

Managing an ageing workforce in the transport and logistics sector

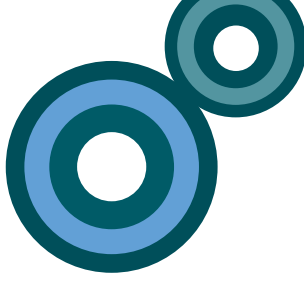
A report for employers

By Stephen McNair and Matt Flynn

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).

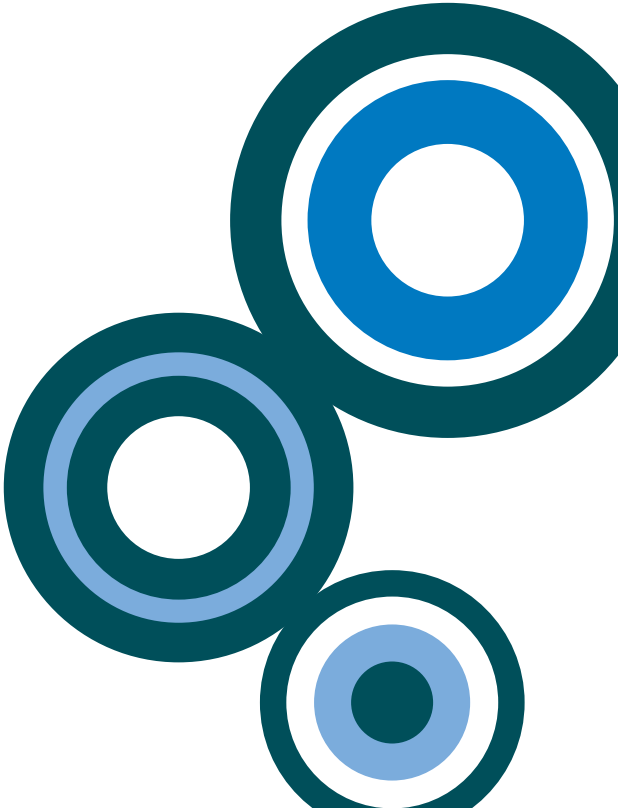
The regulations can be viewed on the Department of Trade and Industry website at www.dti.gov.uk/employment/discrimination/age-discrimination/index.html

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.

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Introduction

This report is about how firms in the transport and logistics 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 transport and logistics 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 transport and logistics firms

The transport and logistics sector has an old and relatively low skilled workforce, with a high proportion of workers over 55, and rising skills requirements. Furthermore, much transport employment is concentrated in London and the South East, where skills gaps and shortages are already high. Unless patterns of training, retention and retirement (and employer attitudes to older workers) change, current labour shortages will get worse in the next decade.

One way of tackling this problem is to increase the retention, and raise the skills of older workers. The sector is broadly positive about the former, with employers relatively willing to let employees choose their retirement dates, and to allow them to stay beyond normal retirement age. However, work in transport and logistics is more likely to be full time, which makes it less attractive to many older workers.

The risk of indirect age discrimination in this sector is high because a large proportion of employers have strong views about appropriate ages for particular jobs, and firms are less likely to have systems in place (like equal opportunities policies, formal appraisal and assessment for promotion, "age blind" recruitment systems and training) which would reduce the risk of discrimination.

Common hazardous practices in Transport and Logistics firms

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

- **providing age information to shortlisting and interviewing staff.** There are legitimate reasons for employers to request dates of birth (for example: for equal opportunities monitoring), but passing this information to staff responsible for selection increases the risk of unfair discrimination.
- **using age related measures, like years of experience, in selection and to fix starting salaries.** This will be unlawful except where

it is permitted under the Minimum Wage Regulations:

- **using proximity to retirement and maximum recruitment ages to exclude job applicants.**

It will be unlawful to exclude job applicants on the basis of age who are six months or longer from retirement.

- **using incremental pay sales which extend over more than five years.** This affects two thirds of large firms in the sector, but a smaller proportion of smaller ones, and will be unlawful without an objective justification.

- **using length of experience as a basis for redundancy decisions.** This is hazardous, since it is likely to discriminate against younger workers.

- **using time left to retirement to exclude employees from training.** This will be lawful, but only if there is a legitimate business reason, like a demonstrable connection between the cost of training and the time for which the employee will stay in work. It will be unlawful to do this on the basis of untested assumptions about an individual's retirement plans.

Unlawful practices in Transport and Logistics firms

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:

- One firm in three sets a **maximum recruitment age** (unlawful if more than 6 months before the firm's retirement age).
- One firm in six uses **age to select for redundancy.**
- One firm in ten uses **age as a recruitment criterion.**

2. The shape of the transport and logistics 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 transport and logistics sector.

The transport and logistics, storage and communication sector¹ employs 1.3 million people (4% of the national workforce) in 64,000 firms. It covers land, water, air and space transport and logistics, together with supporting activities like storage and warehousing, and travel agencies. Over half the workforce is in driving or elementary occupations². Although firms are overwhelmingly in the private sector, some large ones were previously part of nationalised industries, and still retain some employment traditions from those days. This is significant, since age related employment practices generally vary according to whether a firm is large or small on one hand, and in the public or private sector on the other.

The sector is supported by two Sector Skills Councils:

GoSkills - is the Sector Skills Council for Passenger Transport

Skills for Logistics - represents the freight logistics industry

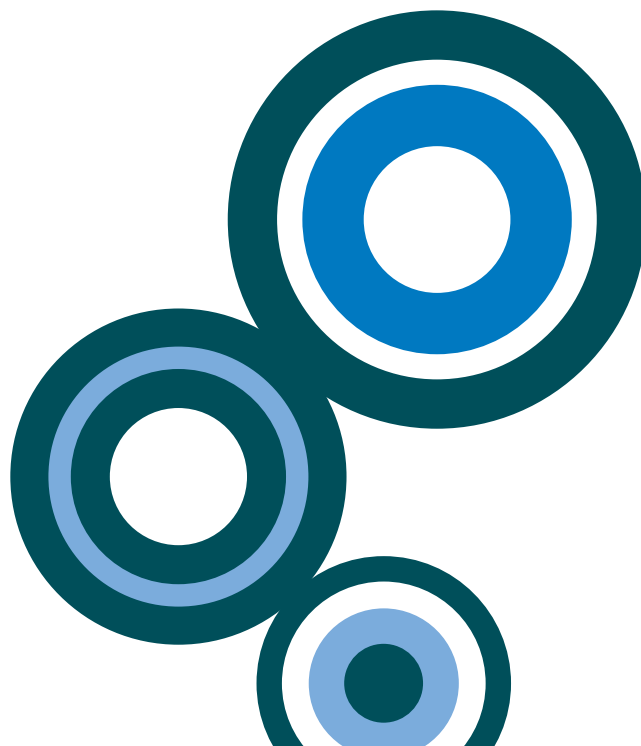
Transport and logistics is a relatively stable sector. The turnover rate of firms is low, and overall employment growth in the sector is among the lowest. The sector expects to need 478,000 additional workers by 2014, representing only 36% of its current workforce, concentrated among Administrative/Secretarial staff and Drivers. Output growth levels are rather lower than the economy as a whole.

In formal structure the transport and logistics sector mirrors the economy as a whole, with 95% of firms employing fewer than 50 people. A little over half of all firms have business plans, a smaller proportion have training plans and budgets, and one third have no formal planning of any kind.

