

Developing an age strategy: a step-by-step guide

This *Briefing* provides support for employers through the steps they need to take to develop an age strategy and as they are implementing extended working arrangements for staff, especially those approaching retirement.

Age legislation makes age prejudice, ageism and employment decisions based on age unacceptable and unlawful. Demographic change will require thoughtful solutions to staff shortages, innovative approaches to attracting people to the healthcare sector for second careers and real flexibility in employment and redeployment options to ensure the retention of talented workers.

Supporting an ageing workforce will require strategic and policy responses and line managers will be key to effective implementation of new approaches. This *Briefing* serves as a checklist and includes good practice points, references and signposts to other resources to help with this. It is intended as a reference tool for the NHS but may also be of interest to other employers and trade union organisations.

Key points

- Staff turnover and absenteeism are reduced and motivation and commitment are improved in organisations employing people of all ages.
- The age regulations require new arrangements for retirement and redundancy.
- Positive action on age can help you to attract people from all age groups.
- Skilful career development support is needed to inspire and energise staff of all ages.
- Organisations will wish to demonstrate good practice and compliance with age legislation at a day-to-day operational level.

Step one: why employers need to develop age diversity strategies

The changing shape of the UK population

There has been a major demographic shift towards an ageing population in the UK, in common with other countries in the industrialised world. The global, as well as national, figures can no longer be

ignored. Nearly one fifth of all workers in the industrialised world are aged over 50. Within the next 20 years half of the UK population will be aged over 50, with one third over 60. For more information on this, visit: www.nhsemployers.org/demographicchange

The impact of demographic change

Demographic change is having, and will continue to have, an effect on the political, economic and social life of people everywhere. Governments are starting to look at long-term impacts by developing new policies relating to retirement and pensions. Fixed retirement ages for women and men are increasingly seen as inequitable and unsustainable in terms of cost. At the same time, the dependency ratio (how many people each person in work is supporting via their taxes) continues to rise.

The business case for age diversity

The business benefits of a mixed-age workforce are now widely recognised. There is clear evidence that staff turnover and absenteeism are reduced and that motivation and commitment are improved in organisations employing people of all ages. By taking a strategic approach to age, employers can address the day-to-day requirements of

legislation as well as the longer term issues of the ageing workforce.

For more information on the business case, visit:

www.nhsemployers.org/agebusinesscase

Good practice points

- Get commitment from the top of the organisation to a diverse workforce strategy by demonstrating the contribution that older workers can make to an effective and productive organisation.
- Provide awareness training in equality and diversity for all staff.
- Identify the likely impact of demographic change on future workforce requirements.
- Consider solutions such as retaining older staff, delaying retirement and retraining older workers.

Step two: knowing your workforce

Gathering age data

Most organisations will already have information on the ages of the people they employ. It makes sense to analyse this data to see how well workforce strategies are working and whether there

is a need to take remedial action. Age data can confirm what you might suspect about imbalances or future impact as well as providing evidence of good practice.

For tools to assist in profiling your organisation, visit:

www.nhsemployers.org/ageprofiling

Good practice points

- Are the hours worked skewed by age group? Is there a relationship between part-time or full-time contracted hours and age?
- Is the pattern emerging a result of direct or indirect discriminatory employment practices?
- Are flexible or reduced hours available to all age groups equally? How are requests for flexibility or to reduce/increase hours dealt with and could current practice be discriminatory on the grounds of age?

Age and training

Martin (1994), whose work has been reinforced by subsequent research, found that helping employees understand the concepts involved, explaining the impact of new systems and training them in the use of new tools and technologies

enabled all employees to cope with planned changes, regardless of age.

"All staff are encouraged to participate in training. A mechanism has been put in place to help monitor the age of staff who apply for internal and external training courses. This allows us to ensure that take-up of development opportunities is spread across the entire workforce."

Bexley Care Trust

Monitoring

Organisations will already gather recruitment data via equal opportunities monitoring forms. It is important to add age data to these mechanisms to ensure that at every stage of the process you can check that age discrimination is not taking place. By publishing your equal opportunities statement you can demonstrate your approach and organisational values.

