



in collaboration with



Survey report August 2014

Age diversity in SMEs

Reaping the benefits



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Our focus on work includes what work is and where, when and how work takes place, as well as trends and changes in skills and job needs, changing career patterns, global mobility, technological developments and new ways of working.



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About us

The CIPD is the professional body for HR and people development. We have over 130,000 members internationally – working in HR, learning and development, people management and consulting across private businesses and organisations in the public and voluntary sectors. We are an independent and not-for-profit organisation, guided in our work by the evidence and the front-line experience of our members.

Age diversity in SMEs: reaping the benefits

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CIPD foreword

We at the CIPD are delighted to be working with the Scottish Centre for Healthy Working Lives on this important piece of research into harnessing the benefits of age diversity in SMEs. This new report gives important insights into the levels of awareness and activities amongst small employers on this agenda and provides a strong response to the way in which ageing demographics are changing the face of employment.

It shows where activities are strongest and weakest. Current strengths relate to recognising the benefits of an age-diverse workforce and seeing it as a business benefit rather than a challenge. Weaknesses that need to be addressed include a lack of activity around the extension of working life and adequate health and well-being provisions for employees of all ages. There is also a weakness in responses to help support the growing army of carers present in society.

Longer, fuller working lives are of great advantage to people, business and society in general and we are pleased to have been able to track progress so far on this issue in the small business sector.

Claire McCartney and Dianah Worman, OBE
CIPD Advisers

Healthy Working Lives foreword

Age diversity is the acceptance of all age groups in the work environment.

Demographic trends clearly indicate there is an ageing and older workforce and this is becoming more prevalent following the removal of the default retirement age in 2011.

An increase in the number of older workers brings both benefits and challenges, particularly for small and medium enterprises, which in the UK employ 14.4 million people.

An age-diverse workforce allows a natural career progression with opportunities for training and mentoring.

This report explores the perspective of small and medium enterprises and examines the value of mature employees and attitudes towards them working longer.

The issue of training and adaptability of mature workers to use technology is also highlighted.

Through life's journey many older workers are required to meet a variety of caring demands and the support given in the workplace can influence how long they will choose to remain in employment.

In terms of recruitment, small and medium enterprises choose workers according to the skills which they have to offer and age is not relevant.

This report provides a valuable insight to an age-diverse workforce and the opportunities associated with harnessing the benefits in small and medium enterprises.

Kathleen Houston
Rehabilitation Development
Manager, NHS Health Scotland,
Scottish Centre for Healthy
Working Lives

Introduction

Background

The purpose of this study is to explore small and medium enterprises' (SMEs) experiences of and attitudes towards age diversity in the workplace. To achieve this, we surveyed a sample of senior decision-makers in SMEs across the UK.

SMEs are defined as those organisations that employ between 2 and 249 employees. In some instances we analyse these by micro business (2–9), small business (10–49), medium (50–249) and large (more than 250). To gain the viewpoint of the organisation we surveyed senior managers, who were defined as any individual who is an owner/proprietor down to senior manager or director below board level.

Table 1: SME sample, by size

Number of employees	Number
2–4	137
5–9	96
10–49	165
50–99	85
100–249	95

Table 2: SME sample, by region

Region	Number
North	130
Midlands	96
East	50
London	78
South	128
Wales	22
Scotland	69
Northern Ireland	5

Sample profile

In total 578 senior decision-makers were surveyed from SMEs across the UK. The survey was conducted by YouGov from 15–24 April 2014.

The sample provided coverage across the individual size bands and a boosted sample of at least 50 responses from Scotland was achieved. Tables 1 and 2 show the breakdown of the achieved sample by size and region.

Analysis in this report

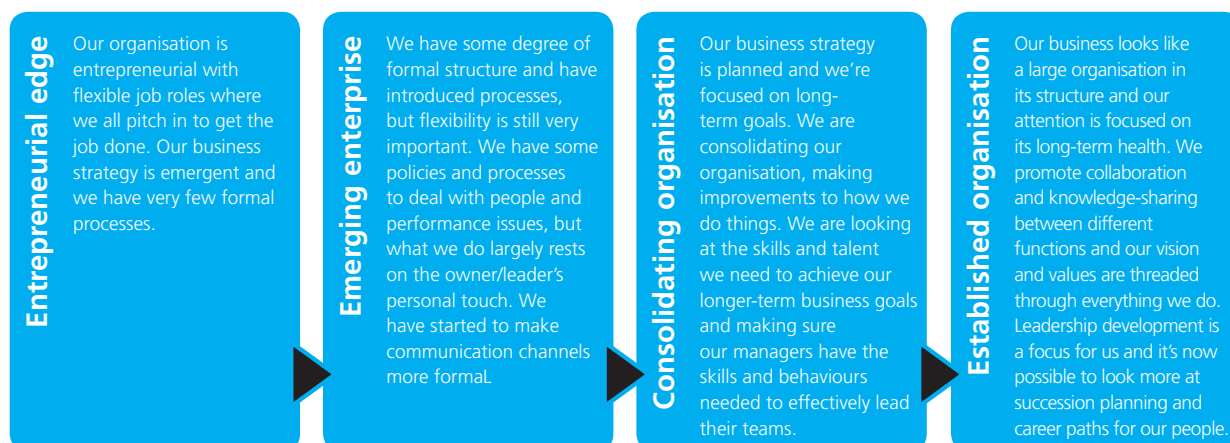
The report covers various themes within the concept of age diversity and in particular focuses on: the benefits and challenges of an age-diverse workforce; mature employees; SMEs' recruitment practices; and the role of HR within SMEs.

The analysis brings out interesting and significant differences by size, sector and region. In addition, the data is also analysed by a self-classification of the organisation. The CIPD has created an organisational map (Figure 1) that consists of four stages in which an SME organisation could sit and each SME selected which stage best described their organisation.

The report also draws comparison with the quarterly CIPD *Labour Market Outlook* (LMO), which provides a set of forward-looking labour market indicators, highlighting employers' recruitment, redundancy and pay intentions. The winter 2013–14 survey is based on responses from 935 senior HR professionals from within small, medium and large organisations, many of which are drawn from the CIPD's membership of more than 135,000 professionals.

Where comparisons are made with the winter 2013–14 LMO survey, reference is made to 'LMO employers' to give a comparison with UK organisations as a whole and in particular comparisons made with the 356 large (250+ employees) organisations that formed part of the LMO sample.

Figure 1: CIPD SME organisations



Executive summary

‘With the majority (61%) of SMEs surveyed focusing their attention on recruiting a mixture of ages, there is some indication that this trend of an age-diverse workforce is set to continue.’

How diverse is the workforce?

At an overall glance it seems the workforce within SMEs is generally a diverse one. For most of the SMEs surveyed, the majority of their workforce (85%) falls between the ages of 25 and 64, with only 15% falling either side of this bracket. Figure 2 indicates that among this age group of 25–64, the age proportion of workers is fairly balanced, with approximately one in five falling within each age category.

Only 10% of the workforce is aged 18–24; however, this is not surprising as it would be expected that many individuals of this age would still be within the education system. An even smaller proportion (5%) falls into the 65+ bracket despite the abolition of the default retirement age in the UK in 2011. This is on par with the comparable figure from the *Labour Market Outlook (LMO)*, but higher than those LMO employers who employ 250+, who reported that 2% of their workforce is aged 65+.

With the majority (61%) of SMEs surveyed focusing their attention

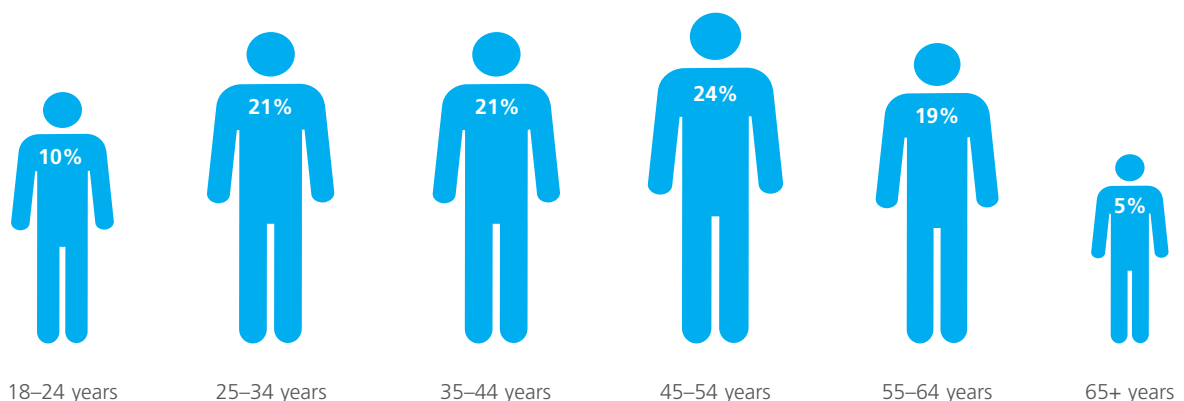
on recruiting a mixture of ages, there is some indication that this trend of an age-diverse workforce is set to continue. Nonetheless, one in seven do intend to focus mostly on mature (14%) or younger (15%) workers.