The sector has a very high proportion of workers over 55 (17%) (Fig 1), posing a serious labour supply problem as this cohort approaches retirement, as Skills for Logistics has noted in its strategic planning documents. Other distinctive features of the sector workforce are a high proportion of full-time and male workers, and half with no qualifications above Level 2. Overall there is also a disproportionate concentration of transport employment in London and the South East, where skills shortages are already high, although employment in logistics is more evenly distributed across the country. Vacancy levels are higher in the sector than in the overall economy, and half of these are for drivers, where "hard to fill" and "skills shortages" vacancies are concentrated.

¹ The sector includes the Standard Industrial Classification Codes (SIC) 60-63. For this analysis post and telecommunications (which are included in the SIC code) have been excluded.

² Included in the standard classification as Process, Plant and Machine Operatives



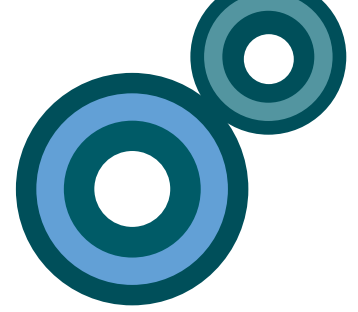
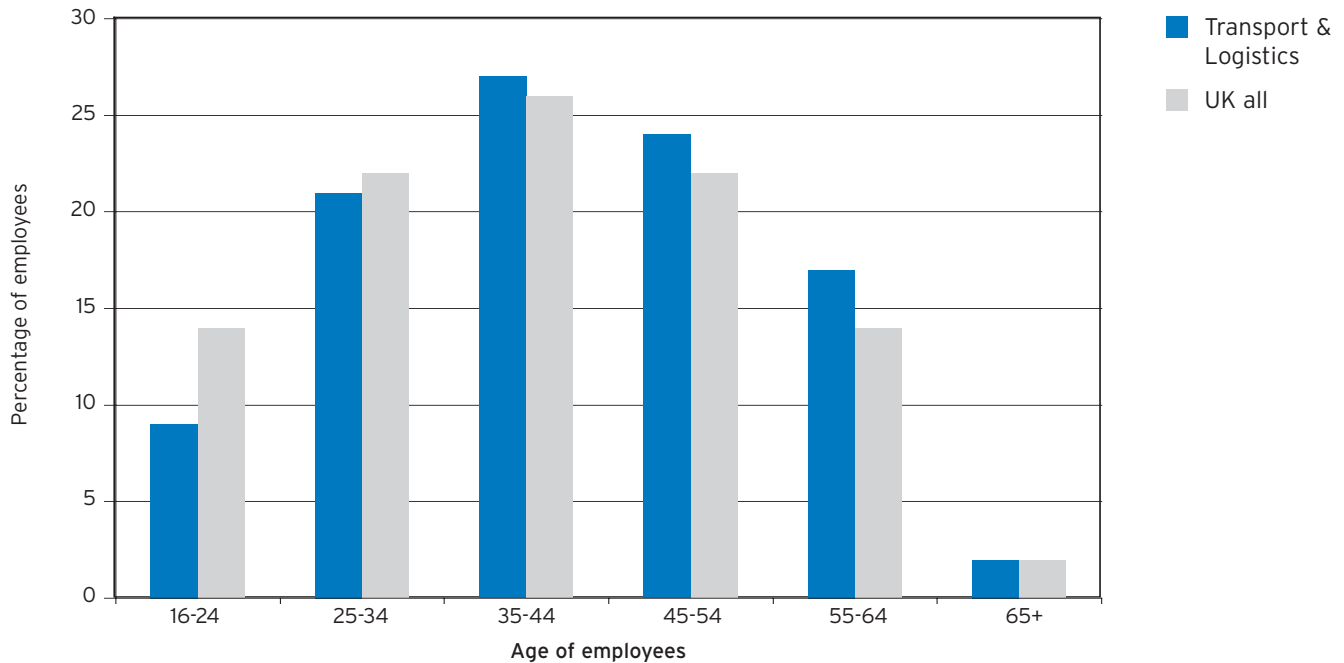


Figure 1 Transport & logistics workforce age profile



Both Sector Skills Councils highlight the need to raise skill levels in response to growing regulation, and the need for improved supervision and management skills in a very competitive market. The overall level of training activity largely matches the average for all firms, although this appears to be concentrated on relatively few

people, since the numbers of people trained are notably low. This may reflect a relatively stable workforce, requiring less of the induction and health and safety training that dominates training activity in some sectors.

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 believes 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 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.

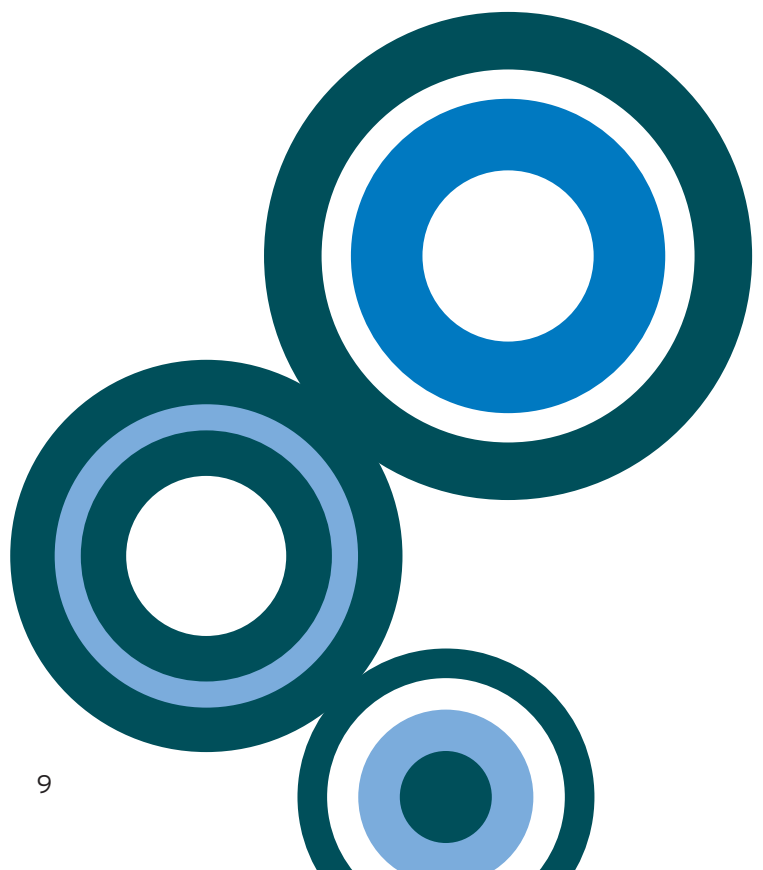
⁶ In this report "micro" firms have 5-19 employees, "small" employ 20-49, "medium" employ 50-249, and "large" employ 250 or more (the survey excluded firms employing fewer than 5 employees).

