

Managing an ageing workforce in the “other community” sector

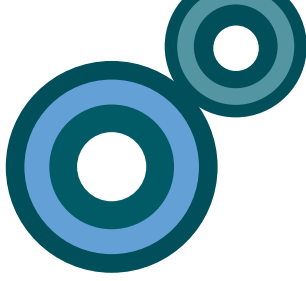
A report for employers

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Produced for the Department
for Work and Pensions
By the Centre for Research
into the Older Workforce

age**partnership**group
Targeting Employers®





Age Partnership Group (APG)

This research is one of a number of projects commissioned by the DWP on behalf of the APG as part of the National Guidance Campaign (NGC).

The APG was formed in 2002 and consists of a number of national organisations who represent different aspects of employers needs, for example, small business representatives, trade unions, HR and Personnel managers, local government, other government departments, accountancy, insurance and training organisations. There are separate groups representing England, Scotland and Wales.

The NGC aims to raise employers' awareness of, and ability to adopt, practical information and guidance on age diverse employment practices. This includes flexible employment and retirement opportunities in order to increase the recruitment, selection, promotion, training and retention of older employees prior to the implementation of age legislation in October 2006.

You can view the Age Partnership Group website at www.agepositive.gov.uk/agepartnershipgroup

Legislation

In March 2006, the Employment Equality (Age) Regulations 2006 were published. The regulations are the last major stage of the European Employment Directive and will come into effect on the 1st October 2006.

The regulations prohibit age discrimination in employment and vocational training. They apply to individuals of all ages in work, seeking work or looking to access vocational training and to all employers, and to all providers of vocational training and vocational guidance (including further and higher educational institutions).

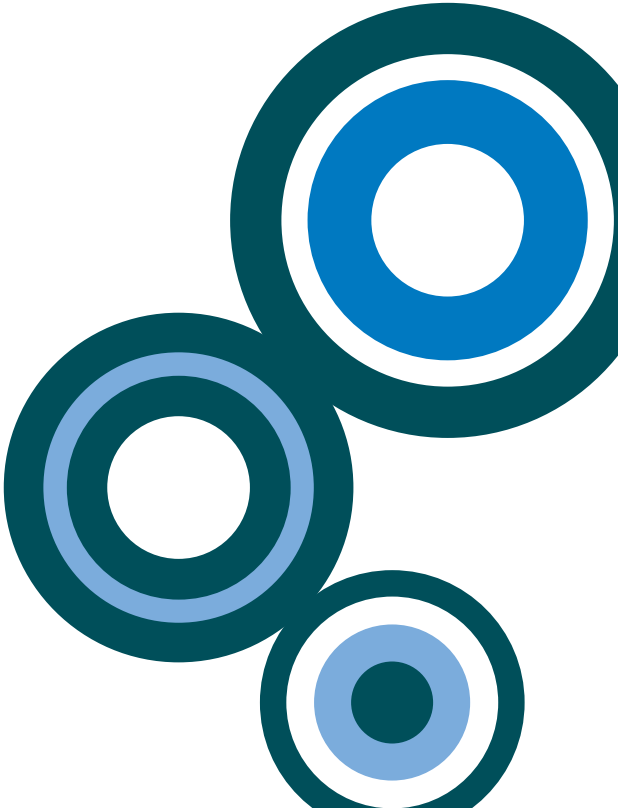
The regulations can be viewed on the Department of Trade and Industry website at www.dti.gov.uk/employment/discrimination/age-discrimination/index.html

Disclaimer

This report has been commissioned to provide information only. Responsibility for the views expressed in this report rests solely with the authors. The members of the Age Partnership Group (APG) and the Department for Work and Pensions (DWP) do not accept responsibility for the views of the authors.

Content

- Introduction 4
- 1. Summary: key age issues for community sector employers 5
- 2. The shape of the “other community” sector 6
- 3. Age discrimination in employment 8
- 4. Recruitment and promotion 10
- 5. Pay and conditions 13
- 6. Retirement and redundancy 15
- 7. Management and training..... 19
- 8. Managing age in the “other community” sector: discussion questions 21
- 9. About this paper 22
- 10. Responding to this paper 23
- 11. Further information 24



Introduction

This report is about how firms in the “other community” sector are managing an ageing workforce. It has been written for the Department for Work and Pensions (DWP) by the Centre for Research into the Older Workforce (CROW) to help employers to make better use of older workers. It also helps to raise awareness of the new Employment Equality (Age) Regulations 2006, which become law in October 2006, and prohibit age discrimination in work or training against people of any age.

Workforce ageing presents a growing challenge to most employers. Birthrates have been falling for many years, and in the next few years the numbers retiring will outnumber young people entering the labour market. The government believes that the resulting skills gaps and labour shortages in many industries can be reduced if employers can find ways of making better use of older workers, and encourage people to stay in work longer.

However, every industry has its particular features, and this report outlines the special issues affecting the “other community” sector, based on a large national survey of employers. It highlights employment practices in the sector which will be hazardous under the Age Regulations, and aims to stimulate discussion and improved practice in firms.

This report is not intended to be an authoritative statement on the age discrimination law itself. Details of how to obtain the Regulations, and advice about them, can be found at the end of the report. However, while the Regulations make some activities unlawful, it is for the Courts and Employment Tribunals to interpret this in specific cases. The term “hazardous” is therefore used in this paper to describe activities which might be ruled unlawful if a case is brought. We suggest that employers need to review their practice in these areas.

During 2006, CROW will explore these issues in more depth through case studies of firms in seven sectors, and DWP plans to publish the resulting Research Report in 2007.



1. Summary: key age issues for “other community” firms

The sector of the economy defined in Government statistics as “other community” is complex and diverse. It includes private sector activities, like the media; public sector services like libraries and museums; activities which are in the private sector but subject to public subsidy and regulation like the arts and sport; and voluntary organisations of all kinds.

Public and private sector organisations generally tend to adopt different approaches to human resource management. The former are much more likely to have formal processes, like equal opportunities policies and formal appraisal systems which could help avoid unfair age discrimination. However, they also tend to have well established national agreements which include hazardous practices like long incremental pay scales or low retirement ages.

The sector is unusual in having a high proportion of employees under 24 and a high proportion over 65. Private sector employers in this sector are generally more flexible about working patterns and extending working life than public sector ones, who tend to enforce fixed retirement ages (some of which will be unlawful under the Age Regulations). However, one in six public sector employers actively seek to recruit people over 50 and few take the time left to retirement into account when recruiting staff.

Common hazardous practices in the Community sector

Common practices in this sector which may need review if employers are to avoid breaking the Age Regulations:

- **using length of experience as a selection criterion.** This affects two thirds of all employers in the sector. Length of experience is a substitute for assessing competence, and is hazardous, since it disadvantages younger workers.
- **using qualifications as a selection criterion,** (mainly in the public sector, only half of private sector employers do this). This is lawful, provided that the qualifications are relevant to the job, and alternatives are accepted for candidates of different ages.
- **using long incremental pay scales.** The regulations allow incremental scales up to five years, but in this sector one employer in six operates longer scales, which will need objective justification under the Regulations.

Unlawful practices in the Community sector

The following practices are less common, but unlawful, and firms who use them will need to make changes if they are to remain within the law.

- 73% of public, and 20% of private, employers set **maximum recruitment ages** (unlawful if more than 6 months before the employer’s retirement age).
- 47% of public, and 30% of private employers set **compulsory retirement ages** (unlawful below 65 unless objectively justified).
- 50% of public and 38% of private employers use **age or length of service (which reflects age) in selecting for redundancy and setting redundancy pay levels.**

2. The shape of the “other community” sector

The nature of the age management issues facing a sector depends on factors like the average size of firms, the age and skills profile of the workforce, and future expectations of growth or contraction. This section outlines this context for the “other community” sector.

The sector which government statistics defines as “Other Community, Social and Personal Service Activities” is extremely diverse¹. It employs 1.5 million people (5% of the national workforce), in 143,000 establishments and produces 5% of total UK output. It covers membership organisations, recreational, cultural and sporting activities, radio and television, theatres, libraries, museums, sporting and gambling, and a range of miscellaneous activities like funeral services and hairdressing. Employees are concentrated in professional and associate professional roles (30%) and in personal services (19%).

The diversity of the sector, ranging from national newspapers and broadcasters to local voluntary organisations with a single employee, makes generalisations about a “sector” particularly dangerous, since major problems in one area may be masked by overall averages. However, the issues which this reports highlights are the ones which employers in the sector would be wise to review to avoid unlawful practice under the Age Regulations.

Unlike most other sectors, where employment is predominantly in either public or private sector, “other community” bridges both, with, for example, the media predominantly in the private sector, and museums and libraries in the public. It also has a significant number of organisations in the voluntary sector. Since public and private organisations tend to behave differently in terms of human resource management, this report presents the figures for the two parts of the sector separately².

The sector is supported by three Sector Skills Councils:

SkillsActive - sport and recreation, health and fitness, playwork and caravans

Skillset - Broadcast, film, video, interactive media and photo imaging

Creative and Cultural Skills - advertising, crafts, cultural heritage, design, music, performing, literary and visual arts.

Across the whole sector, output growth, and the number of establishments, are both falling, and this is predicted to continue. However overall employment in the sector is expected to rise, creating a need an additional 862,000 employees by 2014; equivalent to 56% of the current workforce.

Firms in this sector are very small, with a very high proportion (90%) employing under 11 people. They are less likely than firms generally to have formal business planning processes.