The key benefit to SMEs of an age-diverse workforce seems to be that of knowledge-sharing (56%) and LMO employers who employ 250+ employees tend to agree with this. Following this, other benefits highlighted include improved problem-solving (34%) and enhanced customer service (21%).

SMEs surveyed in Scotland are significantly more likely than those in England to rank knowledge-sharing as first (67% compared with 54%).

As with all things there are benefits but also challenges and for the SMEs surveyed these tend to fall around age stereotyping (18%), lack of shared interests (16%) and misunderstandings (14%). Unlike SMEs, LMO employers highlight internal progression and problems

Figure 2: Average age of workforce



Base: All SMEs (n=521)

with succession planning as a key challenge.

SMEs surveyed in Scotland are significantly more likely than those in England to state lack of shared values as a challenge (23% compared with 13%).

How valued are mature employees?

Almost nine in ten (86%) SMEs surveyed agree that the knowledge and skills of mature employees is highly valuable. Despite this, four in ten (44%) believe that younger managers find it difficult to manage mature employees.

When it comes to cost, SMEs surveyed are more likely to disagree than agree that mature employees cost organisations more money (22% agreeing compared with 45% disagreeing).

SMEs surveyed in England are significantly more likely than those in Scotland to agree that:

- managing the career expectations of mature employees is a challenge to their organisation (19% compared with 7%)
- mature employees cost organisations more money (24% compared with 12%).

Despite the abolition of the default retirement age, for the majority (62%) of SMEs things have remained the same in terms of mature employees continuing to work later in life. Over a quarter (28%) have seen an increased interest among mature employees – for 6% this has been a large increase and for one in five (22%) it has been a small one.

Training is seen to be key to ensuring mature employees can perform – 53% agree that training and skills development are critical in ensuring mature employees can

work effectively compared with 8% who disagree.

Simultaneously, the SMEs surveyed also believe that training mature employees is a good return on investment as they are less likely to leave the company (47% agree compared with 9% who disagree). Nonetheless there is still uncertainty when it comes to technology, with the same proportion agreeing as disagreeing that mature employees are less adaptable to technological changes (32% agreeing compared with 31% disagreeing).

Are employees supported?

There are indications that SMEs are trying to support the extension of working life of their employees. A third (34%) carry this out through flexible working options, a quarter (25%) have a flexible retirement policy and one in five (22%) offer homeworking.

Such offerings are similar to LMO employers, who highlight flexible working options (42%) and a flexible retirement policy (30%) as the top provisions in place to support the extension of working life. However, large LMO employers are more likely to report they have pre-retirement training, health and well-being provisions (23%) and financial planning guidance (22%) in place than SMEs surveyed in this study.

A small percentage of SMEs surveyed provide health and well-being provisions, for example free or subsidised medical/dental care (8%), return-to-work options for retirees (7%) and pre-retirement training (6%).

It is important to note that a third (34%) of SMEs surveyed do not offer any support for the extension of working life. Similarly, when it comes to health and well-being provisions, most (35%) say they have none in place to

support extending work life. This compares with just 7% of large LMO employers who reported they have no provisions in place for employees' health and well-being and extending working life.

To support employee health and well-being and extending working lives, SMEs surveyed in England are significantly more likely than those in Scotland to offer health care insurance (20% compared with 7%), employee assistance services (12% compared with 3%) and stress management training for individuals (11% compared with 3%).

On the other hand, SMEs surveyed in Scotland are significantly more likely than those in England to offer line managers training to ensure they have the skills required to be alert to early warning signals about employee health issues (22% compared with 13%).

What is being done to access skilled and diverse workers?

Almost half (46%) of SMEs surveyed report that their organisation has no activities in place to ensure it has access to enough skilled and diverse people of all ages. Although not as high as the SME figure, a third (34%) of LMO employers report that their organisation has no activities in place either. In comparison, a much lower proportion of large LMO employers (15%) report that their organisation has no activities in place.

Among those SMEs surveyed who do have activities in place to ensure they have access to enough skilled and diverse people of all ages, the most common is 'clear, accurate and accessible information about jobs and career opportunities' (17%) followed by work experience for all ages (14%) and building close relationships with schools and colleges (12%). One in ten SMEs surveyed monitors the age distribution of the workforce.

1 An age-diverse workforce – the benefits and challenges

‘One in five (22%) SMEs agree there are no particular challenges with an age-diverse workforce.’

The first section of this report looks at the main benefits of having a workforce made up of diverse ages but also the challenges that could potentially come with this.

The benefits

SMEs surveyed were asked to rank in order of importance the three main benefits of an age-diverse workforce. Table 3 provides an overview of the percentage of SMEs that ranked each benefit first, second and third. Overall, the three main benefits are:

- 1 knowledge-sharing (56%)
- 2 improved problem-solving (34%)
- 3 enhanced customer service (21%).

SMEs surveyed in Scotland are significantly more likely than those in England to rank knowledge-sharing as first (67% compared with 54%).

Similarly LMO employers from large organisations (250+ employees) also rank knowledge-sharing (55%), improved problem-solving (25%) and enhanced customer service (16%) as the three main benefits of an age-diverse workforce.

In this study, smaller organisations surveyed are significantly more likely than micro organisations to rank knowledge-sharing as first (62% compared with 52%).

A small percentage (5%) of SMEs highlight there being no particular benefits of an age-diverse workforce – micro organisations surveyed are more likely to highlight this than small and medium organisations (8% compared with 3%).

Table 3: Benefits of an age-diverse workforce (%)

	Ranked first	Ranked second	Ranked third
Knowledge-sharing	56	19	10
Improved problem-solving	13	34	21
Enhanced customer service	8	13	21
Greater innovation	6	6	11
New ideas	6	16	17
Better risk management	2	4	9
Don't know	3	3	3
Other	1	2	3
No particular benefits	5	1	2

Base: All SMEs (n=578)

The challenges

Similar to the benefits, SMEs surveyed were asked to rank challenges associated with an age-diverse workforce. Overall, the three main challenges are considered to be:

- 1 age stereotyping (18%)
- 2 lack of shared interests (16%)
- 3 misunderstandings (14%).

SMEs surveyed in Scotland are significantly more likely than those in England to state lack of shared values as a challenge (23% compared with 13%).

Smaller organisations surveyed are significantly less likely than micro and medium organisations to state potential for disruptive conflict as a challenge (1% compared with 6%). Nonetheless, one in five (22%) SMEs agree there are no particular challenges with an age-diverse workforce.

Unlike the benefits, LMO employers as a whole have a different viewpoint on the challenges of an age-diverse workforce, with the main three challenges considered to be:

- 1 internal progression/succession planning problems (16%)
- 2 age stereotyping (17%)
- 3 lack of shared interests (13%).

Table 4: Challenges of an age-diverse workforce (%)

	Ranked first	Ranked second	Ranked third
Age stereotyping	18	18	14
Lack of shared values	14	12	11
Misunderstandings	13	13	14
Lack of shared interests	12	16	13
Internal progression/succession planning problems	8	13	12
Potential for disruptive conflict	5	8	7
Difficulty in developing trust	1	4	5
Difficulty in gaining agreements	1	3	5
Other	1	2	5
Don't know	5	7	7
No particular challenges	22	3	8

Base: All SMEs (n=578)

2 Mature employees

'Almost nine in ten (86%) SMEs surveyed agree that the knowledge and skills of mature employees are highly valuable.'

This section of the report explores general attitudes of SMEs towards mature employees, the extent to which mature employees are hired within SMEs, and support provided by the organisation to aid the extension of working life. In this research a mature worker was defined as a person aged 40 years and over.

How valuable are they?

Almost nine in ten (86%) SMEs surveyed agree that the knowledge and skills of mature employees are highly valuable. Small organisations surveyed are significantly more likely to agree with this than micro organisations (92% compared with 83%).

When it comes to work–life balance, just over half (55%) of SMEs surveyed agree mature employees will find a better balance, while one in ten disagree (11%).

Four in ten (44%) SMEs surveyed are of the belief that younger managers often find it difficult managing mature employees, while just under one in five (17%) disagree – medium organisations are significantly more likely to disagree than micro organisations (24% compared with 13%).

