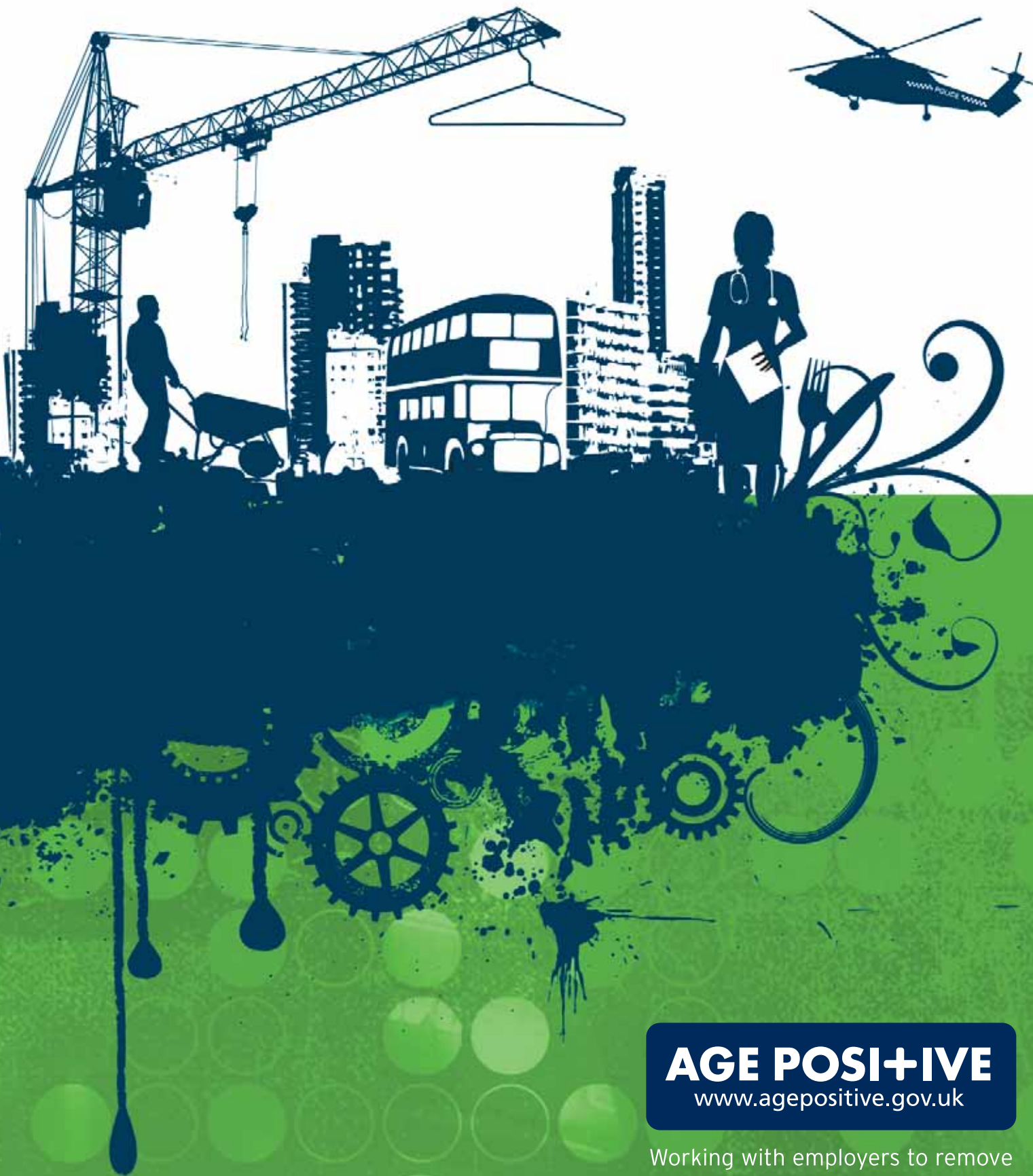


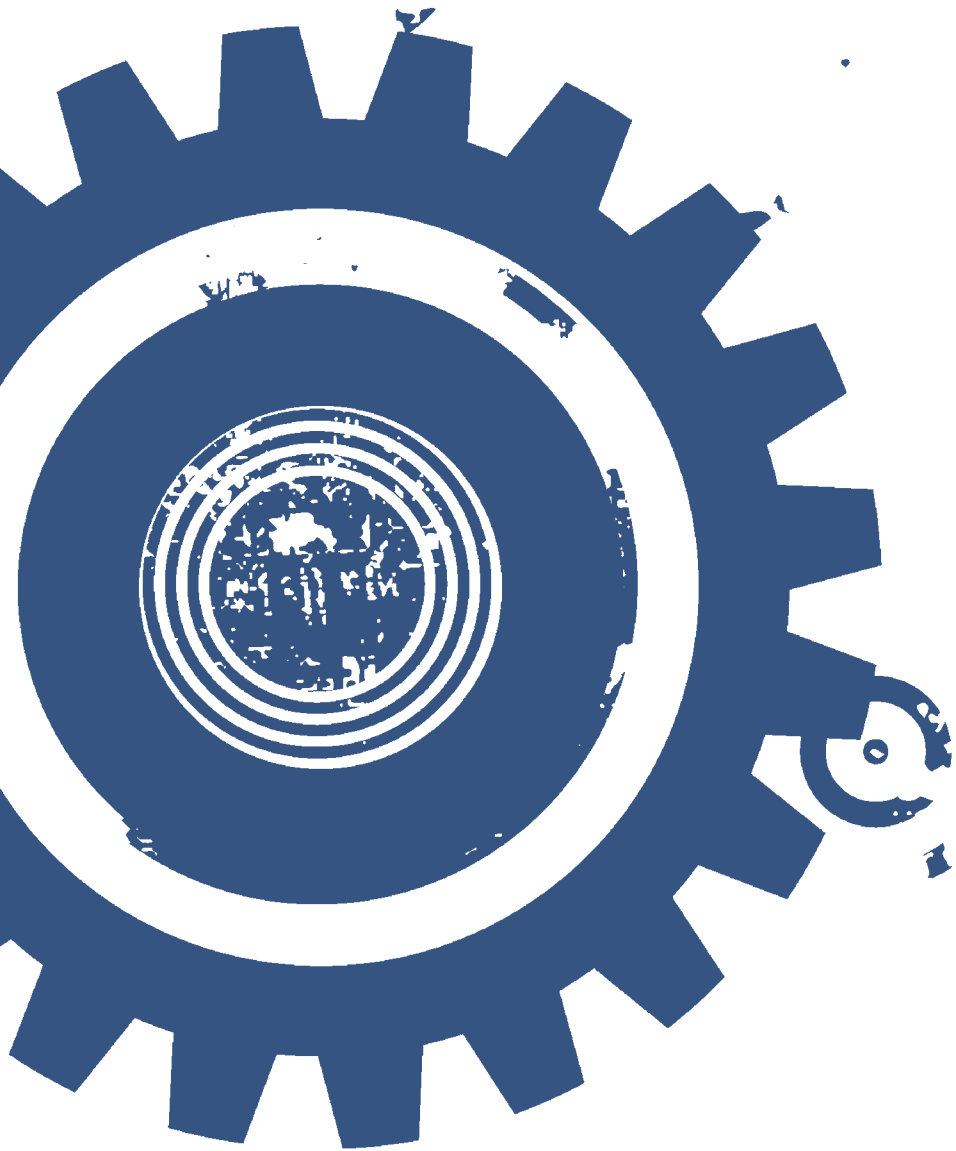
Workforce Management: Age Positive Guide



AGE POSITIVE

www.agepositive.gov.uk

Working with employers to remove
age discrimination in employment



Introduction

It has been shown that employing an age diverse workforce can have real benefits for your organisation. People of all ages have the potential to contribute positively to your business at every level as long as the workforce is managed positively and fairly.