¹ The sector includes all employment in the Standard Industrial Classification Codes 91-93 (code 90 “Sewage and Refuse Disposal” has been excluded from this report).

² Voluntary organisations are grouped here with private ones since they tend to behave similarly on these HR issues.



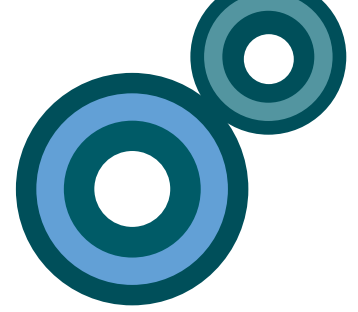
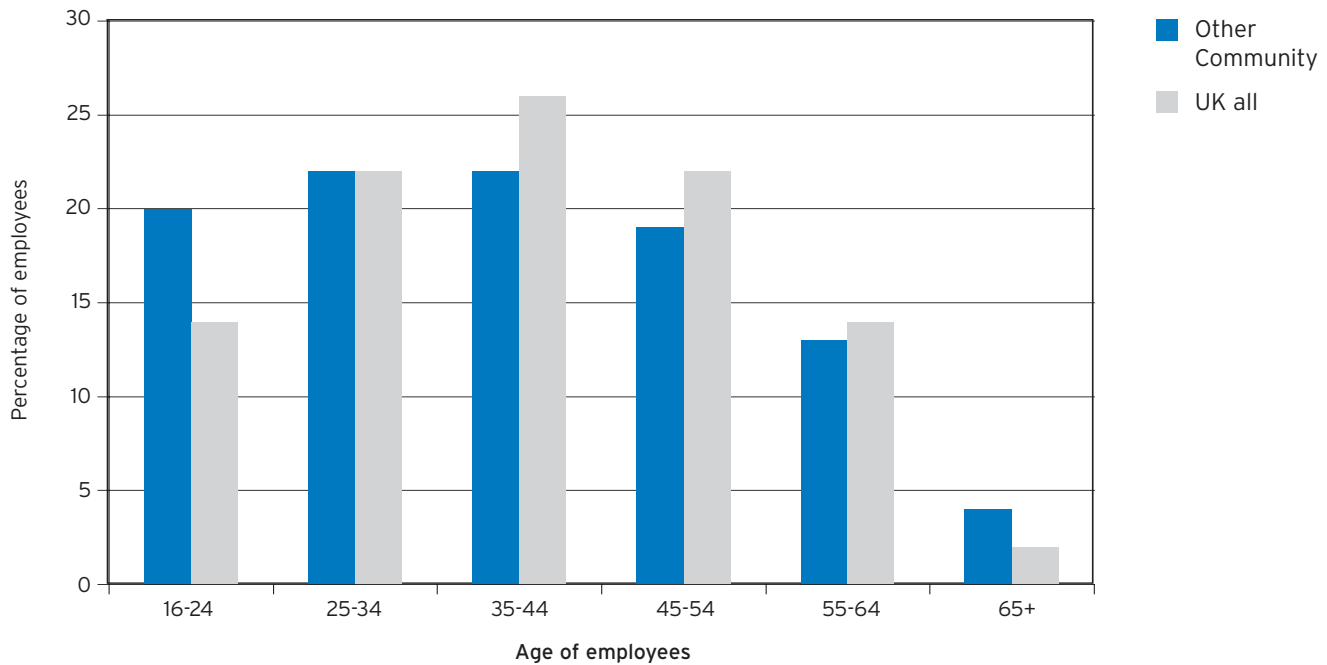


Figure 1 The age profile of the “other community” sector workforce



The sector is unusual in having a very high proportion of employees under 24 and over 65 (the latter the highest of any sector). Other distinctive features of the workforce are a high proportion who are self employed (24%), female (53%) and working part-time (35%). Nearly one third of all employees are in London and the South East, probably reflecting the role of the media and the arts in London.

By comparison with other sectors, “other community” has relatively few labour problems. Fewer than one firm in five reports vacancies, these are mainly for Personal Services workers and Managers, and the sector training activity broadly matches the national profile.

3. Age discrimination in employment

Age discrimination at work is common. It can affect people of any age, but is particularly likely to involve older people, and more than one in five workers over the age of 50 say that they have experienced it either when applying for jobs or in the workplace³. In countries where age discrimination law is already in force, it is the commonest cause of discrimination cases in the courts.

From October 2006 it will be unlawful for any employer in the United Kingdom to discriminate against or harass anyone on grounds of age, directly or indirectly, in relation to either employment or vocational training. This will cover arrangements for recruitment and promotion, pay and conditions, education and training, and retirement and redundancy.

There are exceptions: in relation to retirement, where it will be lawful to make an employee retire at a given age, provided this is not below 65 (for men and women); and where an existing statutory provision exists (like the Minimum Wage Regulations). An employer may also be able to justify discrimination if it is designed to correct an age imbalance in his workforce; if there is a legitimate business reason (and the discrimination is proportionate); or if there is an objective justification (likely to be very rare). The Regulations, and advice on their interpretation, can be found on the DTI and ACAS websites⁴.

Some features of age discrimination are common to most employers⁵.

- Indirect discrimination is more common than direct discrimination. DWP and DTI's joint survey, conducted by the National Institute of Economic and Social Research (NIESR), found few examples of direct discrimination, but one in five employers believe that some jobs are better done by people of particular ages. Where such beliefs exist, discrimination is more likely.
- Discriminatory attitudes are more likely to be found in private sector firms, and especially small ones⁶ in sectors like manufacturing and construction. These are also the firms and sectors where there are least likely to be formal procedures and policies to protect against unfair discrimination.
- The most common hazardous practices involve setting age limits on recruitment, especially for those over 50, and using age as a basis for decisions on compulsory retirement and redundancy.
- About half the workforce is covered by a compulsory contractual retirement age. In most cases this is already 65, which is the new "national default retirement age". However, even where firms plan to retire staff at 65, they will have to give formal notice of retirement dates and seriously consider requests to stay longer.

³ Discrimination is difficult to measure precisely, since it is subjective, and affected by levels of public awareness of age issues, and many people regard it as "normal". In a CROW postal survey of workers over 50 in 2004, 20% reported age discrimination. In research by the University of Kent for Age Concern England 29% of people reported experiencing age discrimination (compared to 24% for gender).

⁴ See "Further Information" at the end of this report.

⁵ Information based on DWP and DTI's joint survey national survey of employers' policies practices and preferences, conducted by NIESR (see "Further Information"), although because this is new secondary analysis not all figures are directly comparable. Also, for certain policies and practices respondents were asked to answer in respect of their largest occupational group rather than for the workforce as a whole.

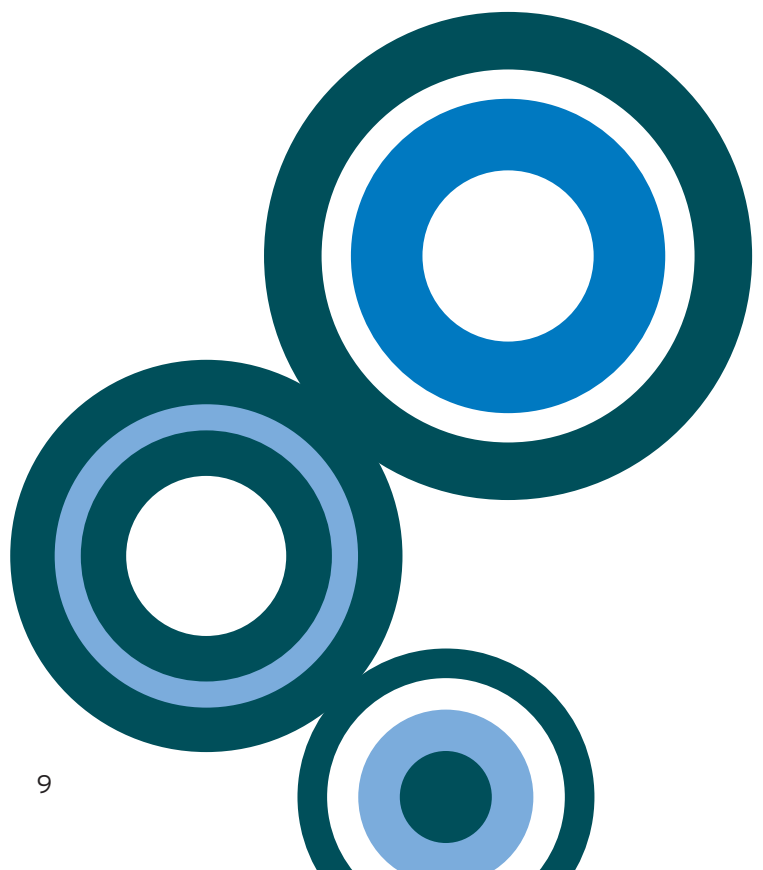
⁶ In this report "micro" firms have 5-19 employees, "small" employ 20-49, "medium" employ 50-249, and "large" employ 250 or more (the survey excluded firms employing fewer than 5 employees).

- Public sector and large private sector organisations, are more likely to have formal procedures (like appraisal schemes or equal opportunities policies) to protect against discrimination, especially where a Trades Union is recognised. However, these organisations are also more likely to have long standing formal agreements which include provisions which are hazardous under the Age Regulations, including contractual retirement ages below the new national default retirement age of 65.
- Two occupational groups are particularly at risk from discriminatory practices. These are professional and associate professional/ technician staff, both of whom are particularly likely to be exposed to discrimination in setting pay, long incremental pay scales, and access to training.