Views on how mature employees should be treated are divided, with just under a third (30%) agreeing they need to be treated differently

Figure 3: Levels of agreement/disagreement (%)



These figures do not add up to 100% because we are just highlighting here the agree and disagree responses rather than also including the neither agree nor disagree and don't know responses

from younger employees and just over a third (35%) disagreeing.

SMEs surveyed are more likely to disagree than agree that mature employees cost organisations more money (45% compared with 22%) and that managing their career expectations is a challenge (42% compared with 18%).

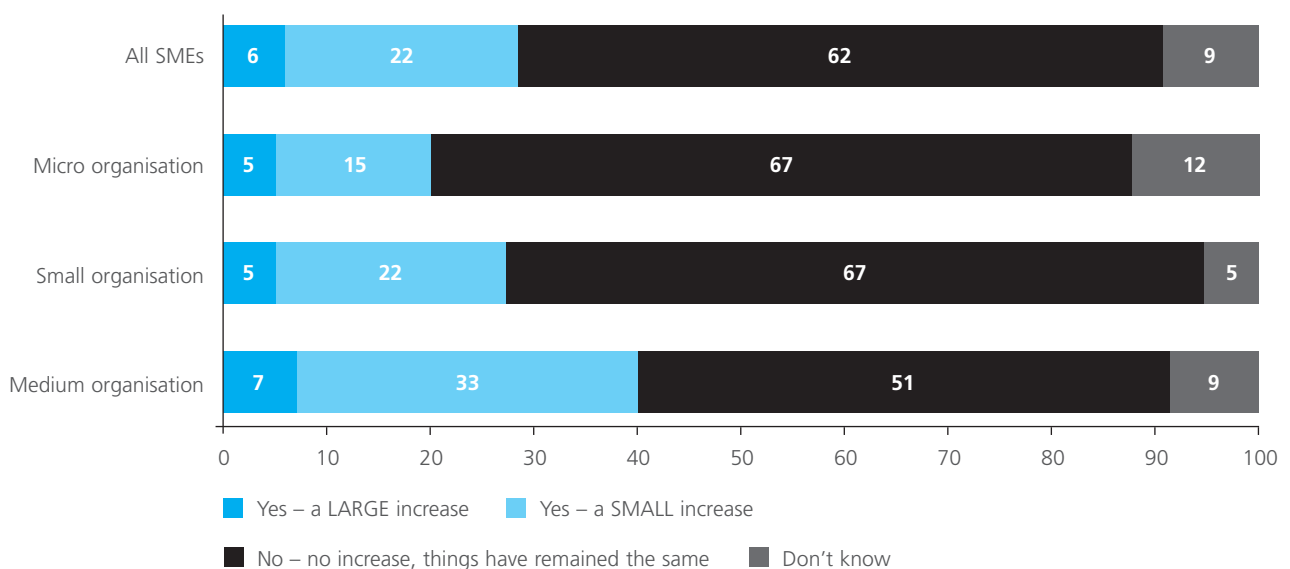
SMEs surveyed in England are significantly more likely than those in Scotland to agree that:

- managing the career expectations of mature employees is a challenge to their organisation (19% compared with 7%)
- mature employees cost organisations more money (24% compared with 12%).

Do mature employees want to work later in life?

Despite the abolition of the default retirement age in the UK in 2011, for the majority (62%) of SMEs things have remained the same in terms of mature employees continuing to work later in life. Over a quarter (28%) have seen increased interest among mature employees – for 6% this has been a large increase and for one in five (22%) it has been a small one.

Figure 4: Increases in continued employment due to abolition of default retirement age (%)



Base: All SMEs (n=578), micro organisations (n=233), small organisations (n=165), medium organisations (n=180)

Among those SMEs surveyed that have not experienced an increase, the main reasons reported for lack of interest in working later is retirement being a desirable goal (33%), lack of interest in staying on (26%), and lack of benefits to the business for them staying on (9%).

Among those organisations that have experienced an increase in interest among mature employees to work later in life, the majority (65%) believe it comes down to mature employees wanting to continue funding their existing lifestyle, and over half (55%) believe it's because they want to top up their pensions/retirement fund or because they would like to continue experiencing personal fulfilment from work.

Mature employees and training

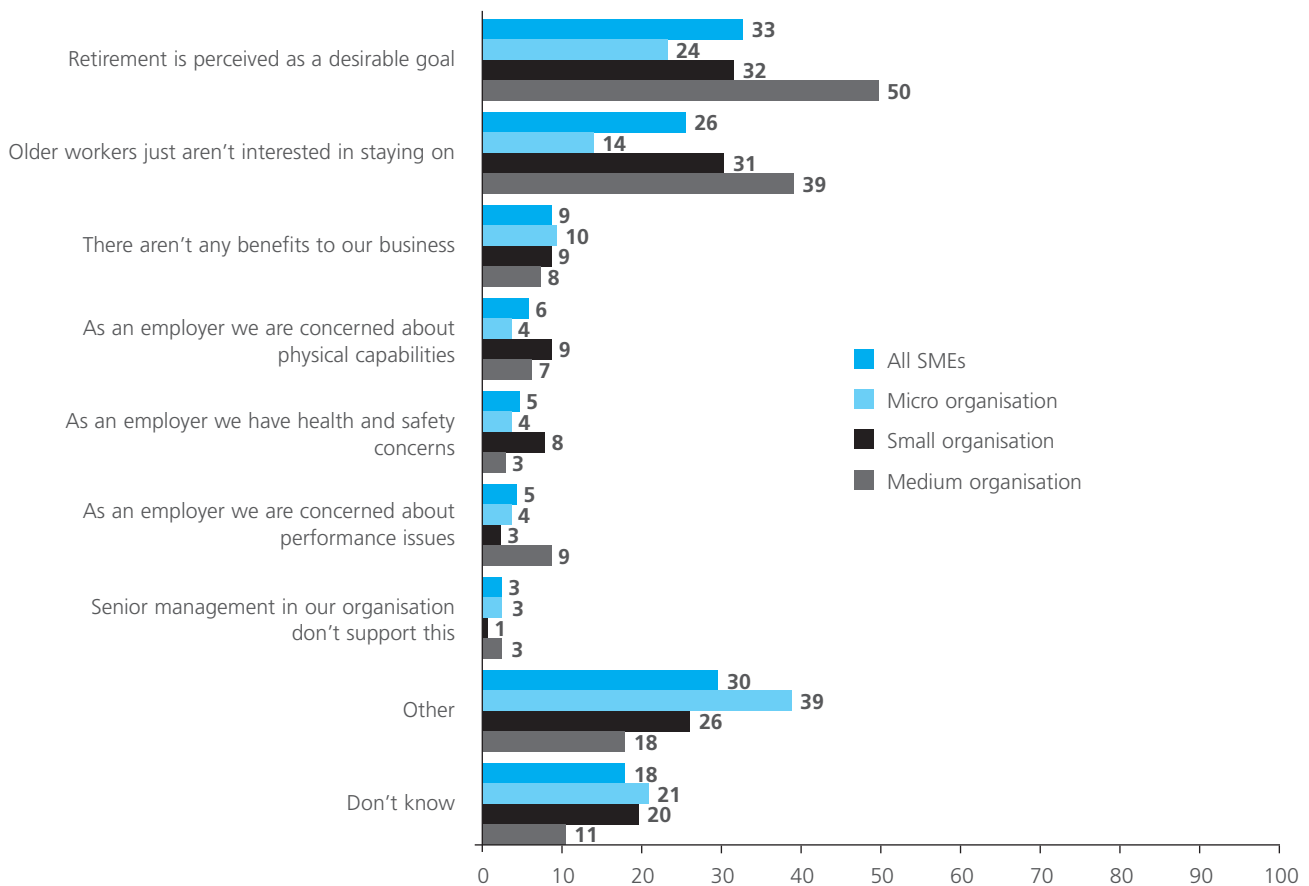
SMEs surveyed are more likely to agree than disagree that:

- Training and skills development are critical in ensuring mature employees can work effectively up to age 62 and beyond (53% compared with 8% who disagree).
- Training mature employees is a good return on investment as they are less likely to leave the company (47% compared with 9% who disagree).
- Mature employees would engage better with training if the content and delivery are adapted to their needs (43% compared with 13% who disagree).

When it comes to technology responses are divided, with 32% agreeing that mature employees are less adaptable to technological changes and 31% disagreeing. Despite the division on use of technology, almost half (45%) of SMEs surveyed disagree that mature employees are slow to learn new things and 18% agree.

