeted and specialised support for this age group, and working with partners such as the CIPD to improve their employability. This is clearly a high priority for this government and we are keen to support this agenda to improve the employment opportunities for those aged 50-plus by working with our membership.

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