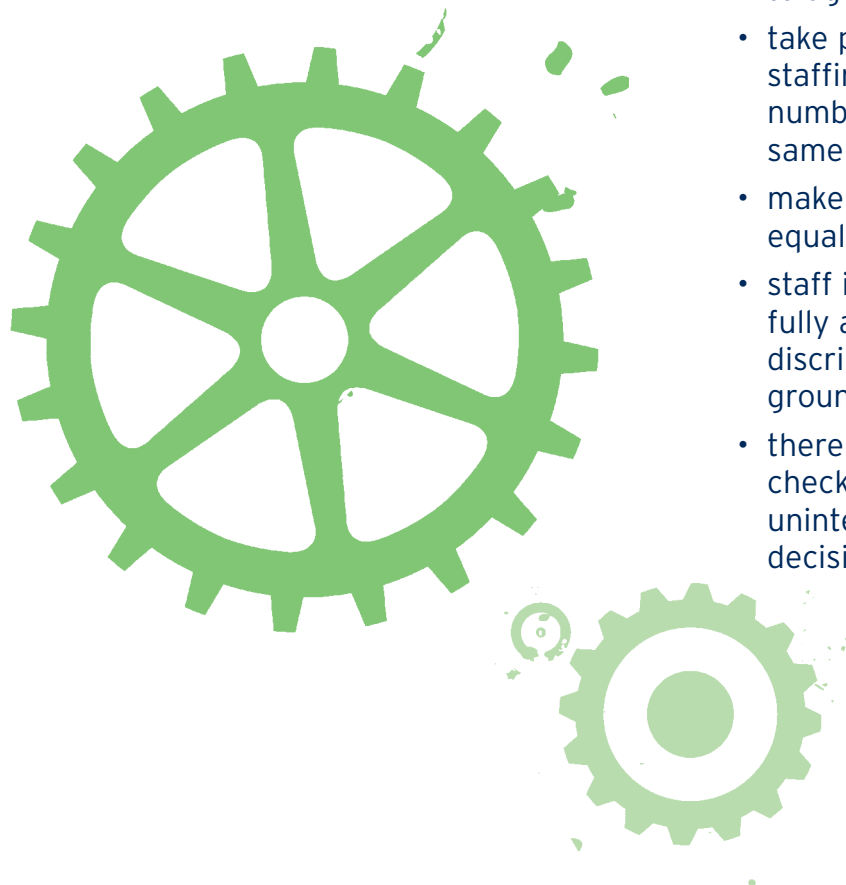
We understand that often, many small businesses don't have a dedicated HR resource, but hope that this leaflet will provide some tips and help for employers of all sizes.

This leaflet is not intended to cover all individual circumstances, provide in-depth advice and will not guarantee any level of compliance with legislation. However, it will give you a range of examples of how other - small, medium and large - organisations are realising their potential through the way they manage their workforce.

Age Legislation

From 1 October 2006 the Employment Equality (Age) Regulations make it unlawful to discriminate against employees, job seekers and trainees on the grounds of age.

The regulations cover workers of all ages - young and old - and all employment and vocational training. This includes all workforce management processes including: access to help and guidance, recruitment, training, promotion, pay, benefits and particularly retirement and redundancy.



What this means for you

Simply put, the new regulations mean that you need to:

- look at the way you manage and monitor your workforce and
- check that any policies, practices or routines you operate are age compliant.

Specifically, you should ensure that:

- you understand the age make-up of your workforce and use this information to identify potential workforce issues relating to age
- take positive action to offset any future staffing crises (for example if a large number of your staff are due to retire at the same time)
- make sure everyone is being treated equally, regardless of his or her age
- staff involved in workforce management are fully aware of their responsibility not to discriminate on the basis of age or other grounds
- there are routines or practices in place to check that no bias, deliberate or unintentional, influences any management decisions.