The tables in this paper identify hazardous practices identified in DWP/DTI's employer survey, indicating those which are most common among employers in "other community", and among employers in general.

Some of the provisions in the Regulations allow an employer to claim an "objective justification" for a practice which would otherwise be unlawful. Such justifications require the employer to be able to show that his or her action is a proportionate means of achieving a legitimate aim. It will be for Employment Tribunals and the County Courts to rule on what is justifiable under these provisions.

The Regulations also allow some practices, like incremental scales, where pay or terms of employment improve with length of service, but only up to five years, beyond which they will need to be objectively justified.



4. Recruitment and promotion

The key principle in all selection for employment or promotion is that decisions should be fair, and based on the individual's competence for the job, and not on arbitrary factors like age (or gender or race etc).

The research evidence shows that work performance in most jobs does not decline with age before the late 60s, provided individuals are healthy, motivated and kept up to date.

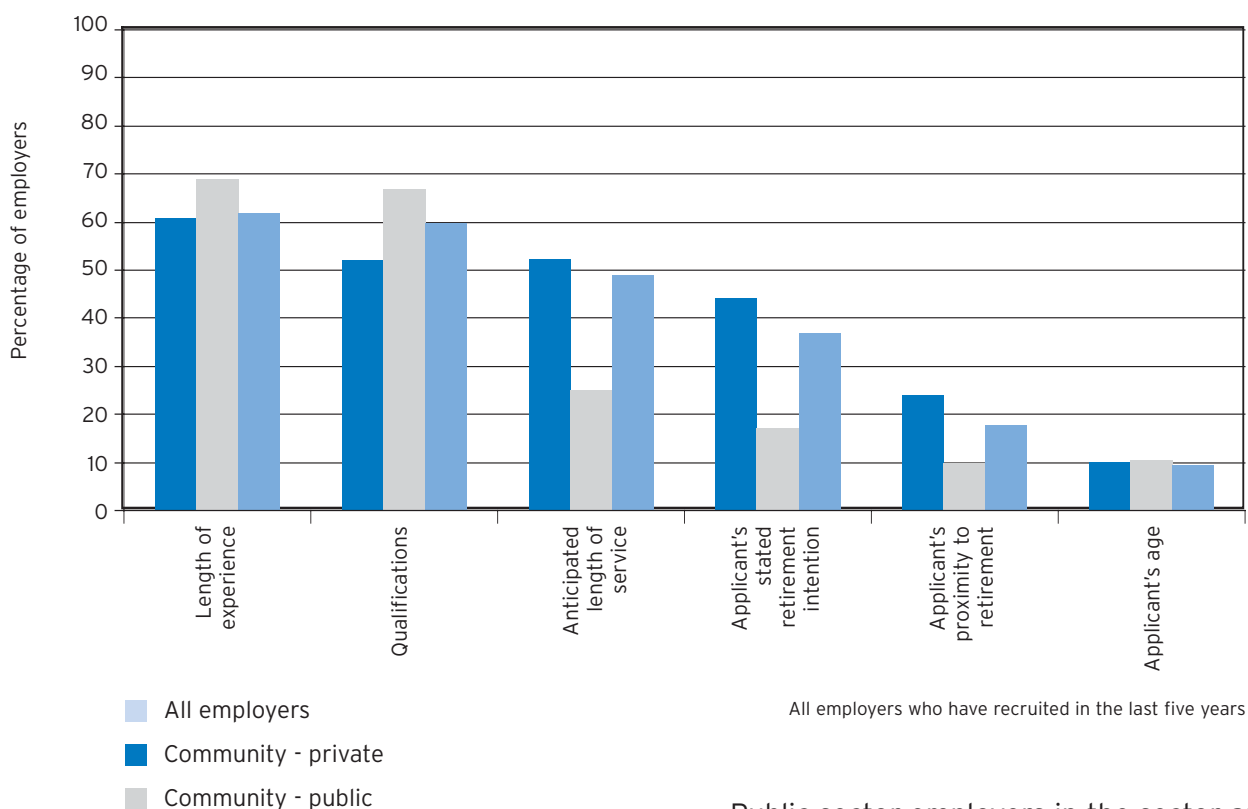
Across the workforce as a whole, the commonest hazardous practices in recruitment and promotion involve excluding applicants,

either directly (by specifying ages), or indirectly (e.g. by specifying years of experience, rather than specific capabilities) in advertisements, job descriptions and interview criteria.

Table 1 on page 11 shows the most common areas of hazardous practice in the "other community" sector (with figures for firms in general for comparison):

Practices followed by more than half of firms in the sector are highlighted:

Figure 2 Factors taken into consideration in recruitment



Public sector employers in the sector are more positive than private sector ones about recruiting people between 50 and State Pension Age, with one in six encouraging applications from people fifty and over when filling vacancies, and few say that they consider age, or time left to retirement, in recruitment or promotion decisions (Fig 2).



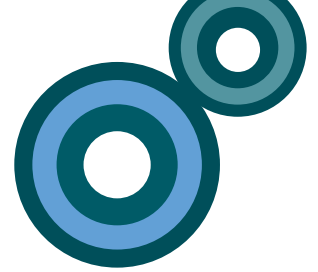


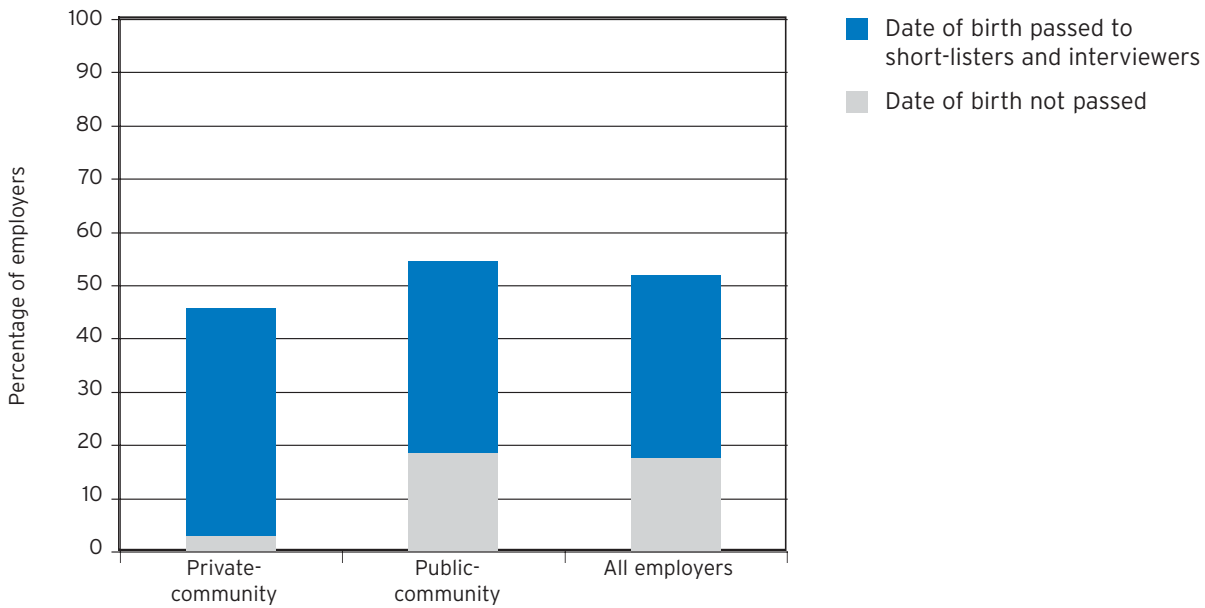
Table 1

Recruitment and promotion	Comments	% of firms reporting in other community activities-private	% of firms reporting in other community activities-public	% of firms reporting, all sectors
Maximum recruitment ages are specified	Unlawful if set more than six months before the company's retirement age unless objectively justified ⁷ .	20	73	29
Selection criteria based on length of work experience of any kind	Indirectly discriminatory. The test must be individual capability not experience; unless an objective justification can be demonstrated.	61	69	62
Selection criteria specify qualifications	Lawful if the qualification is directly relevant to the job, and equivalent qualifications are accepted for candidates of different ages.	52	67	60
Application forms ask for date of birth/age	Lawful to use for monitoring purposes and conforming to Statutory requirements. Potentially discriminatory. ACAS recommends removing this information (as with other equal opportunities information) before shortlisting.	42	52	48
Age information is provided to recruiting staff	Increases risk of discrimination.	42	43	44
Selection decisions are based on remaining period to retirement	Discriminatory unless a clear business justification can be demonstrated ⁸ (like the cost/time required to train, relative to the expected years of work).	24	10	18
Age criteria are used directly in recruitment, or particular age ranges are targeted	Unlawful unless required by Statute, or for positive action reasons (e.g. to compensate for the under representation of a particular age group).	9	10	9
Selection decisions are based on expected length of service, judged by age	Unlawful	9	3	7
Job advertisements specify age	Unlawful , unless there is a genuine occupational requirement (e.g. a young actor for a young part).	9	0	6

⁷ If the employer does not have a compulsory retirement age, they set a maximum recruitment age of 64 1/2.

⁸ See also "maximum recruitment age".

