



Future of an Ageing Population: the current and future contribution of older workers

Unipart, Cowley - 16th June 2015

Meeting of local employers, council members, policymakers and civil society representatives.

Presentation: The Missing Million, Business in the Community

BITC's Missing Million research sets out the demographic challenges. It highlights the fact that having more people at work does not crowd out younger people, contrary to popular myth.

Between 2012 and 2022, an estimated 12.5 million jobs will be opened up through people leaving the workforce and an additional 2 million new jobs will be created, yet only 7 million new younger people will enter the workforce to fill these jobs. This will create a talent gap – we will need to recruit older people.

However, at the moment it gets harder to get a job as you get older.

BITC recommendations for government:

- Better integrate health and social care services with employers and employment support services - This is about public services working around people
- Legislate for a right to request flexible working prior to the commencement of a role, rather than after 26 weeks
- Implement a cross-government national skills strategy for older workers, including apprenticeships, IT skills training and adult learning support
- Introduce 5-10 days of paid care leave from paid employment and review potential of tax breaks to support families

BITC recommendations to business (this is our specialism):

- Address barriers to the recruitment of older people, for example by ensuring everyone involved in recruitment receives unconscious bias training and through opening up apprenticeships to older workers
- Innovate on agile work and job design, tailored benefits and new models of career success
- Adapt training and development to the needs of an age-diverse workforce
- Train line managers to provide the right support to people at all ages and career stages

Presentation: The Employer's Toolkit

The landscape of our workforce is changing as we are living longer. By 2022 the number of people in the workforce aged 50 to State Pension age will have risen to 13.8 million and the number aged 16-49 will have reduced by 700,000.

Toolkit: Employers and other sectors informed the content of the toolkit. Eventually the toolkit will cover the following sectors: Care, Construction, Health, Hospitality, Manufacturing, Public Administration, Retail and transport, education. These were identified because of early exit. This is not necessarily down to the demands of the job.

The Sector Skills Councils and trade bodies have been engaged in the process of drafting the guidance – e.g. NHS employers, Skills for Care, the Royal Haulage Association, and the Association of British Insurers. There are 17 sector skills councils. The Toolkit sectors were chosen by looking at people who are economically inactive between age 50 and the SPA and seeing what sectors they had come from.

The Toolkit was published in March but is an organic product. Toolkits for 3 of the sectors have been uploaded so far. The remaining sectors will be ready shortly. DWP are starting to plan the piece of work around monitoring the use and impact of the Toolkits.

Question to the employers present: Can you work with us to support the on-going development of the toolkit? Do you have suggestions, case studies we could include? If so, please contact us at fuller.workinglives@dwp.gsi.gov.uk.

Presentation: Helping the Workforce Age

This is about helping the workforce to age rather than helping an ageing workforce.

BMW focus on manual workers - 6000 employees

Today for Tomorrow is part of BMW's sustainability agenda - BMW is high in the sustainability index. There is a competitive advantage in managing the demographic change. We need a sustainable way of dealing with this. BMW has a value added production system. Every employee has to add value.

BMW uses the concept of biological age, rather than chronological age; this depends on a person's lifestyle.

BMW's policies and practices:

- Dealing with physical strain involves sharing out the workload – job rotation.
- Ergonomics - BMW's facilities have to be designed to be ergonomically friendly.
- They have a focus on healthy working and fitness – it is incumbent on employees to be fit to work, but BMW help with this through initiatives such as health checks. They recently gave out 5000 apples to employees.
- They have an on-site physiotherapist and Occupational Health help manage injuries – for example, if you have hurt your shoulder you can be put on a station that doesn't strain this part of your body.
- Rubber flooring to ease joints
- Shorter working patterns – got rid of four longer days
- Buddy arrangements for shift work, so people can work the shift patterns that suit them.
- Bridging pension until state pension kicking in
- Pre-retirement courses – independent financial advisor

BMW have an older workforce now but better attendance.

Key themes from discussion: The current and future contribution of older workers

Changing patterns of work

- Career trajectories are changing. You don't have to keep going up, but can downshift.
- Larger organisations have more capacity for flexibility (for working arrangements such as job shares), but SMEs may struggle with creating agile roles.
- You can't have a one size fits all culture.

- It was emphasised that in developing and implementing policies to address issues related to an ageing workforce, it's important for employers to recognise the implications of not getting it right and to avoid inadvertently promoting a "tick-box" culture. Additionally, it is important to understand what companies are doing to help the ageing experience of their workers rather than helping an ageing workforce.
- People are getting married, having kids and getting mortgages later – how does this affect behaviour?
- There are sectorial differences in patterns of work
- Organisations have different motivations for encouraging older workers. Barclays has said that their age positive shift is partly due to wanting their staff to reflect their customer base.
- Many employers and employees haven't fully considered the implications of life expectancy rises
- There are misperceptions in the narrative, stereotypes, and stories. The right things are in place but entrenched stereotypes are a barrier. Storytelling is key.
- Keeping up with tech skills will be a constant challenge for all ages.