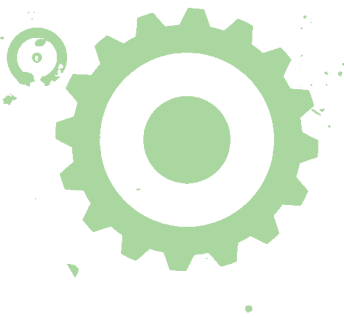
Business benefits of age positive workforce management

You already know that an effective, motivated workforce is key to business success. It therefore goes without saying that balancing the needs of your employees (of all ages) with what your organisation needs to succeed improves your chances of beating the competition.

This means keeping an eye on what is happening with your staff - not only checking on the number and type of people you are hiring, promoting, retiring etc, but also making sure your existing staff are being managed fairly and equally.

Check your policies and practices to make sure they are age-proofed - check if training is available to all staff, are staff aware of working hours policies, flexible options, sickness, parental and carers policies? Plus, have you checked that your pay and benefit awards are not age related? Knowing all this enables you to take positive action where problems arise.

Recruitment is a key area. How often are you recruiting new staff? Is this because you have a high turnover? Remember, every time you recruit you are incurring a cost. The Chartered Institute for Personnel and Development (CIPD) estimates that it costs an average of £3,600 to recruit each employee - this may be less for unskilled posts or more (up to £8,000) for more senior positions.¹ So to keep costs to a minimum, keep a close eye on who applies, who you recruit and, if you have high turnover, in which areas or department this occurs.



Similarly, by monitoring the training and development opportunities taken up by each of your employees, and making sure that everyone is treated fairly regardless of their age, you will help staff feel valued and motivated to contribute to the success of the organisation. In the same way, offering a range of flexible working options that are appropriate to the age profile of your staff makes for a more adaptable and more productive workforce.

Nationwide's recent staff survey showed very high levels of satisfaction, with 80 per cent of staff agreeing with the statement, 'I believe that development opportunities are equal for all employees regardless of age.'²

Many employers have enjoyed significant benefits as a result of adopting this type of age positive approach to workforce management.

For example, it's a fact that effectively managed older workers have been shown to have better attendance and stay in the job for longer.

Positive Contact, an outsource call centre, have benefited from very low staff turn-over rates - just six per cent in 2005, compared to a national sector average of 22 per cent. They attribute this in large part to their diversity policies.

There are a wide range of other benefits that many employers are not taking full advantage of. For instance, some younger workers are more conversant with the more technical aspects of IT and can be encouraged to mentor older workers, while older workers can be encouraged to share new skills and ideas learned in previous employment or related careers.

¹ www.cipd.co.uk. Annual Survey Report 2006: Recruitment, Retention and Turnover

² Employers Forum on Age Diversity Case Studies. www.efa-agediversity.org.uk/case-studies/nationwide.htm

Wheelies Direct (a cycling insurance replacement service) have noticed that their older employees are not only very reliable and loyal to the company, they also bring a wealth of skills to the workplace. Their well-developed customer service skills, for example, set a good example to less experienced colleagues. As a result, these older workers have become valued mentors and role models.

And last, but by no means least, a properly managed age diverse workforce can help you provide a better service to your customers, with obvious benefits to your business.

The Scottish Court Service realised that by employing staff of all ages, with different attitudes, opinions and experiences, they are better able to understand the needs of their customers. They have received positive feedback from both older and younger customers who were extremely grateful to find a member of staff they felt comfortable talking to.

Domestic & General

Who we are

Domestic & General's main business is providing warranty protection for domestic appliances. We employ 1,300 staff across three main call centre sites - in Nottingham, Brighton and Slough.

What we do

Management at our Nottingham call centre has long been convinced of the business benefits of employing an age diverse workforce. We monitor and enforce our age positive approach in a number of ways:

- we are careful to make sure the age make-up of our workforce closely reflects that of the local population
- all external recruitment agencies we use attend our internal age briefings
- all advertised posts, whether internal or external, are monitored in terms of the 'type' (including age) of people applying - with follow-up work to find out what they thought of the job advert to make sure it does not discourage any particular groups
- we conduct exit interviews with all leavers, including questions on whether people have felt discriminated against and on what grounds. These findings are collated and fed back to senior management, as well as the relevant line manager and department, on a regular (monthly or quarterly) basis.