- 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 in 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 transport and logistics, 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

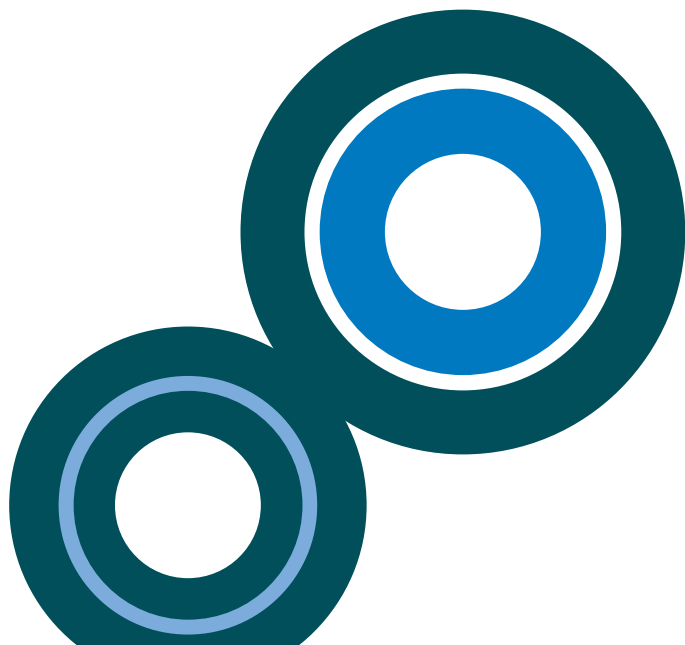
The key principle in all selection for employment or promotion is that decisions should be fair, and based on the individual's competence for the job, and not on arbitrary factors like age (or gender or race etc).

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 below shows the most common areas of hazardous practice in the transport and logistics sector (with figures for firms in general for comparison). Practices followed by more than half of firms in the sector are highlighted.



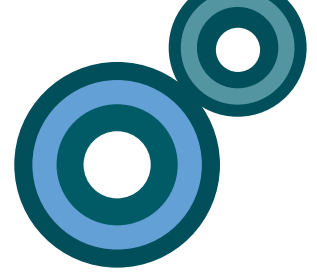


Table 1

Recruitment and promotion	Comments	% of firms reporting in transport and logistics	% of firms reporting, all sectors
Selection criteria specify qualifications	Lawful if the qualification is directly relevant to the job, and equivalent qualifications are accepted for candidates of different ages.	65	60
Selection criteria based on length of work experience of any kind	Indirectly discriminatory. The test must be individual capability, not length of experience, unless an objective justification can be demonstrated.	65	62
Age information is provided to recruiting staff	Increases risk of discrimination.	54	44
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.	50	48
Maximum recruitment ages are specified	Unlawful if set more than six months before the company's retirement age unless objectively justified ⁷ .	40	29
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).	33	18
Selection decisions are based on expected length of service, judged by age	Unlawful	20	7
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).	10	9
Job advertisements specify age	Unlawful, unless there is a genuine occupational requirement (e.g. a young actor for a young part).	1	6

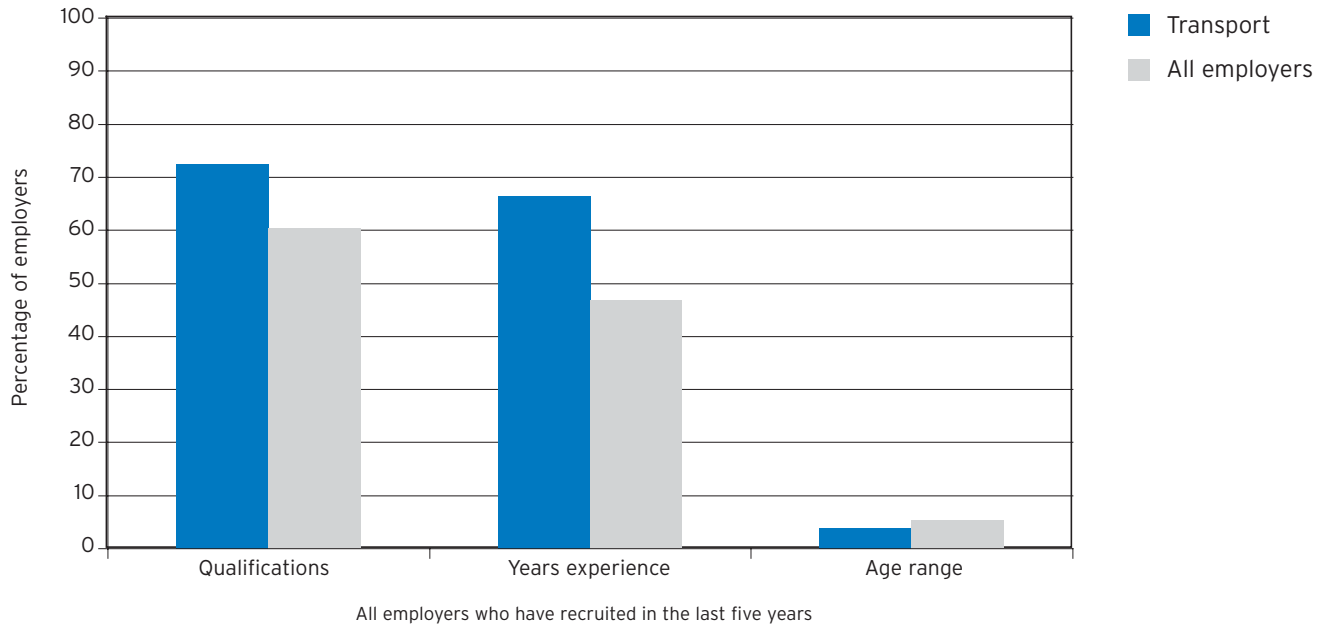
⁷ If the employer does not have a compulsory retirement age, they set a maximum recruitment age of 64½.

⁸ See also "maximum recruitment age".

Age is rarely used as a direct selection criterion, and job advertisements in this sector are more likely to specify qualifications and experience than age (Fig 2). Employers who specify

experience or qualifications will need to ensure that these reflect genuine job requirements, and equivalent qualifications are accepted from job applicants in different age groups.

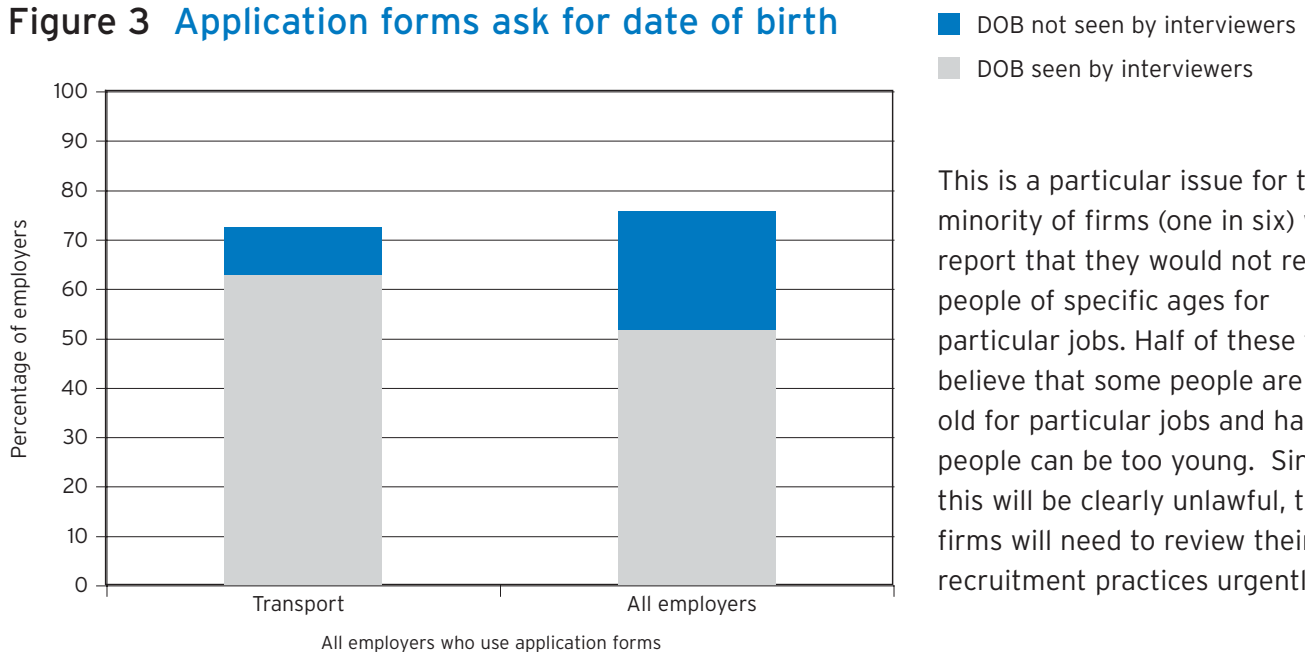
Figure 2 Job adverts specify preferred:



The potential for unfair discrimination is higher when selectors are given age information during shortlisting or interview processes, and this is more common in this sector than among employers generally (Fig 3). There are a few cases where this information reflects a genuine occupational requirement (for example, ensuring that drivers are old enough to qualify for an

HGV license), and collecting the information is also important to monitor equal opportunities practice, but employers who separate this information from the selection decision itself (e.g. by removing monitoring data from the papers seen by interviewers) are less vulnerable to accusations of unfair discrimination.