Results indicate that SMEs surveyed are relatively happy with the training they provide for their mature employees, as a third (34%) disagree that their organisation needs to improve its training for mature employees compared with 19% who agree.

Figure 5: Reasons for NOT seeing an increased interest among mature employees (%)



Base: All who have experienced no increase in mature employees working later (SMEs (n=360), micro organisations (n=157), small organisations (n=111), medium organisations (n=92))

Figure 6: Reasons for seeing an increased interest in working later among mature employees (%)

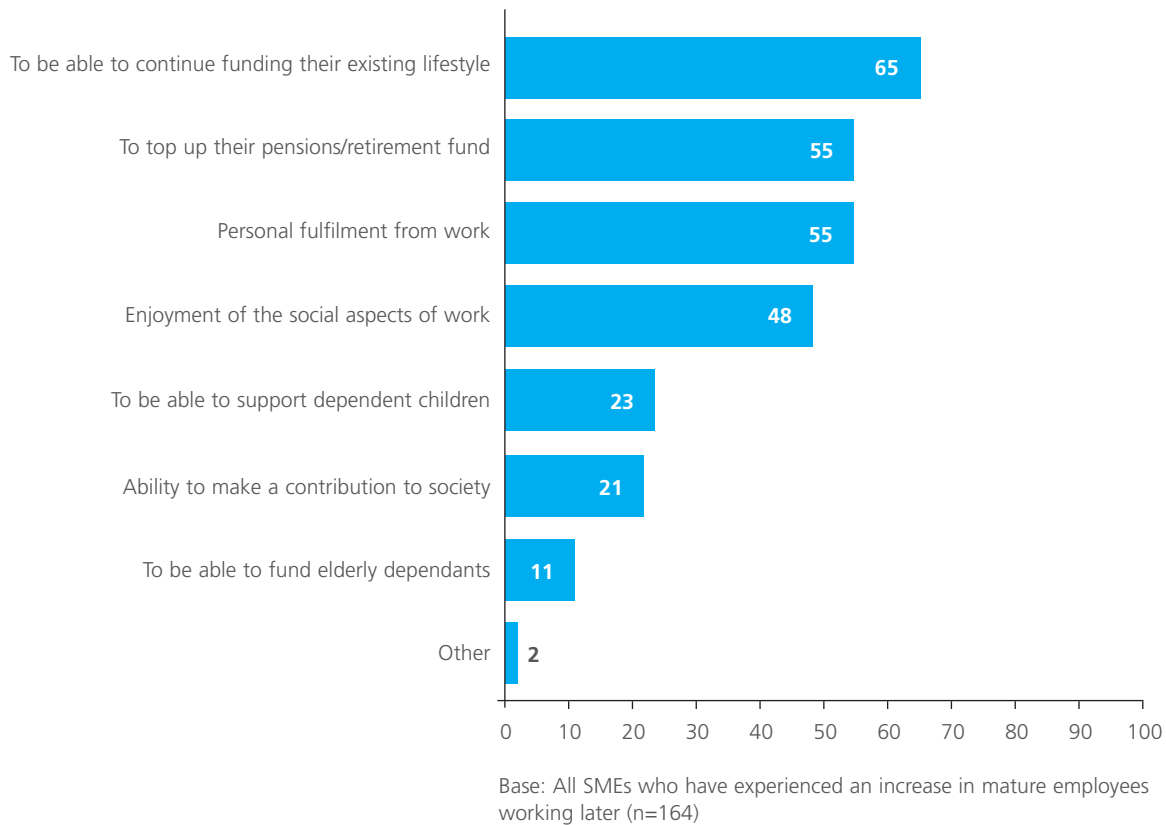
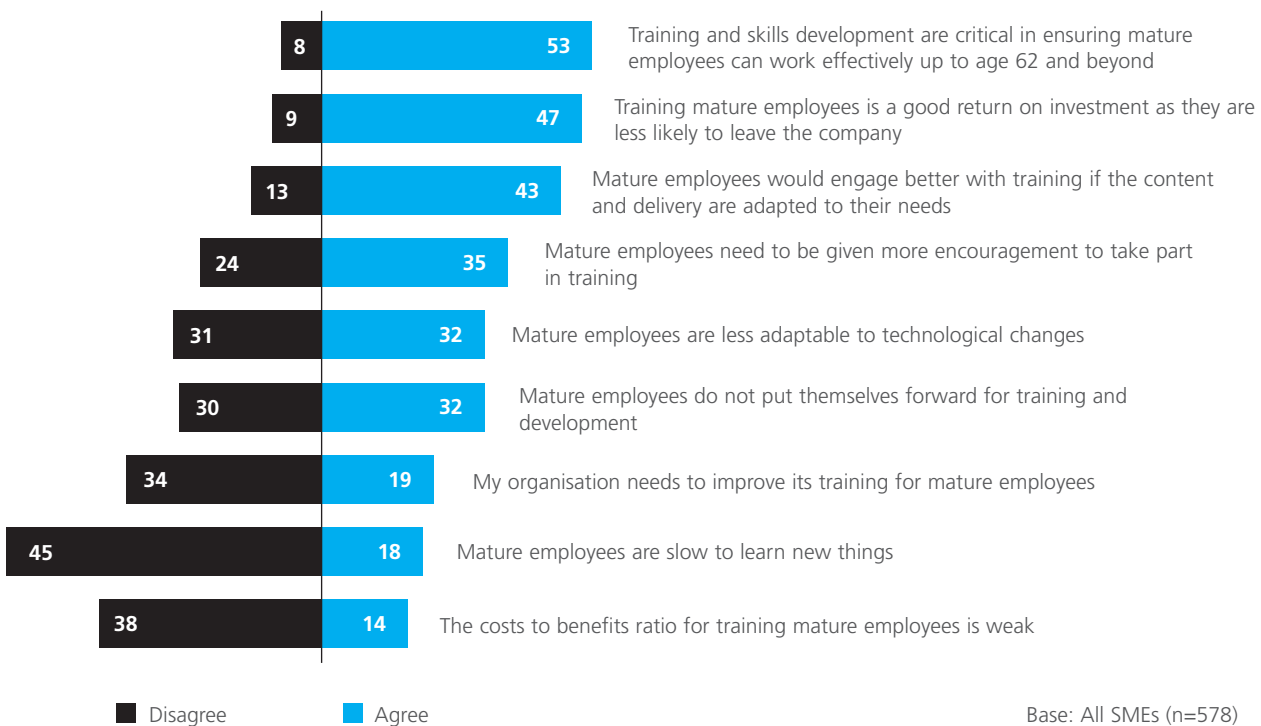


Figure 7: Attitudes towards training and developing mature employees (%)



These figures do not add up to 100% because we are just highlighting here the agree and disagree responses rather than also including the neither agree nor disagree and don't know responses

Supporting employees

A third (34%) of SMEs surveyed support the extension of working life through flexible working options, while a quarter has a flexible retirement policy.

One in five (22%) offer homeworking; however, this is more significant among micro organisations than small and medium organisations (30% compared with 15% and 18% respectively).

Similarly, LMO employers surveyed also highlight flexible working options (42%) and a flexible retirement policy (30%) as the top two ways in which they support the extension of working life. However, large LMO employers are more likely

to report they have pre-retirement training, health and well-being provisions (23%) and financial planning guidance (22%) in place than SMEs surveyed in this study.

A small percentage of SMEs surveyed provide health and well-being provisions, for example free or subsidised medical/dental care (8%), return-to-work options for retirees (7%) and pre-retirement training (6%), and on the whole medium organisations are significantly more likely to provide them.