Younger workers

- There are gaps in the younger workforce, for example people not bothering with pensions. This is a big issue building up over time. 60 year working lives are a big thing to conceptualise.
- Manufacturers will reap what they sow with their younger workers. It costs money to make changes, and the return on investment may not be felt for some time
- It was suggested that under-35s have a completely different relationship with the employers than over-35s. They move around more and have a different job ethic. How do employers cope with this change?
- In a series of 13 interviews with Barclay's employees of different ages, one younger person had just handed in their notice to join a start-up, despite being in a competitive graduate role. Older employees interviewed were more loyal. This is probably a cohort effect. What will these younger workers be like as they get older?

Recruitment bias

- Age-blind recruitment processes are important. Removing recruitment bias is important for having a process that brings in older and younger people. For example, by looking at the communications tools used to advertise vacancies.
- There can be issues around the conception of what defines an entry level job – there are often assumptions related to age and the type of person needed for a particular role.
- Conscious bias is an issue as well as unconscious bias. It was reported that recruiters sometimes say explicitly that they are concerned that people who are close to retirement might leave sooner – they have concerns about return on

investment. However, in reality, the figures show that older people are more likely to stay in post for longer than younger people.

Older people in lower skilled work

- In Florida there are a high degree of low skilled, low paid jobs in hospitality, with lots of older workers.

Workers with caring responsibilities

- In the UK care leave is at the discretion of the employer. In Germany you can take time off for caring but don't have to reduce your salary by the same proportion – you pay back later by working extra hours.
- It is important to prove a business case for initiatives such as those that support workers with caring responsibilities. Companies may want to do this, it was suggested that it is better not to impose more legislative burdens

Physical demands of work on older workers

- Concern: How do we enable small business to employ older workers in roles that involve physically demanding tasks?
- Biological age (as opposed to chronological age) is a concept that is used by BMW and could be shared with LEPs and businesses.

Key themes from discussion: Managing older workers – policies and practices

Mentoring schemes

- These can be effective. In the SME sector, volunteer mentoring is very popular.
- There has been a fear in the past that mentoring was a role given older workers who were not very productive. However, this was not the experience of the employers present.
- Mentoring happens in Oxford as part of CSR between the voluntary and private sectors

Mid-life career reviews

- These can be important
- There is access to funding for career reviews for people who are unemployed. Some LEPs are looking at funding for employed people.
- People need checkpoints throughout their career, not just at mid-life.

Engaging older workers

- One of the key findings of the Foresight Evidence Review by Peter Buckle is that older workers need appropriate motivation to remain in employment, and managers need training to get the best out of older workers. This happens in Europe.

- It is about helping the workforce to age rather than helping the ageing workforce. Policies and measures are needed throughout the workforce. Psychological comfort and mental health are important.
- It is important to understand what managers are doing to help their older workers. They need to be able to scale their ideas.

Highly skilled older workers

- Highly skilled workers are the most valuable to an organisation – managing these people becomes knowledge management. Outsourcing is often at the lowest level of skill.

Key themes from discussion: Designing the work experience for older workers

Wellbeing and mental health

- This is not just an issue for older workers.
- Are resilience and psychological wellbeing a particular issue in the knowledge sector?
- Honest and frank conversations about mental health in the workplace are at very early stages.

Occupational health

- Health initiatives in the workplace are often taken up by the wrong people. There is a problem that the people who want to engage in information and programmes about staying healthy are the people who are already healthy.
- There are questions around the behavioural psychology involved. Some employees may fear that poor results in a workplace health check, for example, could count against them.
- Small businesses often can't afford occupational health departments.

Shift work

- Shift work has been shown to get harder as you get older
- You need good health screening and occupational health to manage shift working. People should be dealt with on an individual basis. Some older workers chose to work night shifts.

To what extent will the market lead on making adaptations for older workers vs to what extent is intervention needed?

- Both are needed. Companies should see the advantages, and link to CSR. This can give them a productive workforce, and fits with a long term business plan. Companies need to remain competitive. They need an experienced, qualified workforce
- Manufacturing companies have always led the way on this. They develop good practice that can be shared. Higher Education needs to learn from Manufacturing.

- However, making adaptations for older workers can be much harder for SMEs. Big companies can demonstrate the economic case for interventions and should push examples down to SMEs to help turn theory into practice. Employers listen to other employers.
- It is important to demonstrate the business case for interventions and make the benefits clear
- Employers present suggested that this could be left to companies to lead by good example, rather than government intervention.