Figure 3 Application forms ask for date of birth



This is a particular issue for the minority of firms (one in six) which report that they would not recruit people of specific ages for particular jobs. Half of these firms believe that some people are too old for particular jobs and half that people can be too young. Since this will be clearly unlawful, these firms will need to review their recruitment practices urgently.

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 transport and logistics sector.

Table 2

Pay and Conditions	Comment	% of firms reporting in transport and logistics	% of firms reporting, all sectors
Annual leave entitlement is based on length of service	Lawful if five years or less or if it fulfils a business need like retaining experienced staff. More common in large firms (affects 44% of all firms but 58% of all employees).	55	44
Starting salary takes experience into consideration	Potentially discriminatory, since experience relates indirectly to age, and does not directly measure competence.	55	58
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)	40	33
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.	20	36
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.	20	8
Starting salary is dependent on age	Unlawful	15	13
A maximum age is set for eligibility for sick pay	Unlawful	10	6
Separate youth rates of pay	Only lawful in specific circumstances relating to the National Minimum Wage or Apprenticeships.	5	11

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, pay and conditions of service are less likely to be hazardous in transport and logistics than in other sectors (Fig 4). Firms here are more likely to pay the same rates to all employees, and are much less likely to use incremental pay scales (which can be indirectly discriminatory), and where incremental scales do exist they usually fall within the lawful limit of five years, which will not need to be justified under the Regulations.

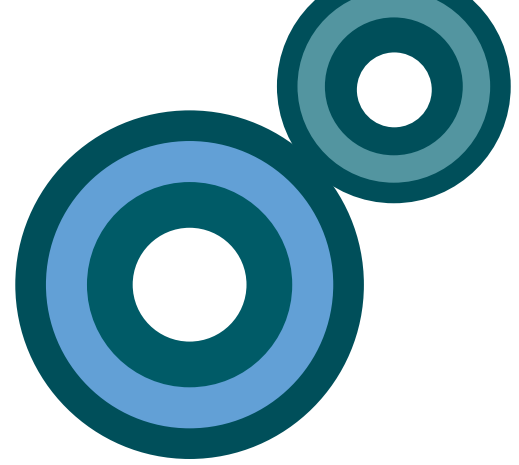
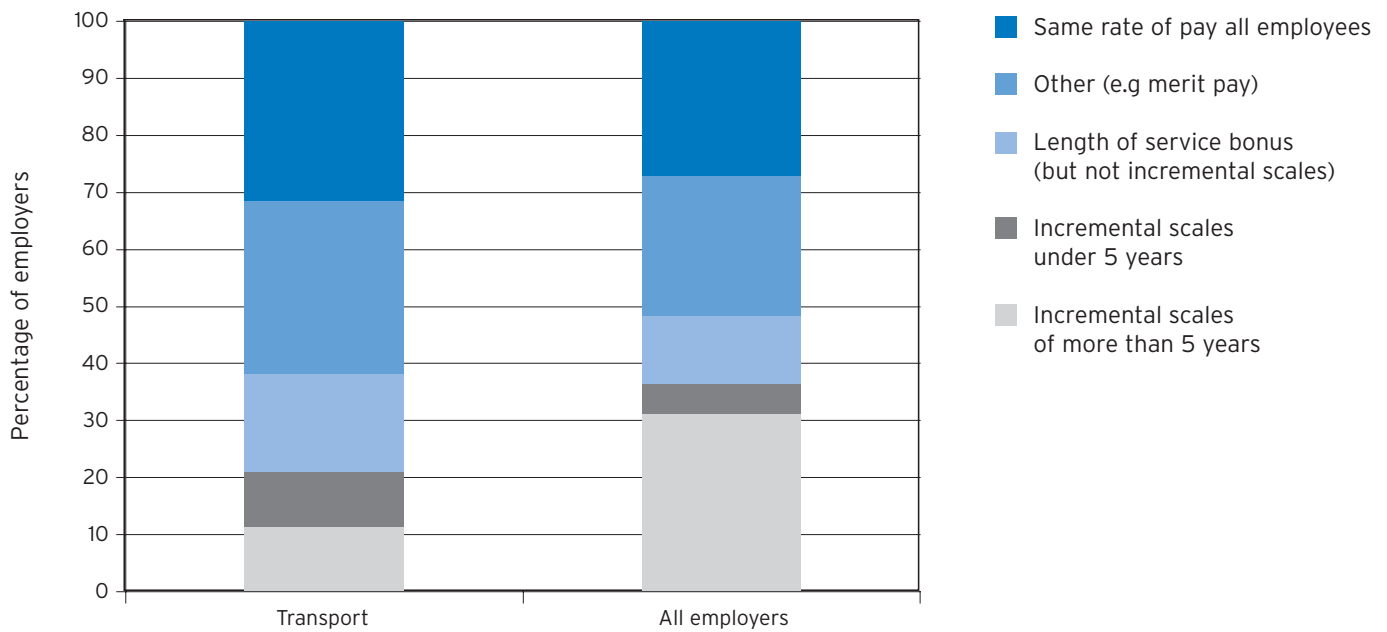


Figure 4 How pay is determined



However, one practice which is more common in transport and logistics is the setting of maximum ages for sick pay, reported by 15% of all transport and logistics firms, especially large ones. This will be unlawful under the Regulations.

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.

Table 3 shows the most common areas of hazardous practice in the transport and logistics sector.

