



Older Workers and the Workplace

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Background

Older workers account for a growing proportion of the UK workforce. As such, it is increasingly important to understand more about the working experiences of older individuals as well as the potential impact changes in the age composition of workplaces may have on their performance.

Key findings

- The proportion of workers aged 50 and over in the workforce rose from 21 per cent in 2004 to 24 per cent in 2011.
 - The proportion of older workers in workplaces varies depending on a number of characteristics: industry; region; occupational group; workplace age; size; union recognition; and the presence of equal opportunities policies.
 - The age composition of private sector workplaces does not have a significant role to play in explaining workplace performance.
 - Equal opportunities policies have become more widespread, but practices have not.
 - Older workers are less likely to receive training than other workers, but those that do are generally satisfied with the training offered.
 - On average, older workers report higher job satisfaction, wellbeing and perceptions of fair treatment than younger workers.
- Employees of all ages who were able to work flexibly were more likely to be positive about their job.

Methodology

This quantitative research is based on secondary analysis of data from the Workplace Employment Relations Survey (WERS), a nationally representative survey of British workplaces and their employees. Data were used from the two most recent surveys in the series, which took place in 2004 and 2011.

This is the first time an analysis of the effects of older workers on workplace performance has been conducted using UK workplace survey data.

This quantitative research project was commissioned to achieve three main aims:

- to better understand the labour market participation of older workers in the UK, including the locations and sectors that older people work in;
- to assess the effects of workplace policies and practices on older workers and their experiences; and
- to evaluate the effects of employing older workers on workplace performance.

Findings

The prevalence of older workers

There is considerable variation among workplaces in the proportion of older workers they employ (older workers are defined in this report as those aged 50 and over). In 2011, 19 per cent of workplaces did not employ any older workers, while in 14 per cent of workplaces, at least half the workforce were aged 50 or above. On average, the percentage of the workforce aged 50 and over had risen from 21 per cent in 2004 to 24 per cent in 2011.

Around 25 per cent of the variation in the proportion of older workers employed across workplaces can be explained by structural workplace characteristics, such as differences in industry, region, the largest occupational group at the workplace, workplace age, workplace size and union recognition.

Age-related policies and practices

More than three-quarters (77 per cent) of workplaces had a formal written policy on equal opportunities or managing diversity in 2011, an increase from 66 per cent in 2004. The percentage of workplaces with an equal opportunities policy that explicitly mentioned age had also increased over this period, from 42 per cent to 58 per cent. The prevalence of formal equal opportunities practices relating to age had not changed, however, and these remained less common than employer policies. In 2011, for example, 17 per cent of workplaces monitored recruitment and selection by age, while seven per cent monitored promotions by age. Both formal equal opportunities policies and practices are typically more common in the public sector, in larger workplaces and in workplaces with a recognised union. Just three per cent of workplaces had special recruitment procedures to encourage applications from older workers.

There is some evidence of higher proportions of older workers in those workplaces with a greater number of equal opportunities practices relating

to age and where special recruitment procedures for older workers are in place. However, the presence of these practices was not associated with an increase in the proportion of older workers over time.

Outcomes for older workers

The workplace experiences of older workers differ from those of employees aged between 22 and 49 and those of young workers (aged between 16 and 21).

Older workers were less likely to have received at least one day of training in the year prior to the survey, even after accounting for a range of job, demographic and workplace characteristics. There was also a notable decline in training rates by age among older workers; 65 per cent of those aged between 50 and 59 had received training in the last year, compared with 45 per cent among those aged 65 and over. Yet despite the lower incidence of training among older workers, they are no less satisfied with opportunities to develop their skills.

Overall job satisfaction and job-related wellbeing are higher among older employees than those in their 20s to 40s, consistent with existing evidence. Perceptions of fair treatment are higher among employees aged 65 or over, but employees aged between 50 and 64 were no more or less likely than employees aged 22-49 to agree managers treated employees fairly. The higher average job satisfaction, wellbeing and perceptions of fair treatment among older employees may at least in part reflect the fact that less satisfied older people may be more likely to have left employment.

The age-related policies and practices considered in this report were not associated with outcomes for older workers in terms of job satisfaction and wellbeing, access to training and perceptions of fair treatment. Instead, other features of the job and workplace were more important in explaining the variation in outcomes – many of these are common across employees of all ages. However, a positive association

between the presence of equal opportunities practices and pay for older workers remained apparent even after controlling for these factors.

Age composition of the workforce and workplace performance

Evidence from existing research on the relationship between the age composition of the workforce and workplace performance is mixed. These studies have been conducted in a range of settings and countries, and use various measures of performance. However, this analysis is the first to explore this relationship using nationally representative data on British workplaces and their employees.

The analysis of workplace performance focused on private sector workplaces only and considered a range of workplace performance measures reported by managers in WERS, such as labour productivity, quality of product or service and financial performance. The analysis also used measures of quit rates and absence rates.

In general, the research found no significant association between changes in the proportion

of older workers employed between 2004 and 2011 and changes in workplace performance over the same period. Changes in age diversity also typically showed no association with change in workplace performance. This suggests that overall the age composition of private sector workplaces does not have a sizeable role to play in explaining their performance.

The analysis of WERS found some evidence that workplace labour productivity falls where the proportion of workers aged 22-49 falls, either due to a rise in the proportion of older or younger workers. The association between a fall in the proportion of workers aged 22-49 and falling workplace labour productivity does not, however, carry through to financial performance.

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