Good employers will already be monitoring requests for training and development and the ages of those offered and attending training and receiving development support. Development and career planning now needs to move to centre stage for older

workers. Strategies to improve take-up may need to be put in place if training and development is found to be lower for some age groups than others.

Good practice points

- Establish a comprehensive information base about your current workforce.
- Map the workforce by age, as well as other variables.
- Share information about age profiles to raise awareness among line managers.
- Analyse recruitment, promotions and retirement trends.
- Analyse access to training and development, including take-up.

Step three: supporting an ageing workforce

Age and the law

Since 1 October 2006 the Employment Equality (Age) Regulations have made it unlawful to discriminate against workers, employees, job seekers and trainees because of their age. The regulations cover recruitment, terms and conditions, promotions, transfers, dismissals, training and retirement.

In the future, the Government intends to remove all age aspects of retirement. For now, the regulations allow for a default retirement age of 65, meaning that employers are only able to retire people at or after the age of 65. This will be reviewed in 2011.

For more information on the legislation, visit:
www.nhsemployers.org/agelegislation

The procedure for extended working

There is a new procedure that all employers must follow, to allow employees to request to remain working beyond normal retirement age. This procedure will be taken very seriously and failure to carry it out correctly will result in the automatic award of compensation for unfair dismissal.

To see the procedure and to download template letters, visit:
www.nhsemployers.org/extendedworking

Extended working and handling retirement and redundancy

The age regulations require new arrangements for retirement and redundancy. For an outline of the processes employers need to set up, differences between the two and potential pitfalls, see the NHS Employers *Briefing: Retirement and*

redundancy: the right approach, at: www.nhsemployers.org/retirementandredundancy

Positive action

You can take positive action to prevent or compensate for disadvantages linked to age. This should not be confused with positive discrimination, which is illegal in the UK. Positive action on age can help you to attract people from all age groups in your local community, as shown by the example in the box below.

For more on positive action, visit: www.nhsemployers.org/positiveaction

Discrimination of the older worker

Age stereotyping in organisations can reduce the employment prospects, recruitment and retention of older workers. As a result the organisation loses valuable experience and skills from its workforce.

The Department for Work and Pensions commissioned a study – *Facts and misconceptions about age, health status and employability* – to see if there was any evidence that age and deterioration of the body and mind were linked in those reaching the age of 65. This research found that the majority of mental and physical ability does not deteriorate with age. Two exceptions were eyesight and hearing, where employers can make the necessary adjustments to accommodate any deficit in these areas. The study examined nine common assumptions employers make about employing older workers. The conclusions were that older adults are vastly different from each other. The study concluded that organisations would benefit from efforts to maintain the ability to work of all employees at any age as well as from the adoption and development of flexible

retirement practices that retain older workers longer.

To see further findings from this study, visit:

www.nhsemployers.org/olderworkers

Discrimination of the younger worker

Stereotyping on the basis of age is also unhelpful for younger workers. *Age at work* – a study by the Employers Forum on Age – found that more teenagers than people in their fifties were put off applying for a job because of their age.

Those responsible for recruitment need to be particularly careful when advertising for staff with experience unless they can specify what previous experience is necessary. The research also suggests that younger employees are more restless and more likely to think their jobs are boring. This is a complex issue and needs well developed delegation skills. Managers need to guard against giving younger staff fewer challenging tasks or roles in favour of the tried and tested.

Healthy workplaces

The NHS has a good record of developing healthy work environments and uses programmes and initiatives such as Improving Working Lives and Back in Work to raise standards. In the future, such

Case study: positive action

Green & Co., a transport company, sees from its internal monitoring processes that the company has a mature age profile with disproportionately few workers under 40. Not wanting to miss out on the talents of all the local community, it includes a statement in its next recruitment adverts saying: "We welcome applications from everyone irrespective of age but, as we are under-represented by people under 40, would especially welcome applications from these job seekers. Appointment will be on merit alone."