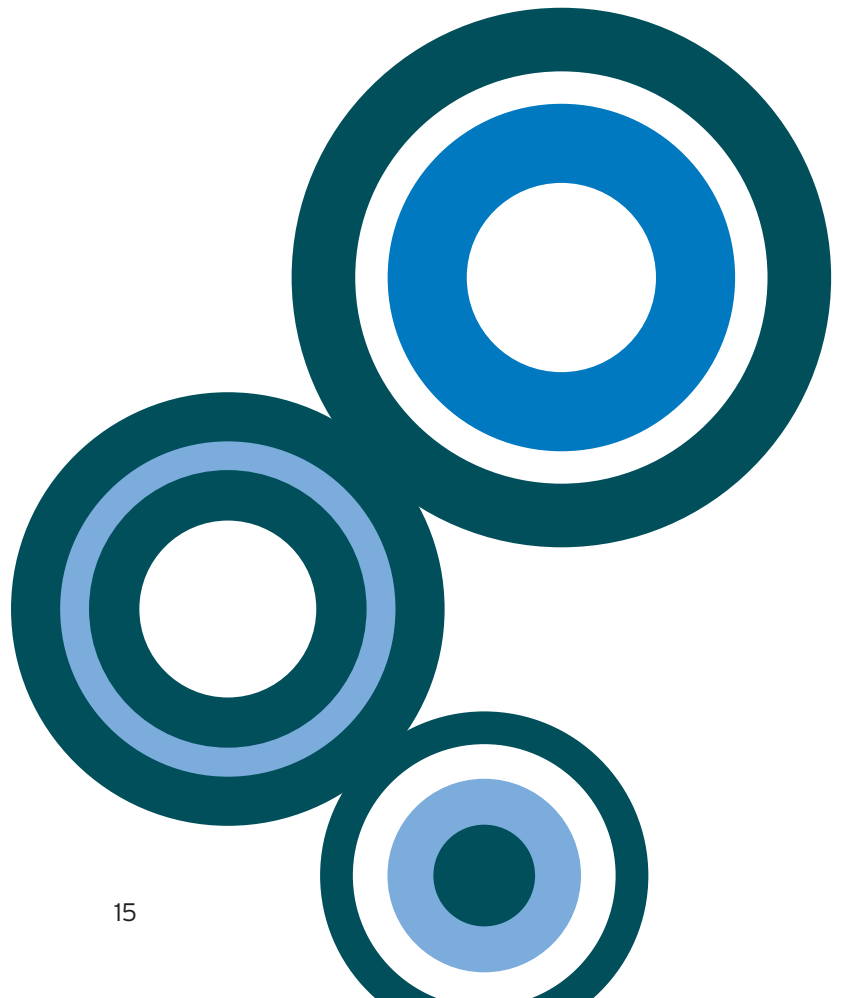


Table 3

Retirement and Redundancy	Comment	% of firms reporting in transport and logistics	% of firms reporting, all sectors
Redundancy decisions based on length of service	This discriminates indirectly since longer service correlates with age.	55	49
Compulsory retirement ages	Unlawful if below 65 (which affects 6% of all employers), unless it can be objectively justified. 50% of the UK workforce is affected by compulsory retirement ages (because this 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.	40	37
Compulsory redundancy decisions are based on "last in first out"	Likely to discriminate indirectly against younger employees.	30	28
Level of redundancy pay based on length of service	Can be indirectly discriminatory against younger employees. Length of service is used in compulsory redundancy by 27% of all firms but affects 38% of all employees. For voluntary redundancy it is used by 23% of all firms but affects 34% of all employees.	30 compulsory 30 voluntary	27 compulsory 23 voluntary
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.	15 compulsory 5 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).	20 compulsory 10 voluntary	10 compulsory 9 voluntary
Redundancy decisions based on current salary	Likely to discriminate indirectly since salary levels generally correlate with age.	5	7



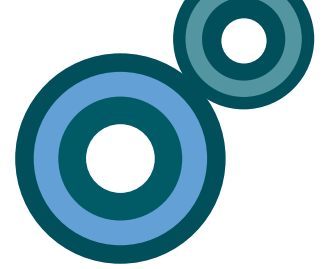
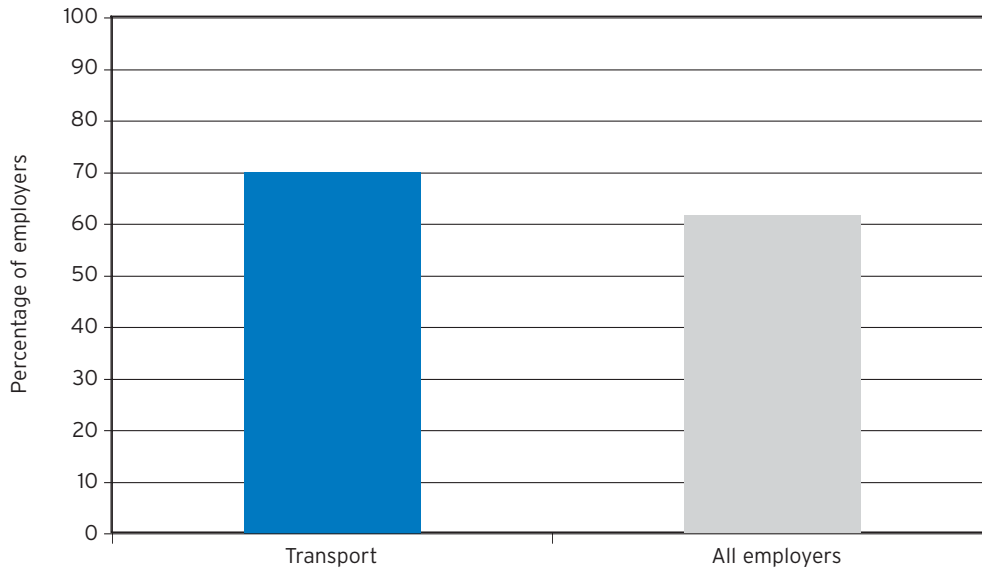
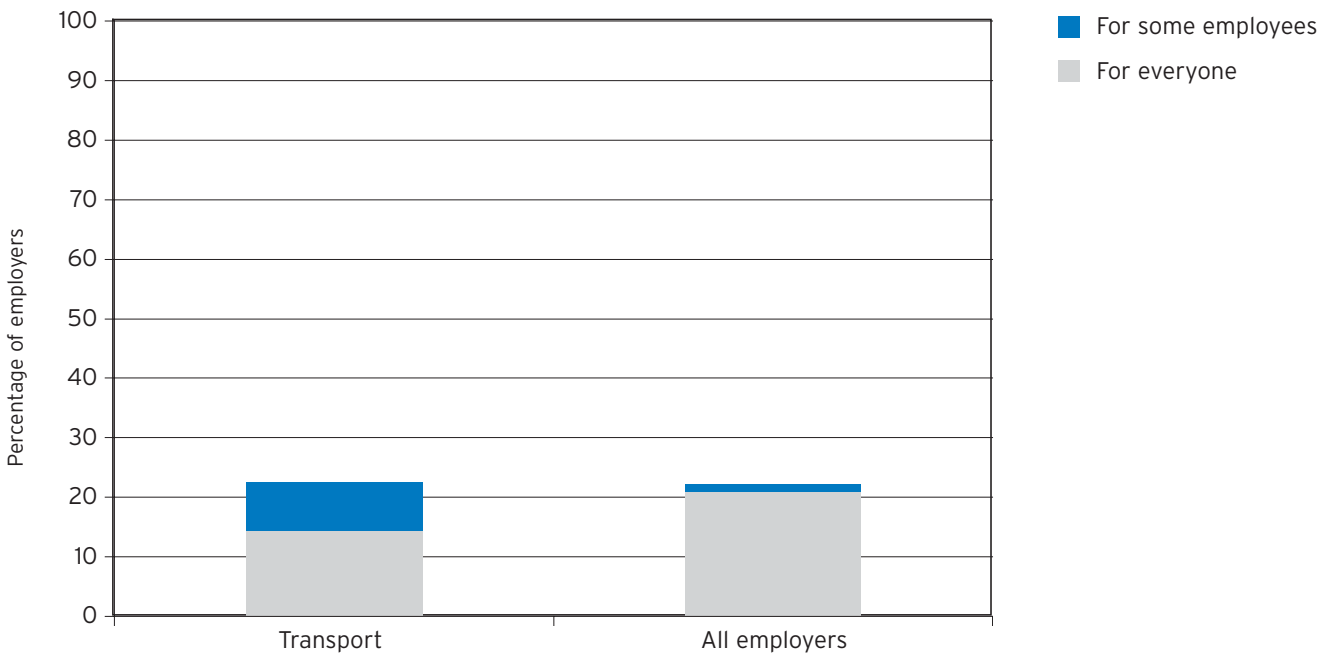


Figure 5 Employer offers flexible retirement dates



Transport and logistics firms in general take a relatively positive view of older workers, and three quarters of firms surveyed offer flexibility to employees in choosing when they retire (Fig 5).