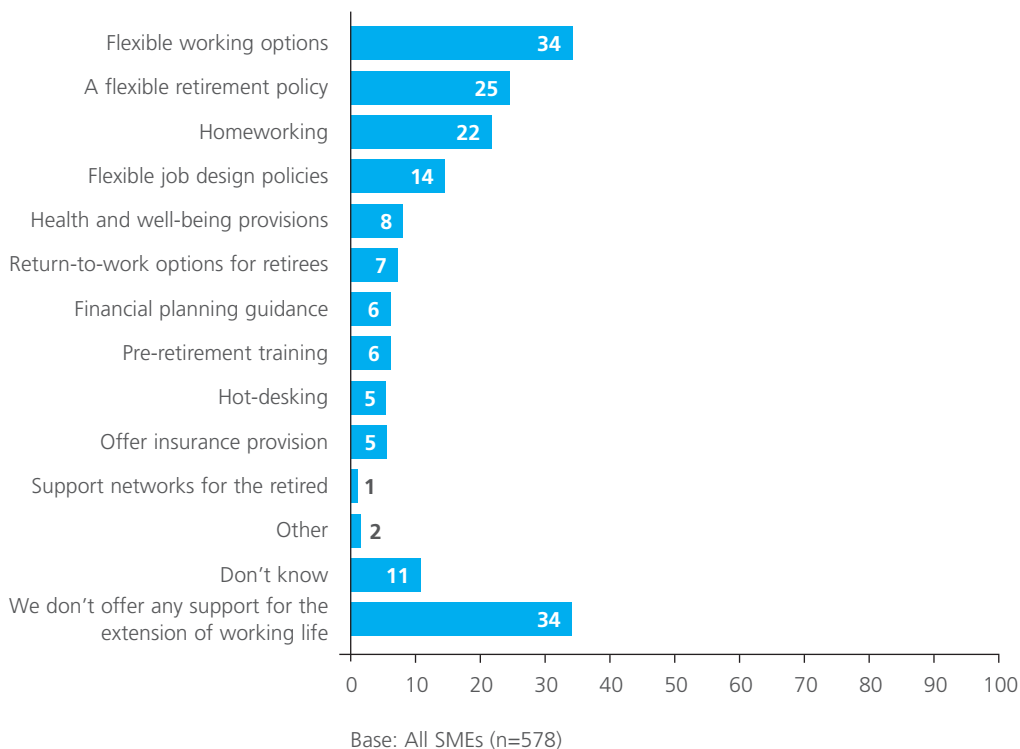
It is important to note that a third (34%) of SMEs surveyed do not offer any support for the extension of working life, particularly micro and small organisations (38% compared with 26% of medium-

sized organisations). This compares with 17% of large LMO employers surveyed in the winter 2013–14 LMO.

Similarly when it came to health and well-being provisions, most (35%) say they have none in place to support extending work life, and again micro organisations are significantly more likely than small and medium organisations to state this (52% compared with 32% and 14% respectively).

This compares with just 7% of large employers from the winter 2013–14 LMO who reported they had no provisions in place for employees' health and well-being to support extending working life.

Figure 8: Ways in which organisations support the extension of working life (%)



Of the provisions that are offered, a third (32%) provide good practices in managing sickness absence, 19% provide health care insurance, and 17% provide access to occupational health and ergonomic job design.

SMEs surveyed in England are significantly more likely than those in Scotland to offer health care insurance (20% compared with 7%), employee assistance services (12% compared with 3%) and stress management training for individuals (11% compared with 3%).

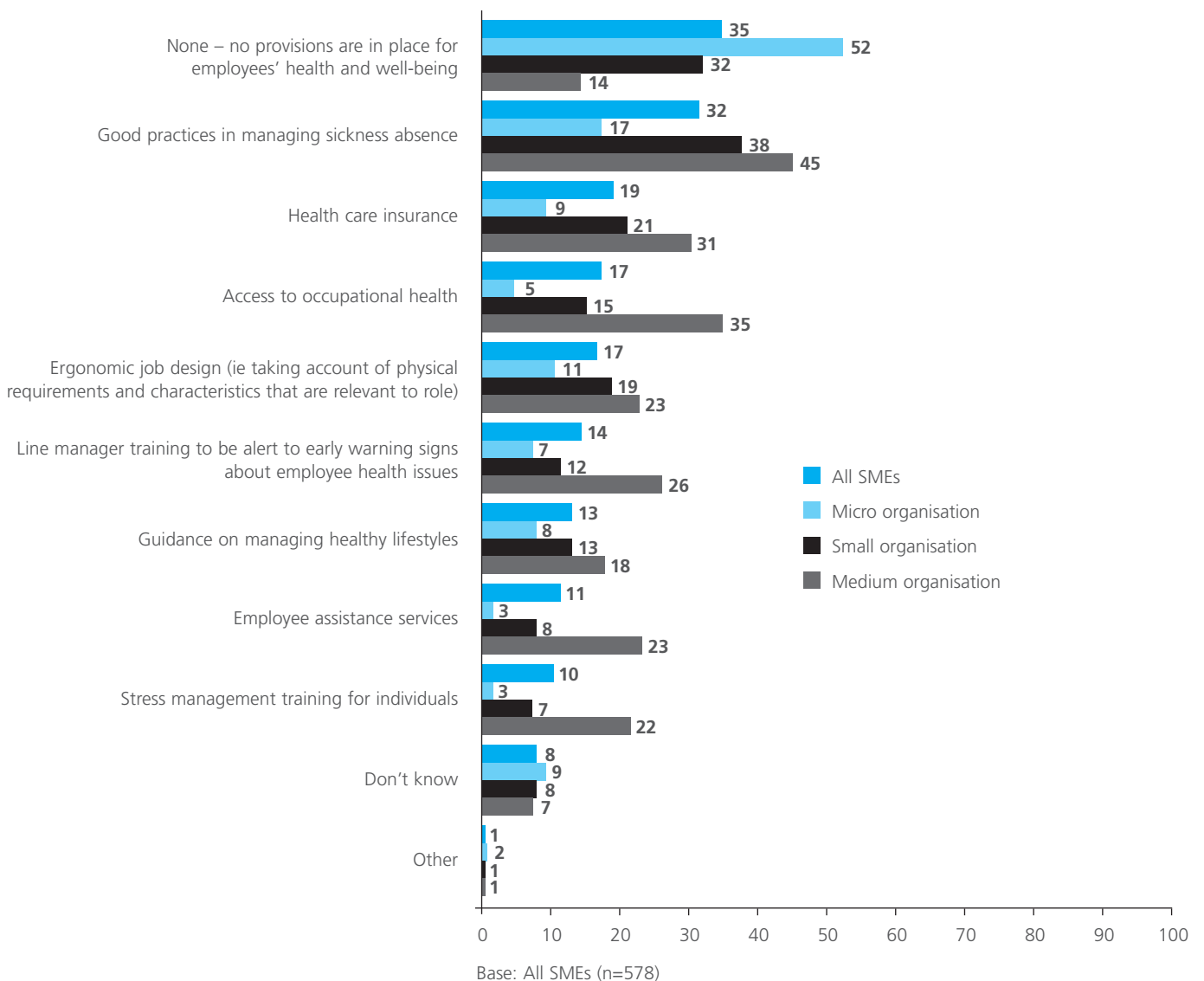
On the other hand, SMEs surveyed in Scotland are significantly more likely than those in England to offer line manager training to ensure they have the skills required to be alert to early warning signals about employee health issues (22% compared with 13%).

The figure for lack of health and well-being provisions in place to support extended working life is lower among LMO employers, with 24% stating they have none – this is significantly lower for those large LMO employers surveyed (75%).

Nonetheless, the top three provisions provided by LMO employers is slightly different from that of SMEs, with just under half (47%) stating good practices in managing sickness absence, four in ten (40%) stating access to occupational health and three in ten (30%) employee assistance services.

When asked about provisions in relation to dependant care responsibilities, three in ten (29%) SMEs provide the option of flexible working to all their employees, 26% provide help with childcare,

Figure 9: Health and well-being provisions to support extending working life (%)