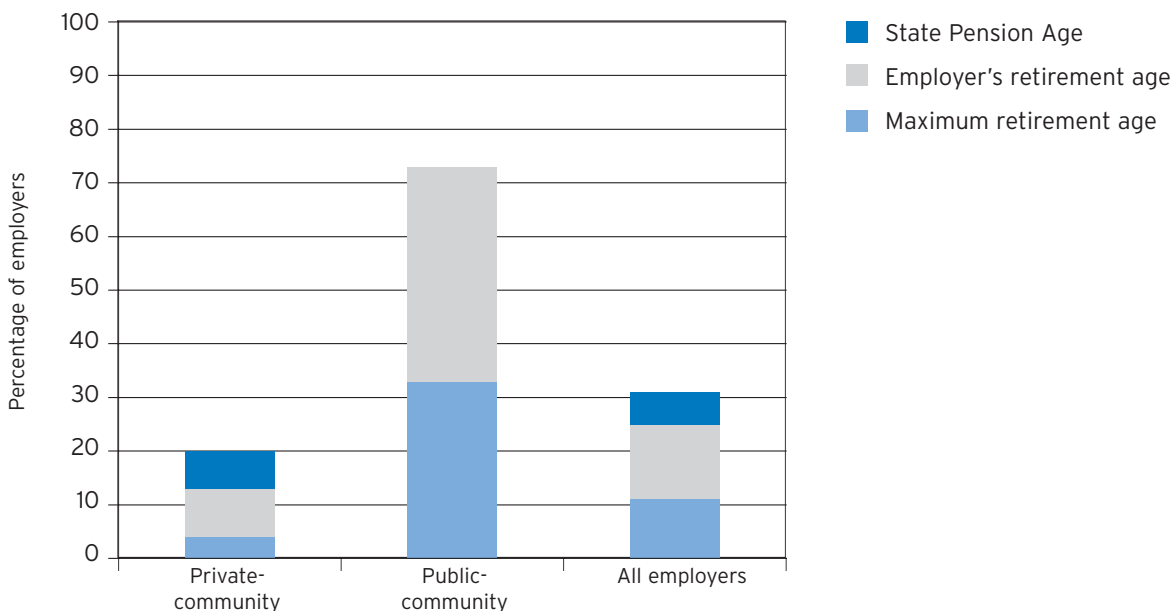
Figure 3 Application form asks for date of birth



It is common for employers in this sector to ask for date of birth on application forms (Fig 3), which is lawful if there is a genuine business need (for example, in order to comply with statutory regulations on employing young people) or for

monitoring purposes. However, a high proportion of employers here, especially in the public sector, make this information available to shortlisting and interviewing staff, which increases the risk of unlawful age discrimination.

Figure 4 Employers who would be unwilling to recruit over:



Most public sector employers in the sector set a maximum recruitment age. One in three sets a limit below their normal retirement age. Under

the Age Regulations it will be hazardous to set a maximum recruitment age more than 6 months before the national default retirement age of 65.

5. Pay and conditions

The key principle in setting pay and conditions should be fairness. Where individuals are treated differently, this should be on the basis of a different contribution or skill, not on age, or on a factor which is a proxy for age (like years of service). This applies to people of all ages, and those over an employer's normal retirement age are equally protected by the law⁹.

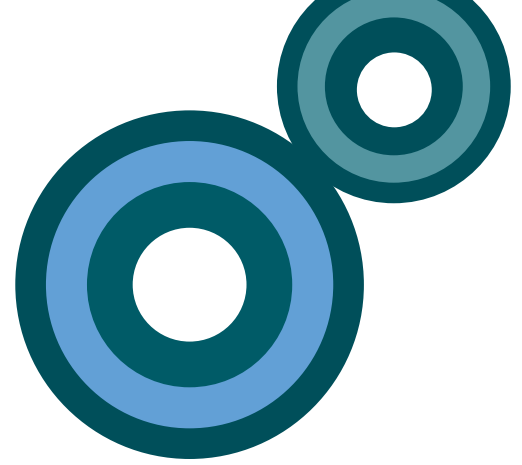
The Regulations do, however, allow different treatment where this can be "objectively justified" as a "proportionate" way of achieving "a legitimate business purpose". Rewarding long service can, for example, be justified if it can be shown to benefit the business by increasing staff retention, and the sums involved are reasonable¹⁰. The table shows the most common areas of hazardous practice in the "other community" sector.

Table 2

Pay and Conditions	Comment	% of firms reporting in community - private	% of firms reporting in community - public	% of firms reporting- all sectors
Starting salary takes experience into consideration	Potentially discriminatory, since experience relates indirectly to age, and does not directly measure competence.	56	43	58
Annual leave entitlement is based on length of service	Lawful if five years or less or it fulfils a business need like retaining experienced staff. More common in large firms (affects 44% of all firms but 58% of all employees).	44	90	44
Incremental pay scales are used	Unlawful if scale covers more than 5 years (which occurs in 5% of all firms), unless it can be objectively justified.	39	59	36
Long service awards	Lawful if five years or less or it fulfils a business need like retaining experienced staff. More common in large firms (affects 33% of all firms but 54% of all employees).	20	24	33
Separate youth rates of pay	Only lawful in specific circumstances relating to the National Minimum Wage or Apprenticeships.	18	17	11
Starting salary is dependent on age	Unlawful	10	13	13
A maximum age is set for eligibility for sick pay	Unlawful	2	7	6
Selection for training depends on period to retirement	Potentially indirectly discriminatory (7% of all firms set a limit of more than 1 year). Objective justification is possible in terms of business benefits such as the cost set against predicted return.	7	0	8

⁹ The upper age limit for unfair dismissal claims is being lifted under the new regulations, and employees over their firm's retirement age will have full protection against discrimination.

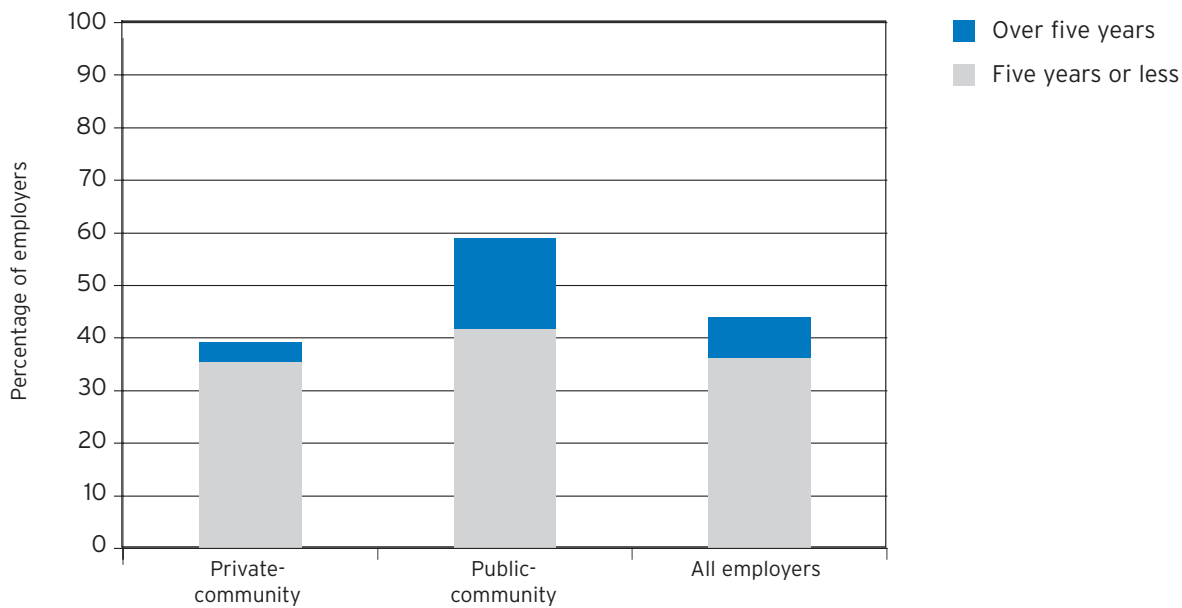
¹⁰ This is a complex area. Advice is available on the ACAS website (see "Further Information" below).



In general, community sector employers are no more likely to adopt hazardous practices on pay and conditions than other employers. However, a majority of public sector employers use length of service to determine pay, which is hazardous under the Regulations, and one firm in six has incremental scales which are longer than the five year maximum permitted under the regulations (Fig 5). This will be unlawful, unless the employer can demonstrate that it represents a proportionate means of achieving a legitimate business need.

A very high proportion of public sector employers in the sector base annual leave entitlements on length of service, which is hazardous under the regulations, since length of service reflects age, and employers would need to be able to demonstrate a legitimate business need, like increasing staff retention, to justify this.

Figure 5 Employers who use incremental pay scales



6. Retirement and redundancy

The Age Regulations introduce a new national Default Retirement Age of 65 for both men and women. An employer can lawfully set a retirement age at 65 or above, but can only set a lower retirement age if there is an objective justification (which is expected to be very rare, since age itself is rarely a qualification for a job). Whatever retirement age the firm adopts, the employer will be required to give individuals formal advance notice of their retirement date, and must consider requests to stay on after that.

The key principle here is that, up to the firm's retirement age, exit from the firm through either retirement or redundancy should be based on individual capability and contribution, and personal preference, not on age.

In relation to redundancy and unfair dismissal, the Regulations extend the same rights to all employees, whatever their age, removing the previous age limits. Statutory redundancy entitlements remain unchanged. An employer can use age or length of service to enhance redundancy payments, but only in accordance with the rules specified in the Age Regulations.

In this area, the greatest hazards concern the setting of compulsory retirement ages and the use of age in selection for redundancy or setting levels of redundancy pay.

The table shows the most common areas of hazardous practice in the "other community" sector.