Figure 6 Staying in work past normal retirement age is an entitlement:

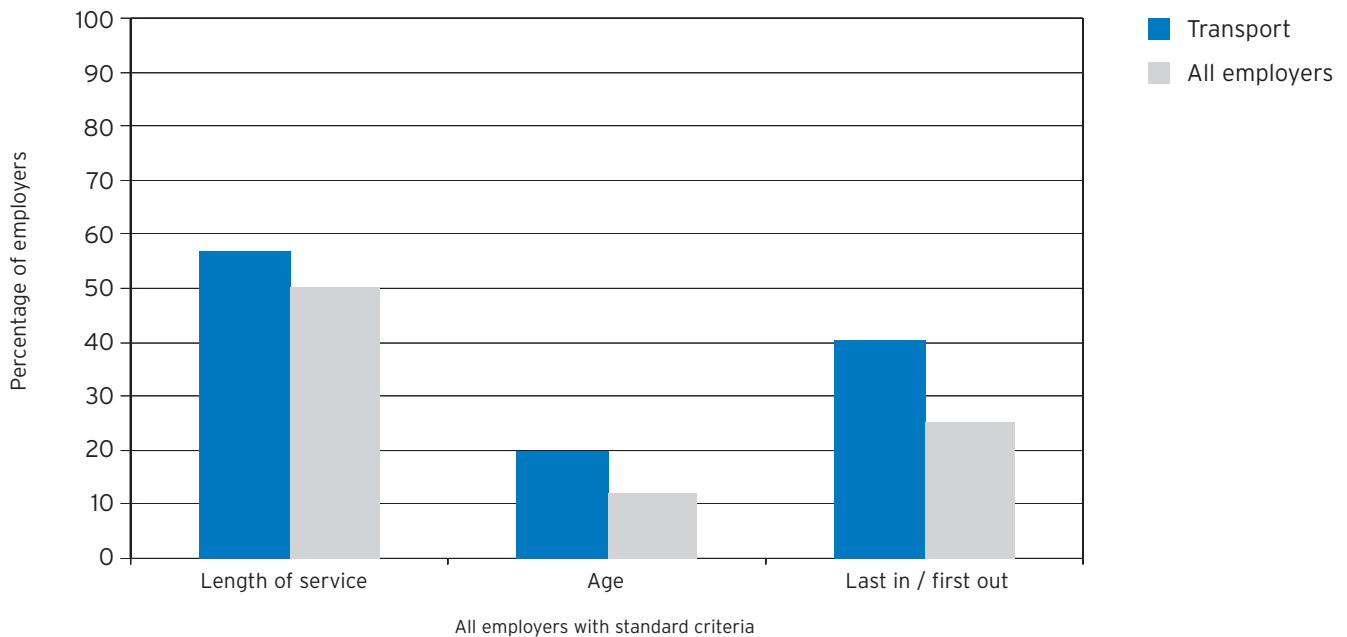


They are also more willing to allow employees to work beyond normal retirement age, and for a quarter this is an entitlement. However, this is not generally open to all workers (Fig 6).

Most transport and logistics firms which use standard criteria to select individuals for compulsory redundancy use length of service, and 40% use "last in/first out", both of which are hazardous, since they affect some age groups more than others. More seriously, almost one

firm in five uses age directly, which will be unlawful. Two thirds of firms in the sector base enhanced compulsory redundancy pay on age, which is permissible, provided that the rules laid down in the regulations are followed (Fig 7).

Figure 7 Criteria for compulsory redundancy



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

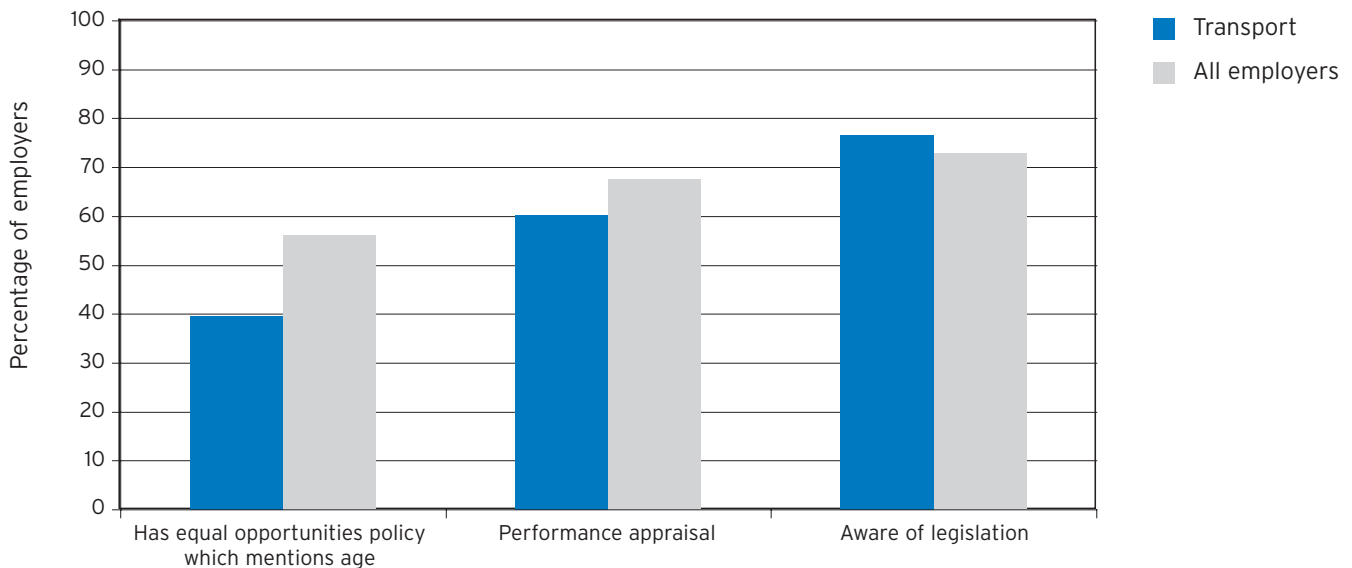
commonest ones, and shows what proportion of firms in the transport and logistics sector, and the economy in general, use them at present.

Table 4

Management and training	Comment	% of firms reporting in transport and logistics	% of firms reporting, all sectors
Equal opportunities policy	Having a policy makes expectations clear to managers and staff, and makes monitoring easier.	50	72
	Equal opportunities policy explicitly mentions age.	40	56
	Policy implementation by age is monitored (only those with age policies).	40	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.	30	43
Providing work related training for all staff	There is a direct relationship between participation in training and staying longer in work.	70	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.	60	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).	35	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.	75 for childcare 70 pre-retirement 77 for elder care 40 for any reason	82 for childcare 78 pre-retirement 74 for eldercare 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.	65 offer to all staff 5 offer to some staff	50 offer to all staff 4 offer to some staff

Three quarters of transport and logistics firms have equal opportunities policies, which can help discourage discriminatory practice, but many of these do not mention age as an issue, and among the minority of firms providing equal opportunities training for managers few include age as an issue.