Source: *Age and the workplace*. ACAS

Good practice points

Consider appropriate modification of the workplace as part of a general policy on developing a good workplace environment. This could include:

Musculoskeletal:

- restrictions on weights allowed to be lifted
- lifting equipment
- reviewing number of rest periods
- building in recovery time from exertion
- training in posture and lifting techniques
- non-slip surfaces and tidy pathways.

Sensory:

- protection from noise levels
- hearing protection equipment
- improving lighting
- considering antiglare computer screens
- size of printed material and design.

initiatives will be crucial to the ongoing support of staff of all ages.

For more information on Improving Working Lives, Back

Good practice points

Example of a workplace health programme:

- access to employee assistance programmes
- health promotion programmes and activities
- in-house gym or reduced rate membership at local gym
- annual or periodic health assessments (including screening for cholesterol, glaucoma, diabetes and hypertension)
- eyesight, hearing or other specific health testing
- help to stop smoking
- annual flu and other vaccinations
- access to therapeutic massage or physiotherapy
- rehabilitation support for non work-related injuries.

in Work and other initiatives, visit: www.nhsemployers.org/healthyworkplaces

To view *Returning to work, working longer, working healthier in the NHS: a decision making framework to support line managers and staff*, visit: www.nhsemployers.org/workplaceadjustments

Flexible retirement

Flexible retirement is defined as flexibility regarding the age at which an employee retires, the length of time an employee takes to retire or the nature and intensity of work in the lead up to final retirement. Flexible retirement arrangements will deliver one or more of the following benefits:

- retention of experienced staff with valuable skills
- greater choice for employees
- the creation of a wider pool of expertise for recruitment (by including those aged over 55)
- a strategic and effective response to demographic change
- equality of opportunity and fairness for all employees.

The older worker and the NHS Pension Scheme Review

Policies relating to retirement and pensions are significant in enabling employers to change their employment practice in respect of the older workforce. Suggestions such as a 'flexible decade' of retirement and

Case study: flexible retirement

Hertfordshire Partnership NHS Trust encourages staff thinking of retirement to consider various options:

- 'wind down' – as an alternative to simply retiring, staff can opt to wind down by working fewer days/hours in their current post
- 'step down' – for staff who would like to give up the pressure and responsibilities of their current role but, rather than leave work altogether, step down into a less demanding job which makes use of their skills and experience
- register for the staff bank bureau by taking retirement, then opting to work on an 'as and when' basis, giving an opportunity to pick and choose the hours worked. At April 2005 there were 91 people in the 55 to 59 age band, 53 in the 60 to 64 age band, 13 in the 65 to 69 age band, and two in the 70 and over age band, all registered to work
- remain in post.

Source: Hertfordshire Partnership NHS Trust

modifying the structure of pensions to accommodate demographic change have been debated throughout the private and public sectors. These issues form part of the review of the NHS Pension Scheme.

The new scheme is based on the fact that people often need to work flexibly to cope with commitments that usually change in nature during a working career. Therefore, a fixed working pattern and the assumption that people have reached the most senior positions by the age of

retirement, are often not the reality of life today.

Details of the new scheme are at: www.nhs employers.org/pensionagreement

The partnership review of ill health retirement, injury benefit and sickness absence in the NHS

A partnership review of ill health retirement is being carried out by NHS Employers and the trade unions. It is anticipated that consultation on proposals will take place by the end of 2007 and any changes

will be implemented at the same time as the new Pension Scheme arrangements.

Career development

Career development is important for people of all ages. There is an increasing tendency for people to gain their development through experiencing different roles and working in different aspects of the healthcare sector by moving from one organisation to another, rather than by progressing up a more traditional ladder within the same hospital or service. This trend may be attributed in part to frequent structural change where moving to a new position may have been circumstantial rather than through individual choice.