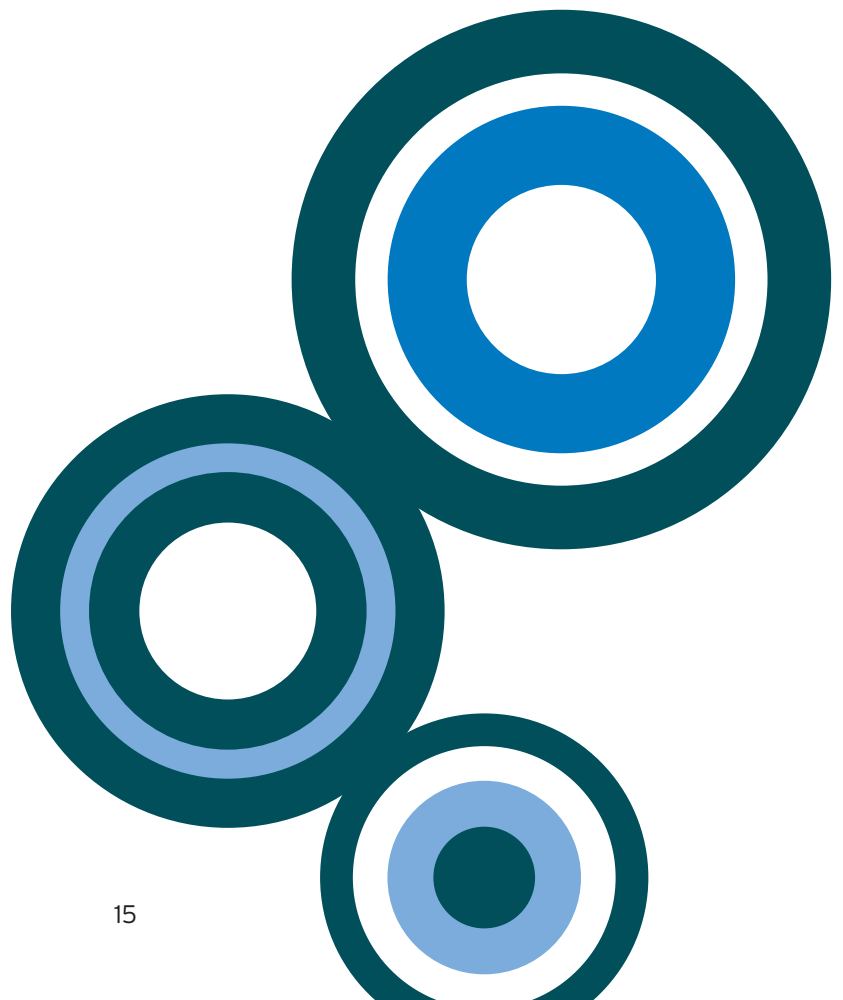


Table 3

Retirement and Redundancy	Comment	% of firms reporting in community activities-private	% of firms reporting in community activities-public	% of firms reporting - all sectors
Redundancy decisions based on length of service	This discriminates indirectly since longer service correlates with age.	48	50	49
Level of redundancy pay based on length of service	Can be indirectly discriminatory against younger employees. Length of service is used for compulsory redundancy decisions by 27% of all firms but affects 38% of all employees. For voluntary redundancy it is used by 23% of all firms but affects 38% of all employees.	29 compulsory 27 voluntary	48 compulsory 38 voluntary	27 compulsory 23 voluntary
Compulsory retirement ages	Unlawful if below 65 (which affects 6% of all employers). 50% of the UK workforce is affected by compulsory retirement ages (because the latter is more common in large firms). However, in most cases the fixed age is 65, which will remain lawful, although employers must consider requests to stay on.	30	47	37
Age is used in selection for redundancy	Unlawful. The decision must be based on requirements of job and competence of staff, or positive action to maintain an age balance.	11 compulsory 3 voluntary	38 compulsory 10 voluntary	14 compulsory 5 voluntary
Level of redundancy pay is affected by age	Unlawful. Affects only 10% of all firms, but 17% of all employees (because it is more often used in larger firms).	8 compulsory 10 voluntary	27 compulsory 24 voluntary	10 compulsory 9 voluntary
Redundancy decisions based on current salary	Likely to discriminate indirectly since salary levels generally correlate with age.	6	10	7
Compulsory redundancy decisions are based on "last in first out"	Likely to discriminate indirectly against younger employees.	28	10	28



A large proportion of employers in the sector have compulsory retirement ages below 65, usually 60. This is particularly the case in the public sector, where one in five had retirement ages below the new national default retirement age. This will be unlawful under the Age Regulations, and firms will have to change their policies to comply.

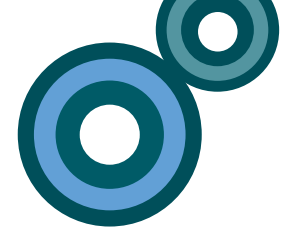
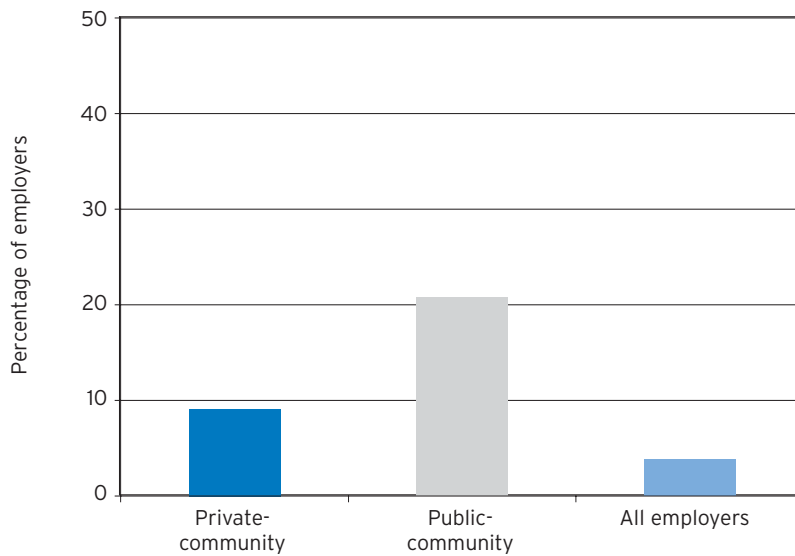


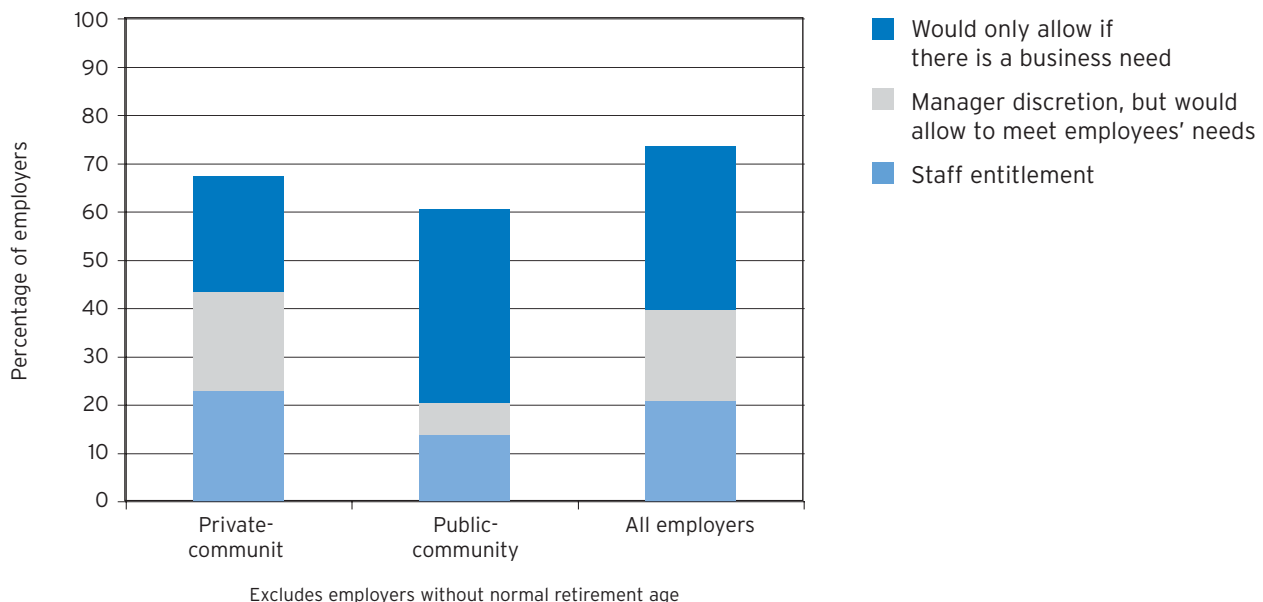
Figure 6 Retirement age under 65



Community sector employers were as likely as others to consider requests to work beyond the firm's normal retirement age, but were less likely to accept such requests unless there was a direct business need. In practice, employers in this sector are less likely than employers generally to allow employees to work beyond retirement age, and this is particularly true in the public sector.

Less than half of organisations surveyed had employees who were older than their normal retirement ages, and fewer than one in six gave employees a right to stay in work past the firm's retirement age. Although this sector is one of the major employers of people after 65, it is still a minority of employers who do this.