Figure 8 Prepared for age discrimination regulations



Just over half the firms in the sector have a system of formal staff appraisal, a lower figure than employers generally. Such systems make it less likely that discrimination will take place, since they can ensure that performance is being properly assessed, training needs identified and met, and that the reasons for decisions on promotion, pay, and retirement are properly documented.

Although most transport and logistics firms appear to have training practices which conform to the regulations, some bar workers from access to training on grounds of age, which will be unlawful, and a larger proportion of firms exclude some staff from training because they are too close to retirement. This is hazardous unless a clear and proportionate business case can be demonstrated.

8. Managing age in transport and logistics: discussion questions

The following questions are designed to help you, as an employer in the transport and logistics 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 DWP¹.

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 64 firms in the transport and logistics sector¹⁴.

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

- 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 regulations¹⁵.

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.

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

¹³ See "Further Information" below.

¹⁴ Since this is a small sample all percentage figures have been rounded to the nearest 5%.

¹⁵ 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 of age management in the transport and logistics 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:

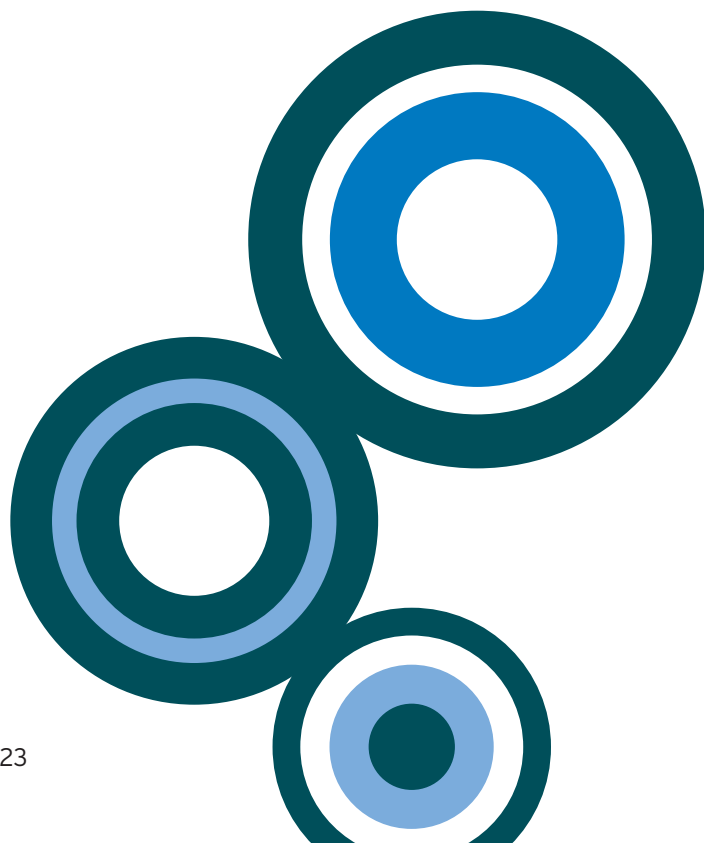
- add relevant information on the shape of the sector and age management issues and practices within it;
- clarify the reasons for particular features (e.g. why one part of the sector has very different practices from others, or why transport and logistics is different from other sectors);

- 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:

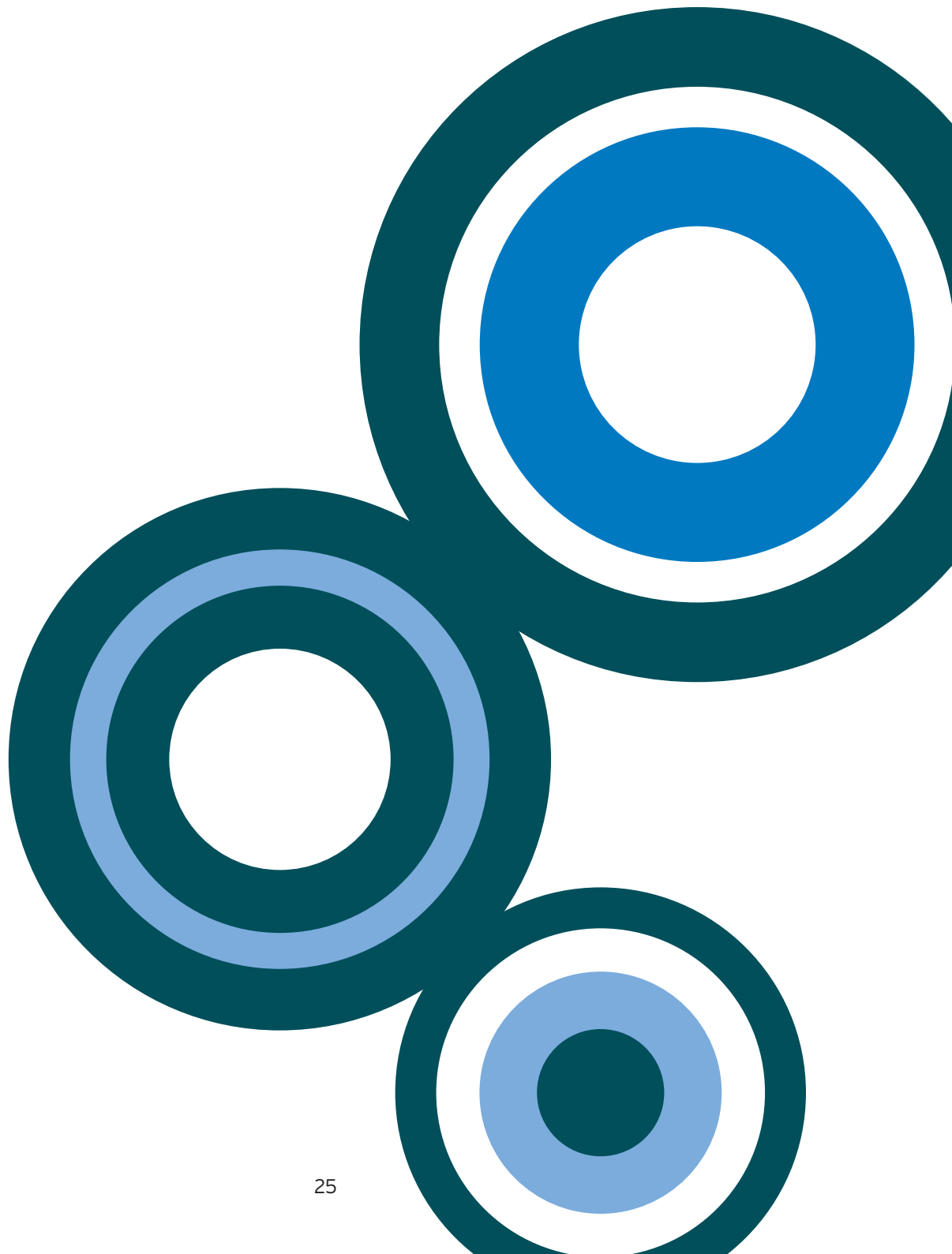
Age Positive Team
Extending Working Life Division
N10
Moorfoot
Sheffield
S1 4PQ