To maximise motivation and job satisfaction people need to have some control of what they do and how they do it. Again, while this applies to all ages, we know that some age bands fare better than others. *Age at work* found that: "People in their fifties are the least contented. They appear to be caught between the upward career path of the first half of their working lives and their future slow-down. They seem unsure whether to keep forging ahead or find ways to withdraw."

The study continues: "They also believe that ageism will hinder their plans and are put off

applying for jobs because of their age. In effect, they 'self-deselect'. Many in their fifties may have to continue working for another 15 years or more to boost their pensions. As a result, organisations may have a growing army of older employees who merely turn up every day but are not particularly motivated."

In this scenario, skilful career development support becomes a high priority. Not only will line managers need to handle extended working discussions with their staff sensitively, they will also need to learn how to offer imaginative development opportunities that will inspire and energise.

Good practice points

- Use annual appraisals to review and develop skills.
- Value and use the skills of older workers as tutors, coaches etc.
- Consider using older staff to induct new recruits.
- Adopt a life-cycle approach to age, plan flexible working and develop into workforce plan.
- Consider healthy workplace adaptations more widely.
- Ask older workers what would make a difference to their working environment.

Step four: realising the benefits

Evaluating your strategy

Evaluation can take place at several levels. Firstly, organisations will wish to ensure that they can demonstrate good practice and compliance with age legislation at a day-to-day operational level. For a useful checklist to help gather basic data on this, see *Age legislation: a checklist for employers*, which is available at: www.nhsemployers.org/age

In addition, it will be important to assess progress on intended outcomes. The success criteria built in to the age diversity strategy should have some means of measuring the baseline or starting point and progress towards objectives. This information may be gathered through the systems put in place to collect age profiling data. So, if one of the criteria is to improve retention of experienced staff, then comparing the age profiles of leavers over several months should give an indication of how well this is working.

Impact assessments

An impact assessment is a way of finding out whether a policy affects different groups of people in different ways. It should be part of the normal process when introducing new approaches to workforce issues.

For more information on impact assessments, visit:

www.nhsemployers.org/impactassessments

Good practice points

- Put health promotion and related initiatives in place to support all staff and improve employee effectiveness.
- Get board support for the age legislation checklist and implement it across the organisation.
- Measure and evaluate your strategy improvements and benefits being realised.

Conclusion

Research suggests that accommodating the older worker should lead to benefits for the whole population, including:

- improvement in the health and well-being of people of working age
- increased employment levels
- optimal performance and attendance – with people at work for more of the time
- staff and employers empowered to promote and protect their own health
- increased productivity
- a reduction in health inequalities and social exclusion – resulting

in benefits for individuals, families, communities and society

- people being able to work until a later age if they wish
- people with health problems or disabilities being able to optimise work opportunities.

Implementation of a workforce strategy focusing on age will benefit the organisation and the whole community and result in optimising scarce resources for the benefit of patient care.

For more information on the issues covered in this *Briefing*, contact carole.smith@nhsemployers.org

Further information

Retirement and redundancy: the right approach.
NHS Employers Briefing 27, October 2006

Age and the workplace. ACAS, 2006
www.acas.org.uk/media/pdf/s/3/Age_and_the_Workplace.pdf

Facts and misconceptions about age, health status and employability. Health and Safety Laboratory, May 2005
www.hse.gov.uk/RESEARCH/hsl_pdf/2005/hsl0520.pdf

Age at work: the definitive guide to the UK's workforce.
Employers Forum on Age, February 2005
www.efa.org.uk/publications/default.asp

Returning to work, working longer, working healthier in the NHS: a decision making framework to support line managers and staff. NHS Employers
www.nhsemployers.org/workplaceadjustments

NHS Employers

NHS Employers is responsible for workforce and employment issues, working on behalf of NHS organisations in England.

We help employers improve the working lives of NHS staff as a path to better patient care. We represent employers' views and act on their behalf in the current priority areas of:

- pay and negotiations
- productivity
- HR policy and practice.
- planning and workforce
- employer of excellence

NHS Employers is part of the NHS Confederation – the independent membership body for the full range of organisations that make up the modern NHS.

Contact us

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