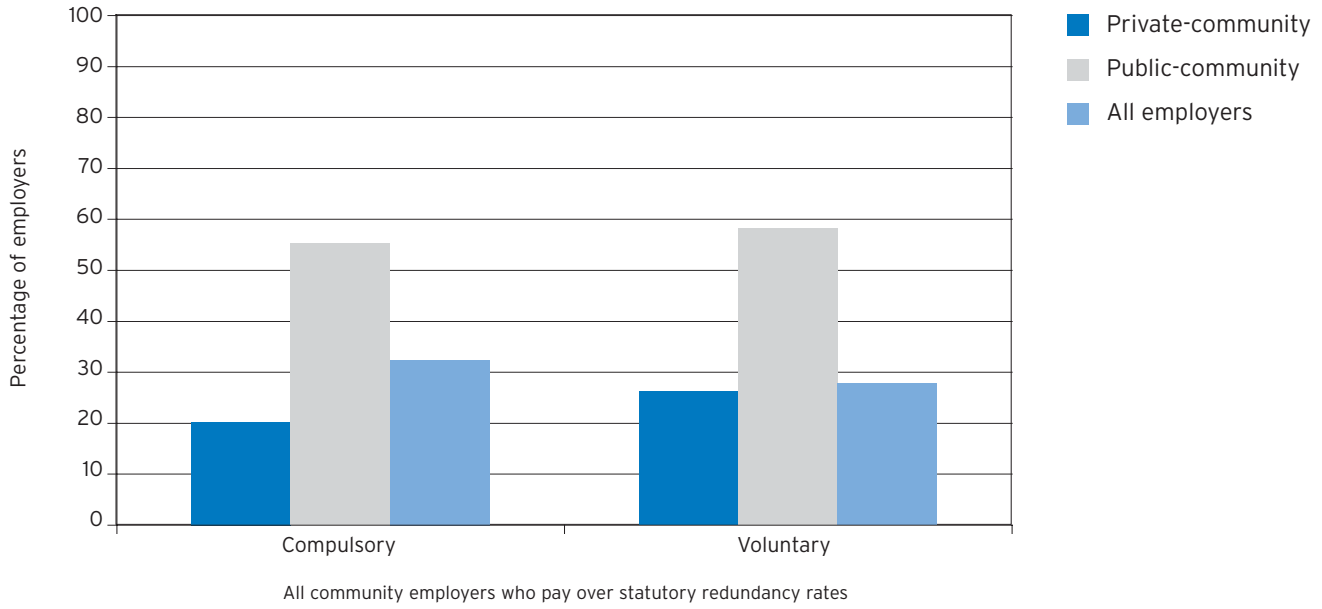
Figure 7 Staying in work past normal retirement age



A small, but significant, minority of employers, mainly in the public sector, use age as a criterion in selecting for redundancy, and a majority who make redundancy payments above the statutory minimum use age in their calculations (Fig 8).

These practices are hazardous, and the use of age to calculate redundancy pay will only be permissible within the rules laid down in the regulations.

Figure 8 Redundancy pay based on age



7. Management and training

There are a variety of management practices which can reduce the risk of legal disputes under the Age Regulations. Table 4 identifies the

commonest ones, and shows what proportion of firms in the “other community” sector, and the economy in general, use them at present.

Table 4

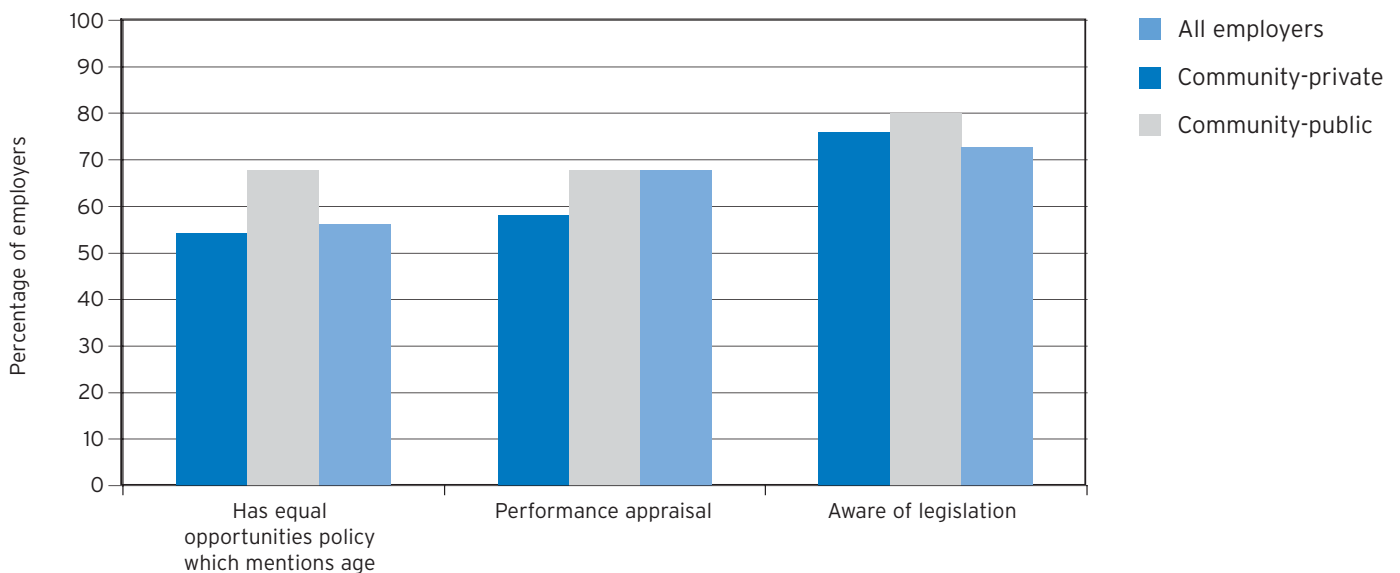
Management and training	Comment	% of firms reporting in community activities-private	% of firms reporting in community activities-public	% of firms reporting, all sectors
Equal opportunities policy exists	Having a policy makes expectations clear to managers and staff, and makes monitoring easier.	68	88	72
	Equal opportunities policy explicitly mentions age.	54	68	56
	Policy implementation by age is monitored (only those with age policies).	54	63	49
“Age blind” recruitment practices	Removing dates of birth and age data from applications before they are considered by selectors reduces the risk of discrimination (although training recruiters is also important). Some firms collect this information on equal opportunities monitoring forms which are removed before forms are passed for short listing.	39	50	43
Providing work related training for all staff	There is a direct relationship between participation in training and staying longer in work.	70	75	70
Formal performance appraisal	Ensures that employees are clear about objectives, that performance is recognised, and untapped talents are used. This will also be relevant when firms have to consider formal requests to stay after a firm's retirement age.	58	68	68
Formal assessment for promotion	Formal assessment increases the chances of promoting the most valuable people, and reduces the risk of discrimination (4% of all firms currently have age related criteria, which will be unlawful).	41	38	37
Flexible working	Many employees, especially those with childcare or eldercare responsibilities, and those approaching retirement, would like to work part-time or flexibly. Offering flexible working improves retention and motivation of key staff	89 for childcare 86 pre-retirement 93 for elder care 78 for any reason	100 for childcare 88 pre-retirement 63 for elder care 50 or any reason	82 for childcare 78 pre-retirement 74 for elder care 51 for any reason
Flexible retirement ages	Flexible retirement allows individuals to work longer and employers to continue to make use of skills and expertise.	33 offer to all staff 4 offer to some staff	50 offer to all staff 25 offer to some staff	50 offer to all staff 4 offer to some staff

Most employers in this sector have equal opportunities policies, which can help protect them from charges of unfair discrimination, and the proportion is higher in the public sector. More than half also have formal appraisal and performance management systems, which reduce the chance of unfair discrimination in promotion and decisions on retirement and extending working life. Two thirds of public sector firms, and half of private sector ones say that they monitor HR policies on age, and most are aware of the new age discrimination legislation. Most public sector firms provide equal opportunities training for managers, but only a quarter of them include age diversity in this. In the private sector,

on the other hand, only half of all community employers provide training in equal opportunities to managers, and only one in eight covers age diversity in this training.

None of the employers surveyed said that age itself plays a direct role in deciding who to train, although one in six private sector firms take into consideration the potential length of service of candidates, and one in twelve considers the employee's proximity to retirement. This is hazardous unless employers can demonstrate that this is a proportionate response to a legitimate business need.

Figure 9 Prepared for age discrimination regulations



8. Managing age in the “other community” sector: discussion questions

The following questions are designed to help you, as an employer in the community sector, to plan how you will respond to an ageing workforce and the Age Regulations:

1. How concerned are you about **skills gaps and shortages** in your sector, and do you believe current labour market predictions about this?
2. Do you think that **a different age mix** in the workforce could help overcome these?
3. Do people generally in your sector **have strong views about appropriate age ranges for particular jobs** which would limit the opportunity to change the age mix?
4. Is your **ability to change pay and conditions** limited by national agreements, or regulations like “licence to practice” rules? How can you tackle this?
5. Policymakers sometimes assume that all firms in a “sector” are alike. In your sector are there particular **kinds of firm which are very different** in their approach to age management?
6. How easy is it to **extend working lives** in your sector? Does this apply more to some groups of staff than others?
7. Are there **traditional career patterns** in your sector which might change if working lives became longer (e.g. “downshifting” or mentoring roles for older workers)?
8. Older workers often prefer **to work part-time or on a flexible basis**. How easy is it to do this in your sector, and what might be the constraints?
9. Are there jobs where **physical demand or levels of stress** make extending working life more difficult? Are there ways of overcoming these?
10. Is it difficult to **recruit older people** in your sector? After what age? Can training help?
11. **Small firms** in general have less formal management structures and procedures. Will this make overcoming age discrimination easier or more difficult for them?
12. A high proportion of people working after 65 are **self employed**, what role does this play in your sector?
13. What are the implications of an ageing workforce for supply and demand for **training** in your sector? (given that those who train generally stay in work longer)
14. How difficult will it be to **raise awareness among employers** in your sector about the ageing workforce, and about the age discrimination regulations, especially among small firms, who are more difficult to contact?
15. Are there **lessons about managing an age diverse workforce** which your sector could offer to others?