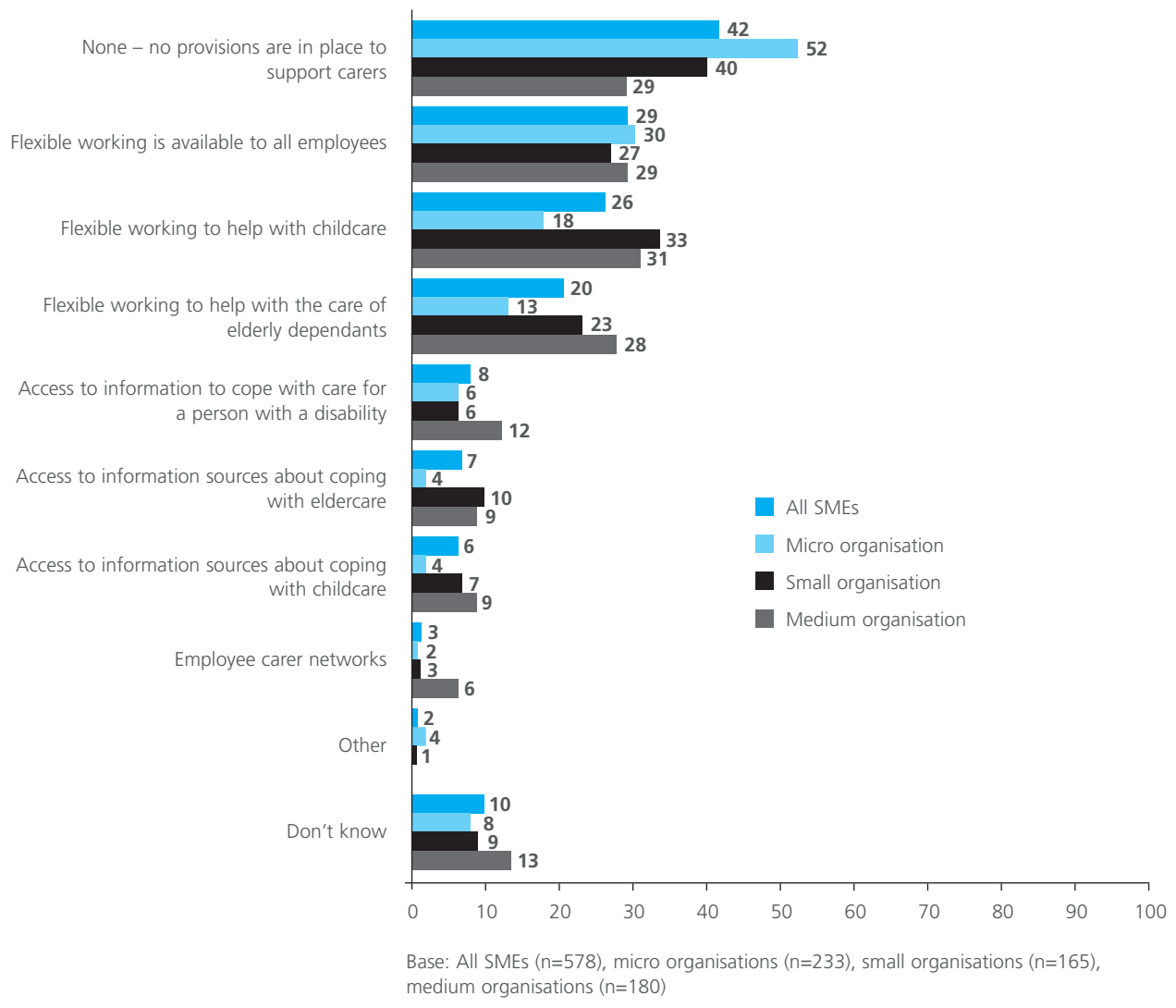
and 20% provide help with the care of elderly dependants. Small and medium organisations are significantly more likely than micro organisations to offer flexible working to help with childcare (31% and 33% compared with 18%).

Again it is important to note that four in ten (42%) SMEs surveyed do not have any provisions in place to support carers, particularly micro and small organisations (52% and 40% compared with 29% of medium-sized organisations).

Provisions stated by LMO employers are similar to those of SMEs, with 45% providing flexible working to help with childcare, 38% for all employees and 36% to help with the care of elderly dependants.

Similar to SMEs, three in ten (30%) LMO employers do not have any provisions in place to support carers. But again large LMO employers are much less likely to report that they have no provisions in place for carers (15%).

Figure 10: Provisions to support dependant care responsibilities (%) (respondents were asked to tick all options that apply)



3 Recruitment

This section of the report looks at recruitment in general and in relation to mature employees. It explores levels of recruitment and age diversity when recruiting.

The last 12 months

While the majority (61%) of SMEs surveyed have recruited staff in the last 12 months, 38% have not. Small and medium organisations are significantly more likely than micro organisations to have recruited (78% and 85% compared with 31%).

On average SMEs have recruited ten staff members in the last 12 months, and this breaks down to an average of seven in

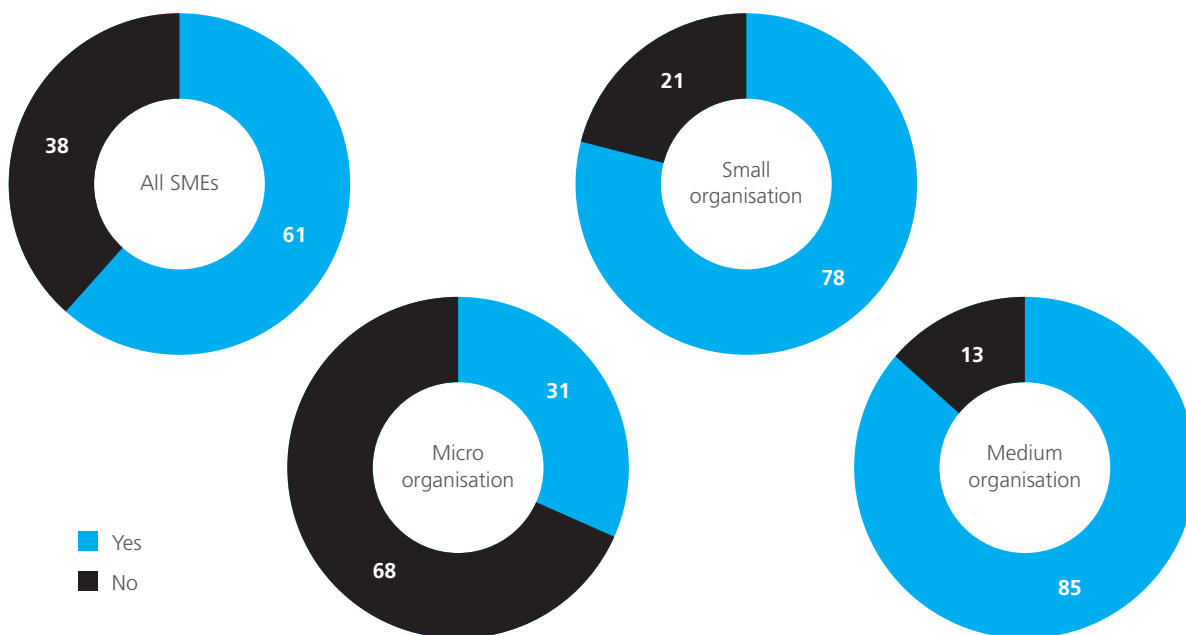
micro organisations, 15 in small organisations and 12 in medium organisations.

A quarter (24%) of the SME workforce is aged 45–54, and one in five are aged 25–34 (21%), 35–44 (21%) and 55–64 (19%). One in ten are aged 18–24 and 5% of the workforce is 65+.

The employment of those aged 65+ in SMEs is on par with the comparable figure from the winter 2013–14 LMO survey for all employers but higher than those LMO employers that employ 250+, who reported that 2% of their workforce was aged 65+.

‘The majority (61%) of SMEs surveyed focus their attention on recruiting a mixture of ages, 14% focus on mostly mature, 15% mostly young, and one in ten don’t know.’

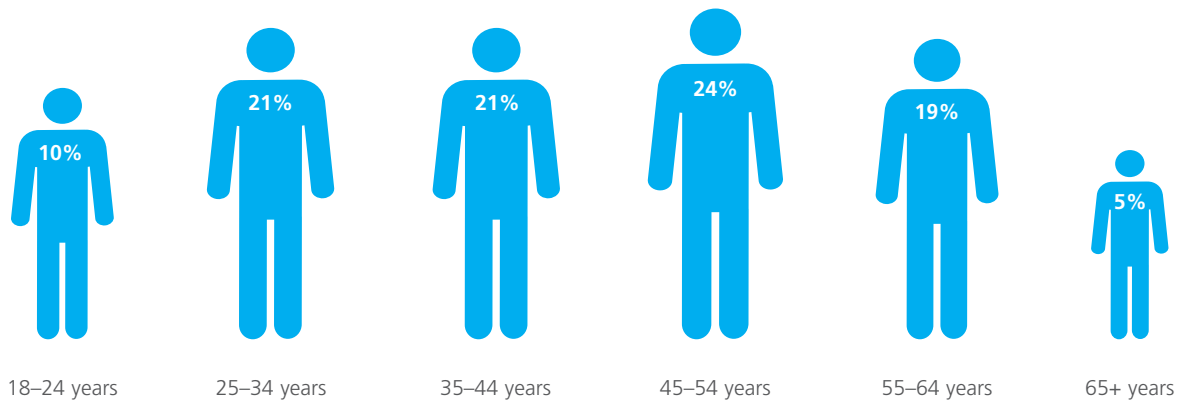
Figure 11: Have you recruited in the last 12 months? (%)



Base: All SMEs (n=578), micro organisations (n=233), small organisations (n=165), medium organisations (n=180)
 *Figures for don’t know have not been shown