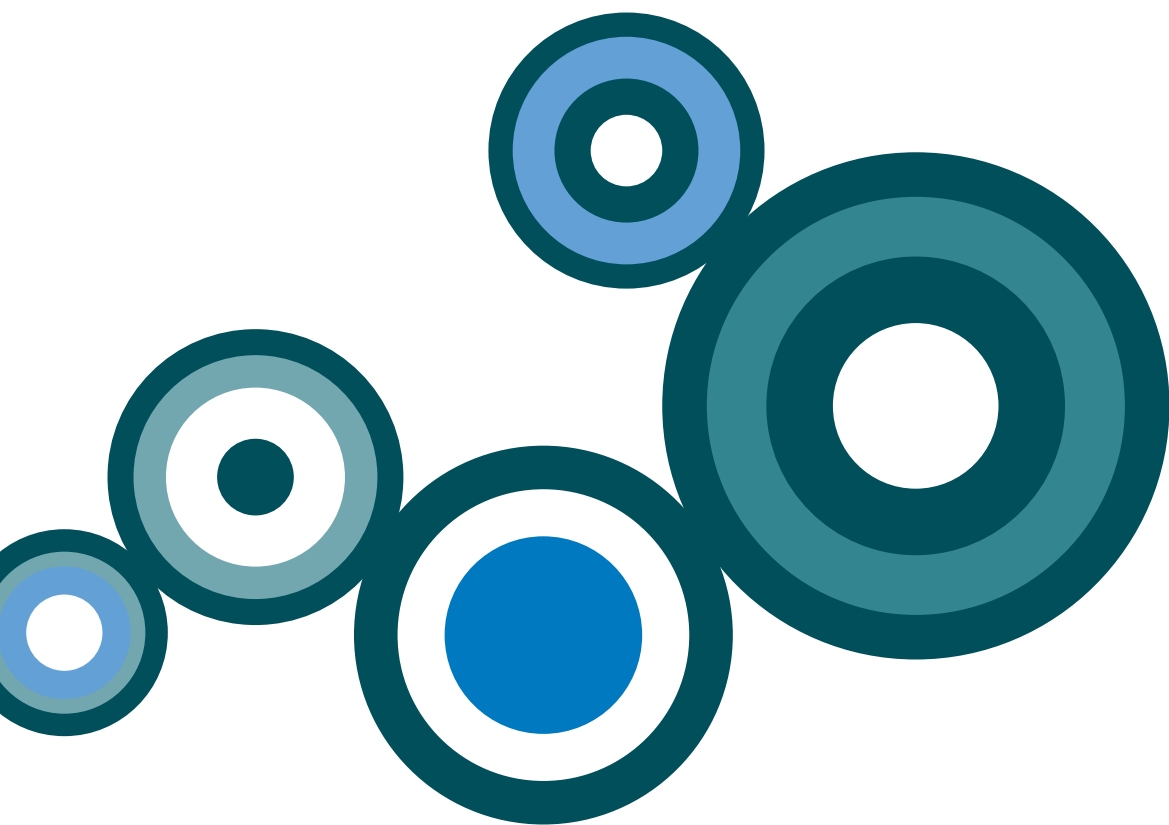
Details of the Age Discrimination Regulations, which will come into force in October 2006, can be found on the DTI's website at www.dti.gov.uk/employment/discrimination/age-discrimination/index.html

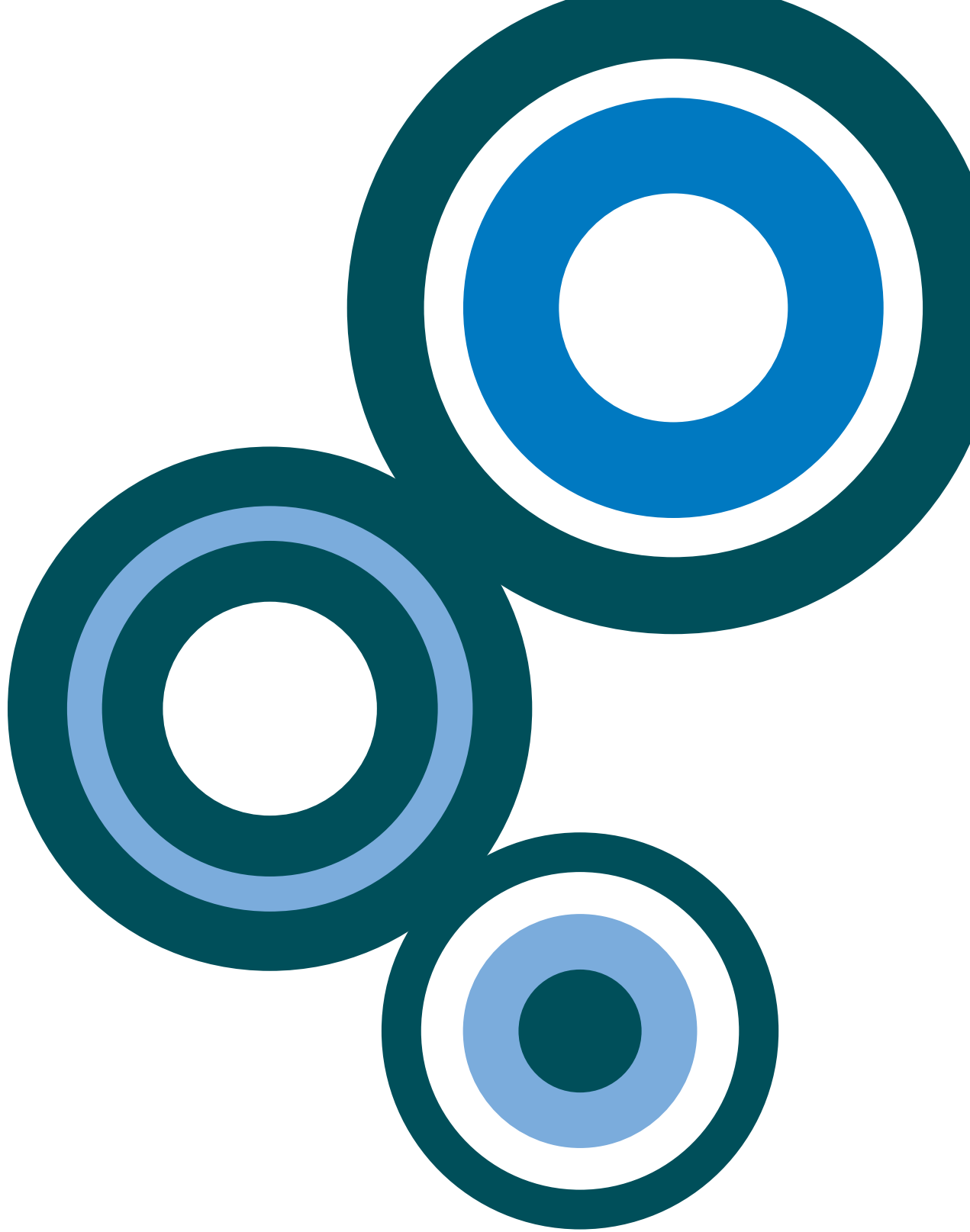
Advice on interpretation and good practice can be found on the ACAS website at: www.acas.gov.uk

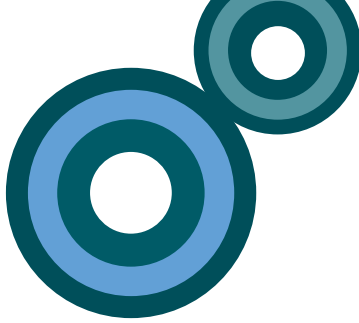
The full report of DWP and DTI's joint survey conducted by NIESR and BMRB which produced the evidence for this report is Survey of Employers' policies, practices and preferences relating to age by Metcalf & Meadows (DWP Research Report 325, DTI employment relations research series number 49). The full 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)
Trades Union Congress (TUC)

for Scotland

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Highlands & Islands Equality Forum
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Scottish Chambers of Commerce
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Scottish Enterprise
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ACCA Wales
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Age Concern Cymru
The Chamber of Commerce
CBI Wales
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Genesis, Wales
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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