CROW would welcome any comments on these questions (or any others) as a contribution to its final research report for DWP”.

¹ See “Further Information” below.



9. About this paper

This paper was written by the Centre of Research into the Older Workforce on behalf of the Department for Work and Pensions. It draws on two sources:

- The background material on the sector comes mainly from the Sector Skills Development Agency's Research Matrix database, which brings together a large quantity of information about all sectors from a variety of sources, including the Labour Force Survey, the National Employer Skills Survey, the Annual Business Inquiry, and the Inter Departmental Business Register¹².
 - The material on current age management practice in the sector is based on data gathered by the National Institute for Economic and Social Research (NIESR) and the British Market Research Bureau (BMRB), in a national survey for the DWP and DTI in Spring 2005¹³. They interviewed the most senior person responsible for HR issues in 2084 firms employing more than five people in England, Scotland and Wales. Each interviewee was asked 160 questions about aspects of age management, including recruitment, retirement, benefits, pensions, management practices and discrimination. CROW carried out a separate analysis of this data to produce the current paper. The sample included 120 firms in the community sector.
- it probably underestimates the frequency of some practices (since firms with a positive record are more likely to respond to such surveys; employers may be reluctant to admit to what they suspect is "bad practice"; and the senior managers who replied to the survey may be unaware of poor practice by some line managers);
 - In some cases the number of employers responding is relatively small, and may not be fully representative of particular sizes of firms in that sector;
 - Since some practices are more common in large firms, the behaviour of a small proportion of firms may affect a much larger proportion of workers;
 - Although some hazardous practices are rare, the firms involved will still be open to legal challenge if they do not make appropriate changes.

We have not commented on pensions issues since pensions provisions are largely exempt from the regulations¹⁴.

All views expressed in this paper are those of the authors. They are not intended to be authoritative statements of the law, and do not represent the views of the Department for Work and Pensions or any other Government Department.

The DWP/DTI evidence is the best available on current employer age management practices across all sectors, but it should be interpreted with some caution since:

¹² Details on the Skills for Business website at www.ssdamatrix.org.uk/

¹³ See "Further Information" below.

¹⁴ DTI's guidance *The impact of age regulations on pensions*, explains the implications of the legislation for pensions in detail.

10. Responding to this paper

This paper is intended for consultation with employers, sector bodies and other interested organisations and individuals during 2006. Responses will contribute to a larger report on sectoral approaches to age management, which DWP plans to publish in 2007.

If you would like to comment on any aspect of this paper, or on age management in the community sector (or on age management more generally), please write directly to the Centre for Research into the Older Workforce (CROW). We would be particularly interested in responses which:

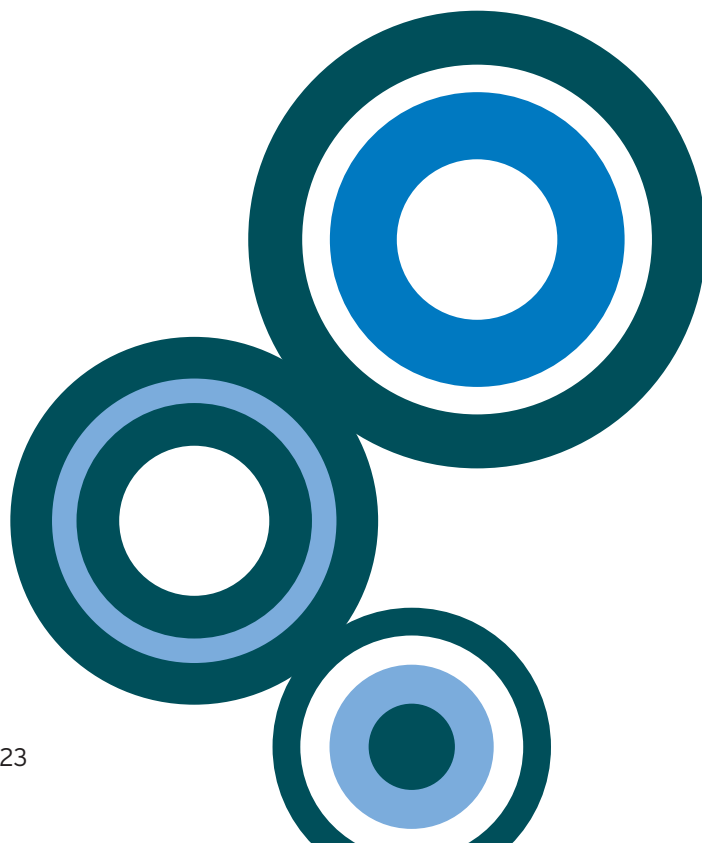
- add relevant information on the shape of the sector and age management issues and practices within it
- clarify the reasons for particular features (e.g. why one part of the sector has very different practices from others, or why the other community sector is different from other sectors)

- identify examples of good practice which might be disseminated to other employers or sectors
- identify questions which need further investigation

Responses and comments on the content or issues raised by this paper should be sent by email to: crow@niace.org.uk

Or by post to:

Age Legislation Research
Centre for Research into the Older Workforce
NIACE
21 De Montfort Street
Leicester
LE1 7GE



11. Further information

Further information on age related issues, policies, practices, and legislation can be found at www.agepositive.gov.uk

You can request further copies of this paper, or contact the Government's Age Positive team at: agepositive@dwp.gsi.gov.uk

or write to:

Age Positive Team
Extending Working Life Division
N10
Moorfoot
Sheffield
S1 4PQ

Details of the Age Discrimination Regulations, which will come into force in October 2006, can be found on the DTI's website at:

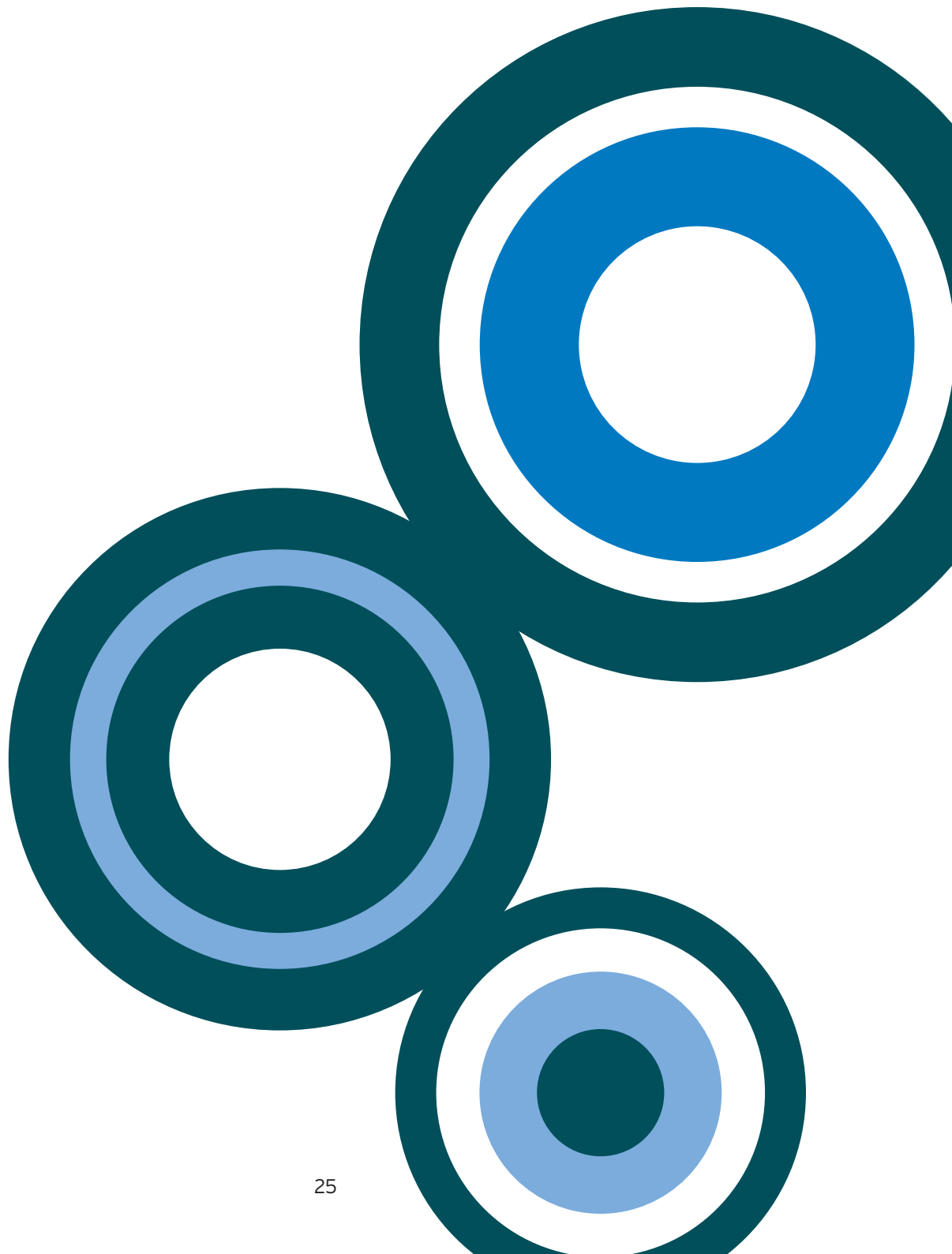
www.dti.gov.uk/employment/discrimination/age-discrimination/index.html