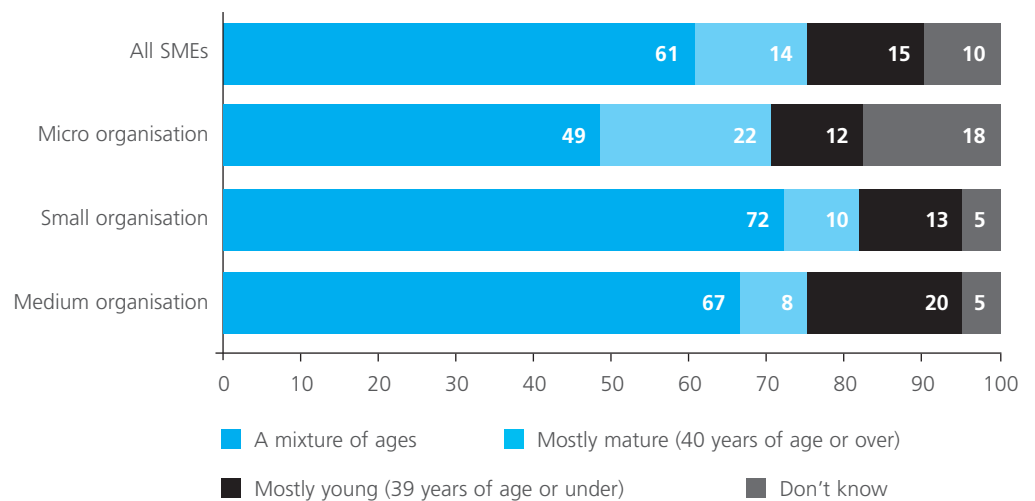
The majority (61%) of SMEs surveyed focus their attention on recruiting a mixture of ages, 14% focus on mostly mature, 15% focus on mostly young, and one in ten don't know.

Figure 12: Average age of workforce



Base: All SMEs (n=521)

Figure 13: What age groups do you focus on in your recruitment? (%)



Base: All SMEs (n=578), micro organisations (n=233), small organisations (n=165), medium organisations (n=180)

Small and medium organisations are significantly more likely than micro organisations to focus their attention on recruiting a mixture of ages – 72% and 67% compared with 49%. Micro organisations, on the other hand, are more likely to focus on mostly mature individuals (22% compared with 10% of small and 8% of medium-sized organisations).

SMEs that focused on recruiting a mixture of ages mainly did so because age is irrelevant – it's more about finding the best person for the job, ability over age:

'Ability is more important than age.'

'Age does not play a part in the recruitment. Experience does.'

'The skills we require are not age dependent – we'll employ the best person for the job regardless of age, gender, etc.'

'It is the experience or appropriateness for the role we are looking for, not an age profile.'

'We look for talent rather than focus on age.'

Other reasons mentioned for recruiting a mixture of ages included: having a good balance of experience; ensuring a variety of skills; good practice; diversity; and hiring people who are going to be the best for the organisation:

'A balance of experience and enthusiasm.'

'To have a good blend of experience.'

'Look for skills that are missing within the team, and a mixture of ages support our vision.'

'It is good practice to employ people from different age groups.'

'To bring more diversity and a variety of skills into the organisation.'

'Equality and diversity.'

'Mixed teams produce better results.'

'All ages bring different benefits to the team.'

SMEs that focused on recruiting mostly mature employees (40+) mainly did so because of experience, specialist skills and reliability:

'They have the necessary experience.'

'We need significant technical expertise which generally can only occur after decades of relevant experience, hence tend to recruit mature staff.'

'It's a specialist business requiring specialist skills unlikely to be present in younger people.'

'More reliable.'

'To get the qualifications and experience necessary for the job.'

'Experience and drive, better able to plan and make decisions.'

SMEs who focused on recruiting mostly young employees (39 and under) mainly did so because of enthusiasm, longer careers, cost, and because they operate in a young industry:

'Open to new ideas, keen, flexible for working hours/locations.'

'Cheaper, more flexible with time, more energetic.'

'Drive, ambition, willingness to learn.'

'Need for energy, dynamism and new ideas.'

'Lower salaries.'

'Cheaper to employ'

'Recently learnt skills, cheap.'

'A young looking and dynamic team is vital in making our company look stylish and vibrant in today's competition.'

'IT tends to be a young person's game. We find it easier to train younger people and the majority of our recruits are recent graduates or are headhunted.'

'Lower cost, longer career.'

'Investing in the young creates long-term options.'

The majority (60%) of SMEs surveyed have never recruited mature workers over the age of 65, a quarter (25%) have and 15% are not sure. As Figure 14 shows, the story is similar across the different sizes of organisations too, with most never having recruited a mature worker over 65.

SMEs surveyed in the north of England, however, are significantly more likely than those in the Midlands to have recruited a mature worker over the age of 65 – 30% compared with 23%. ‘Established organisations’ are also significantly more

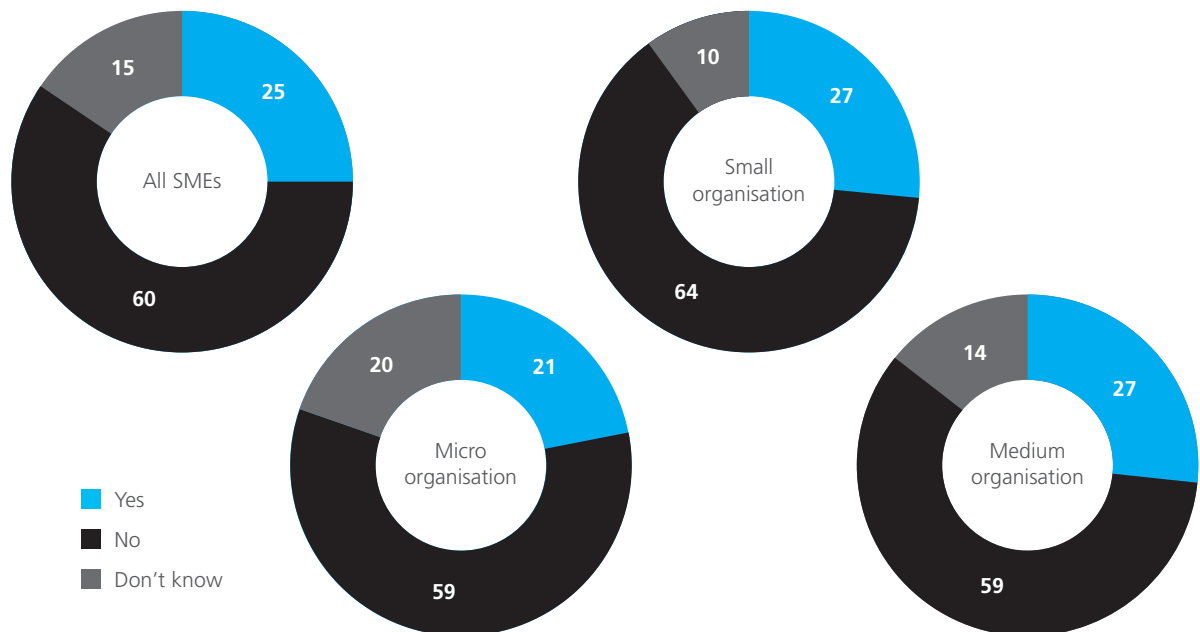
likely than organisations with an ‘entrepreneurial edge’ and ‘consolidated organisations’ to have never recruited workers over the age of 65 (70% compared with 54% and 58% respectively).

Almost half (46%) of SMEs surveyed report that their organisation has no activities in place to ensure it has access to enough skilled and diverse people of all ages, and this is far more significant among micro organisations than small and medium ones (58% compared with 47% and 30% respectively).

Although not as high as the SME figure, a third (34%) of LMO employers report that their organisation has no activities in place to ensure it has access to enough skilled and diverse people of all ages. In comparison, 15% of large LMO employers report that they have no activities in place to ensure they have access to enough skilled and diverse people of all ages.

Among those SMEs surveyed that do have activities in place to ensure they have access to enough skilled and diverse people of all ages, the most common is ‘clear, accurate and accessible information about

Figure 14: Percentage who recruit mature workers over 65 (%)



Base: All SMEs (n=578), micro organisations (n=233), small organisations (n=165), medium organisations (n=180)

jobs and career opportunities' (17%) followed by work experience for all ages (14%) and building close relationships with schools and colleges (12%). One in ten SMEs surveyed monitor the age distribution of the workforce.

SMEs surveyed in England are significantly more likely than those in Scotland to have employee volunteering opportunities for all ages (9% compared with 1% respectively).

Similar to SMEs, LMO employers surveyed also state the most common activity as 'clear, accurate and accessible information about jobs and career opportunities' (32%) followed by building close relationships with schools and colleges (20%) and work experience for all ages (19%).

A small percentage of SMEs provide career guidance (7%), Apprenticeships (6%) and internship schemes (6%) for all ages.

HR

Half of SMEs surveyed do not have any employees who work in an HR role within their organisation, 45% have 1–5 HR employees, 4% have 6–20 HR employees, and only 1% have 20 or more.