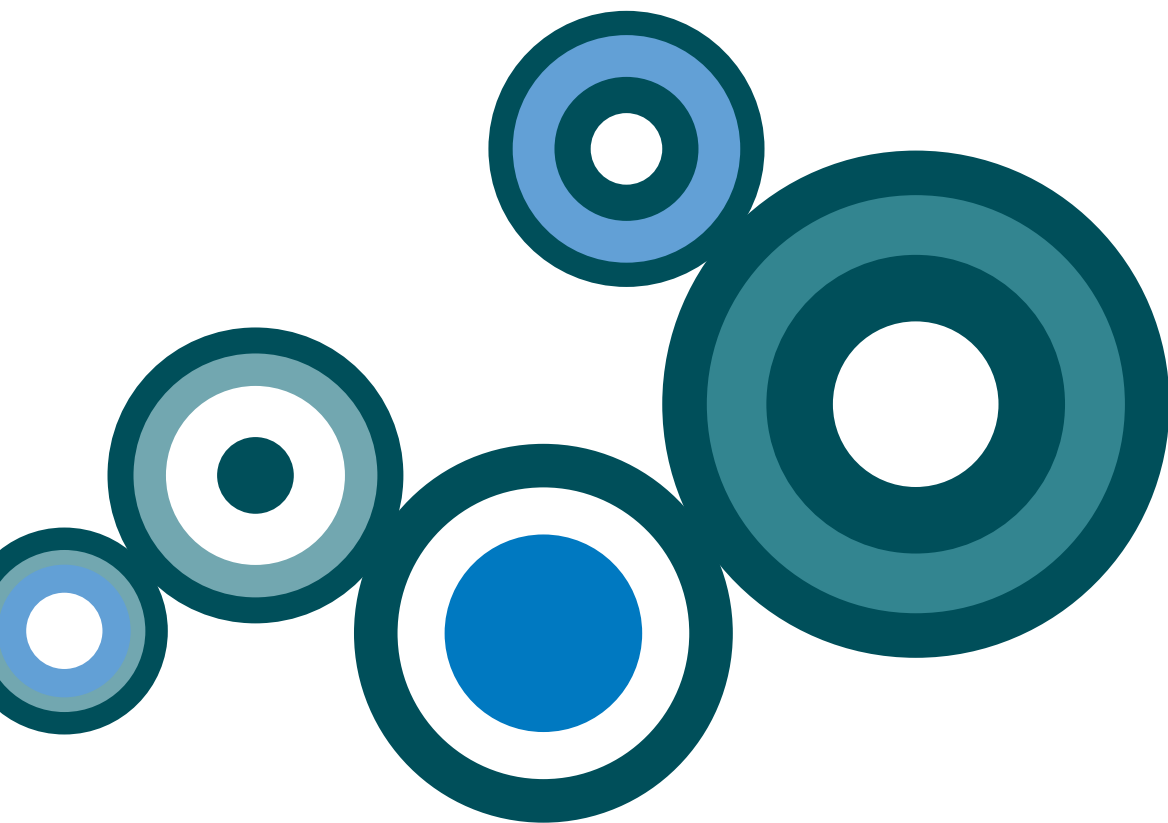
Advice on interpretation and good practice can be found on the ACAS website at:

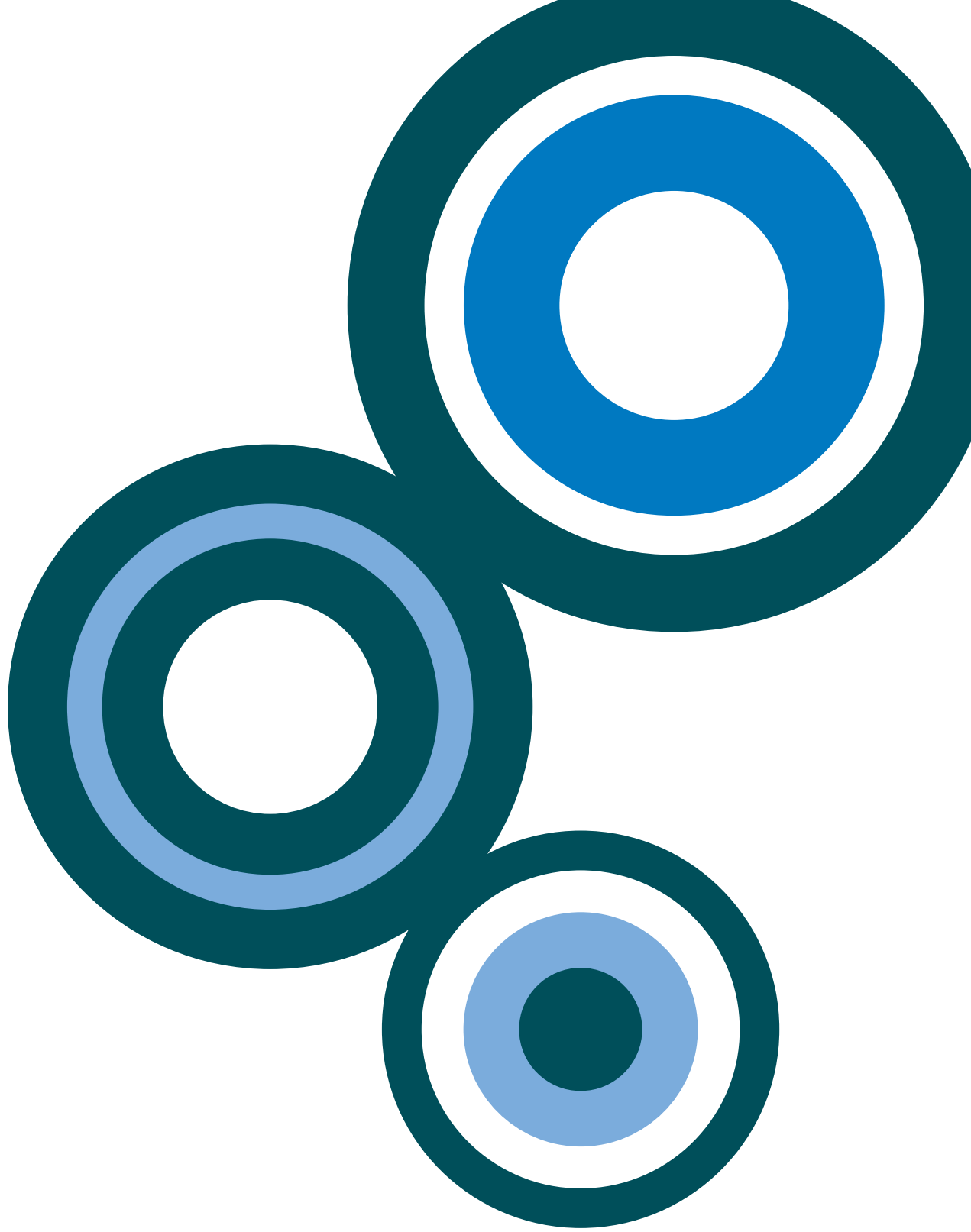
www.acas.gov.uk

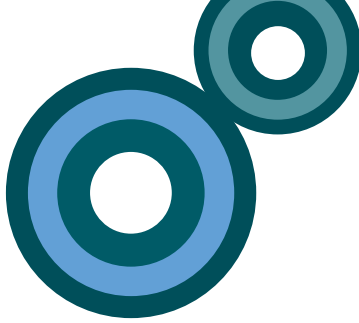
The full report of the DWP/DTI national survey conducted by NIESR and BMRB which produced the evidence for this report is Survey of Employers' policies, practices and preferences relating to age by Metcalf & Meadows (DWP Research Report 325, DTI employment relations research series number 49). The full report is available for download free on the DWP website at: www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep325.pdf

Further information about CROW can be found at: www.niace.org.uk/crow









Members of the Age Partnership Group

Members of the Age Partnership Group, listed below, support and endorse the Be Ready campaign.

for England

Acas
Association of British Insurers (ABI)
Association of Chartered Certified Accountants (ACCA)
The British Chambers of Commerce (BCC)
Chartered Institute of Personnel and Development (CIPD)
Chartered Management Institute
Confederation of British Industry (CBI)
Department of Trade and Industry (DTI)
Department for Work and Pensions (DWP) - Chair
Employers Forum on Age (EFA)
EEF, the manufacturers' organisation
Federation of Small Businesses (FSB)
HM Revenue & Customs (HMRC)
Institute of Directors (IOD)
Improvement and Development Agency (IdeA)
Local Government Employees (LGE)
National Association of Pension Funds (NAPF)
Public Sector People Managers Association (PPMA)
Small Business Service (SBS)
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for Scotland

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Help the Aged in Wales
Jobcentre Plus, Wales
Menter a Busnes
PRIME-Cymru
Prospect Wales
Wales Social Partners Unit
Welsh Assembly Government
Welsh Local Government Association

Copies of this publication can be downloaded from www.agepositive.gov.uk

If you require a hard copy please e-mail: agepositive@dwp.gsi.gov.uk

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