As expected, micro organisations are significantly more likely than small and medium organisations to have no members of staff employed in an HR role (71% compared with 53% and 19% respectively).

SMEs surveyed that describe their organisation as having an

'entrepreneurial edge' are also significantly more likely than those who describe themselves as 'emerging enterprise', 'consolidated' and 'established' to have no members of staff employed in an HR role (72% compared with 50%, 41%, and 33% respectively).

The main reason reported by SMEs for bringing in HR professionals was due to the workforce reaching a size when a more structured people approach was needed, including formal policies and processes (37%). Medium organisations are significantly more likely to state this than micro and small organisations (51% compared with 31% and 12% respectively).

Table 5: Activities carried out to access skilled and diverse workers of all ages (%)

	All SMEs	Micro organisation	Small organisation	Medium organisation
My organisation does no activities to ensure it has access to enough skilled/diverse people of all ages	46	58	47	30
Provide clear, accurate and accessible information about jobs and career opportunities	17	8	16	29
Work experience opportunities for all ages	14	13	11	18
Build close relationships with schools and colleges	12	9	11	17
Monitor the age distribution of the workforce	10	6	8	16
Work shadowing for all ages	10	6	9	14
Employee volunteering opportunities for all ages	9	6	6	14
Provide career guidance that meets the needs of all ages	7	3	5	12
Apprenticeship schemes for all ages	6	3	8	8
Internships schemes for all ages	6	6	5	7
Build links with parent and retiree groups and networks	3	3	1	6
Mid-life planning courses	3	1	2	5
Other	3	4	1	2
Don't know	11	12	12	9

Base: All SMEs (n=578), micro organisations (n=233), small organisations (n=165), medium organisations (n=180)

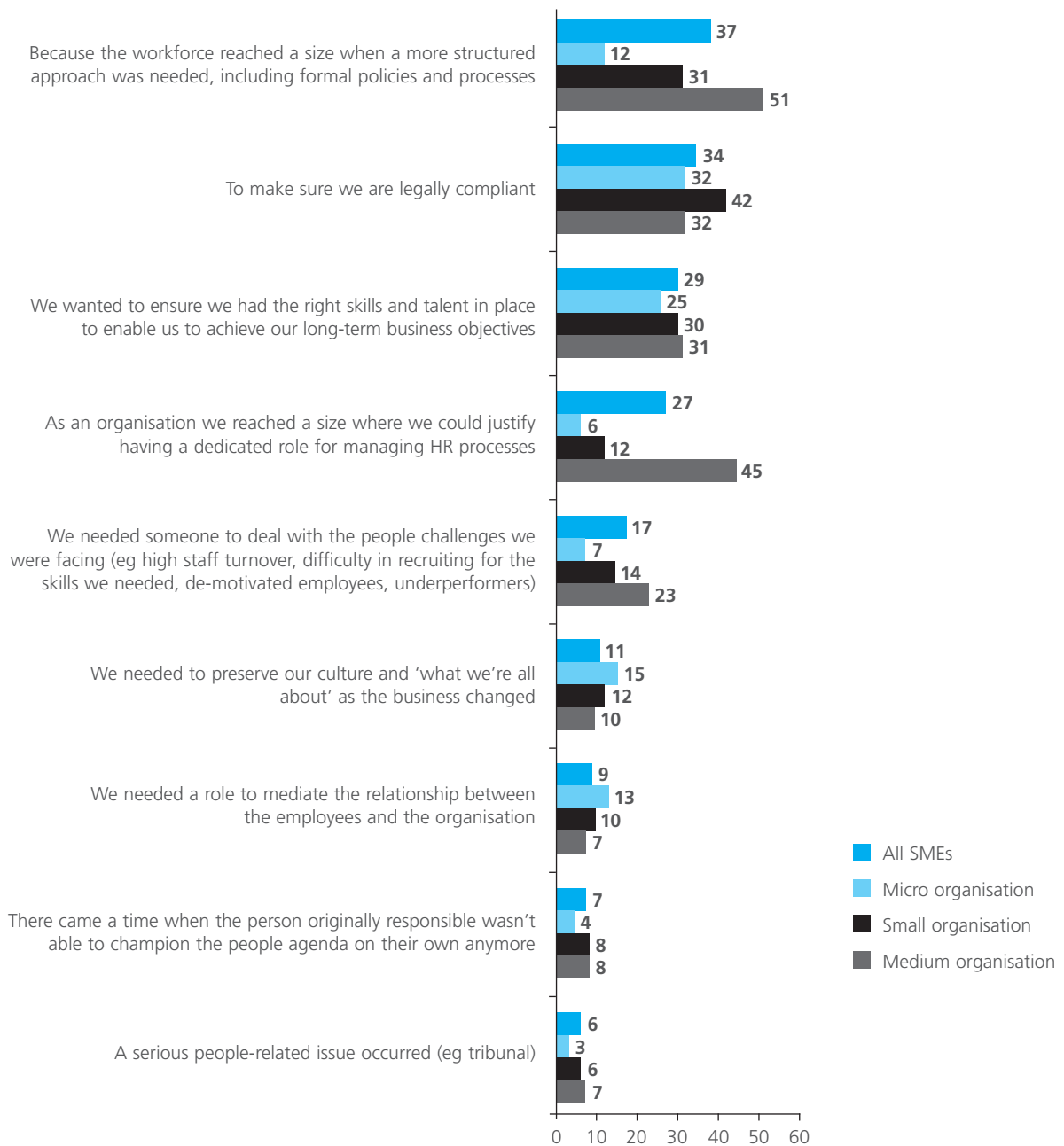
Other reasons for SMEs wanting to bring in HR professionals are to become legally compliant (34%) and to ensure they have the right skills and talent in place to achieve longer-term business objectives (29%).

Just under one in five (17%) brought in HR professionals to allow them to deal with the people

challenges they were facing and one in ten (11%) did so to preserve their culture and what they are all about because the business was changing.

A small percentage of SMEs surveyed state negative reasons for bringing in HR professionals, such as a serious people-related issue occurred, for example a tribunal (6%).

Figure 15: Main reasons for bringing in HR professional(s) (%)



Base: All who have HR professionals (n=290) (micro organisations (n=68), small organisations (n=77), medium organisations (n=145))

Conclusion

So, the good news so far...

The findings here suggest that the workforce within SMEs is generally a diverse one. Among the age group of 25–64 the age proportion of workers is fairly balanced with around one in five falling within each age category. What is really interesting is that while our previous survey of larger employers (250+ employees) had only 2% of 65+ employees working for them, this research suggests that more SMEs have retained 65+ employees (5%).

The majority of SMEs (61%) are also focusing their attention on recruiting a mixture of ages, indicating that this trend of an age-diverse workforce in SMEs is set to continue.

SME employers are likely to see the benefits of an age-diverse workforce as predominantly knowledge-sharing and problem-solving followed to a lesser extent by enhanced customer service. Respondents in Scotland in particular strongly see the benefits of knowledge-sharing associated with age diversity at work.

The majority of SMEs see the considerable cost benefits associated with mature employees (aged 40+), with nine in ten agreeing that their knowledge and skills are highly valuable. And they are more likely to disagree than agree that mature employees cost organisations more money. They also believe that training mature employees is a good return on investment as they are less likely to leave the company and that continuous training is critical to ensure that mature employees can perform.

There are also indications that SMEs are trying to support the extension of working life of their employees, with around a third facilitating this by providing flexible working options.

However, there are a number of areas where SMEs need to develop their offerings further...

Worryingly, almost half of SMEs report that their organisation has no activities in place to ensure it has access to enough skilled and diverse people of all ages. Qualitative comments in the research suggest employers are looking for people with the best knowledge and skills for the job regardless of age; however, it is important to monitor the average age profile to guard against the build-up of a skewed age workforce that could make the organisation vulnerable to the loss of talent.

In terms of acquiring talent, SME employers need to focus more attention on career guidance and Apprenticeships and internships for employees of all ages. Responses like this are essential to address the difficulties experienced by younger and older people alike in finding employment.

Despite the activities on retaining people over 65, more than a third of SMEs do not provide any support in extending working life. And more than a third do not have any health and well-being provisions in place for employees of all ages.

Interestingly SMEs in England rather than Scotland are significantly more likely to offer health care insurance, employee assistance services and stress management training. However, Scottish SMEs are more likely than those in England to offer line managers training to ensure they spot the early warning signals about employee health issues.

More attention needs to be paid by SME employers to the caring responsibility challenges facing employees now and in the future. Less than a third provide the option of flexible working to all their employees, only a quarter offer it to support childcare and only a fifth for the caring of elderly dependants – an issue which will be even more significant in the future.



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