How it has benefited our business

- our older staff are very understanding of the types of problems our typical customers experience, which improves the service we are able to provide
- employing an older workforce has led to lower levels of absenteeism
- our training department tell us that older recruits on our induction training tend to get things right the first time more often than younger trainees - plus, they are very keen to learn
- feedback from our younger staff shows that they benefit a great deal from the coaching that older workers are able to offer.



Ensuring your workforce is managed in an age positive way

The following checklist has been compiled from practices adopted by employers who have already reaped the benefits of an age positive approach to managing their workforce. This will help you evaluate the way you manage your staff and make any necessary changes.

Managing your workforce

- No-one is 'too old' or 'too young'** - make sure all your policies - from recruitment to training to flexible working to health and safety - emphasise that age is not a barrier
- Talk to your employees regularly** and ask for their views of their work, how they feel about the organisation and the benefits you make available - this can be done informally, in a staff survey, or through appraisals/performance review meetings
- Know your staff** - keep a record of the age of your employees at all levels and in all departments. This will help you to identify any areas of concern (for example where all employees are nearing retirement or where you need to recruit to fill expanding or critical areas)
- Compare the age profile of your workforce with that of the local population** to make sure you are recruiting from as wide a pool as possible - a useful source of local population data is www.neighbourhood.statistics.gov.uk
- Keep a record of the number and type of people being recruited.** Count the number of candidates in different age groups who apply for each post and compare this with the age of those being short-listed and hired - if any bias is detected, speak to the manager(s) involved to find out why and taken action to stamp out.
- Check the age profile of staff that attend different training courses and get feedback from trainees.** Look for any differences by age to make sure no group is being discriminated against or neglected
- Monitor unsuccessful promotion candidates.** Get feedback from the interview panel to find out if any training needs have been identified and also to ensure no age bias has occurred in the

selection process. Also talk to the candidates, use the interview as an opportunity to discuss their career progression and identify any training or other needs they may have

- Use agreed criteria** (for example in recruitment or promotion) to ensure all management decisions are fair to all employees. Base these on business and individual need, as well as skills and performance, and make sure that all criteria are transparent to all staff
- If you don't have a dedicated HR department, get a second opinion** from a colleague to make sure your decisions don't discriminate on the basis of age
- Use exit interviews** to identify any issues or problems within your workplace. Check that individuals are not leaving due to unfair treatment or victimisation/harassment on the grounds of age and, importantly, act on any justified complaints

The business benefits of a motivated workforce include:

- Reduced recruitment costs
- Improved public image
- Improved staff retention rates
- Lower turnover costs
- Improved productivity
- Improved mentoring capacity.

Other good practice

- No matter what the size of your business, ensure you communicate your age positive approach to all your employees - talk to them face-to-face, discuss matters informally, and ask for comments. If you have a more structured approach, use team meetings, in-house newsletters or your intranet
- Don't just train those making business and policy decisions** in equality and diversity - make sure line managers and those dealing with employees on a day-to-day basis get the benefit of training in these issues as well
- An equality policy is one of the easiest ways to demonstrate that you take discrimination seriously.** Consider including all forms of discrimination and harassment - gender, race, disability, gender reassignment, sexual orientation, religion and belief as well as age.

A changing workforce for employers

All businesses should be aware that the UK labour force is ageing. Currently, people aged 50+ represent:

- almost 30 per cent of people of working age³ and
- 26 per cent of those actually in work⁴.

And by 2020 there will be nearly five million more people aged 50+ in the UK³. Most people are living not only longer, but also fitter and healthier lives. For example, participants in the 2007 London Marathon included 1,730 competitors aged 60+ - three per cent of the total entry.

This, combined with a declining birth rate and increased skills shortages in many sectors, makes the need to take an age positive approach to workforce management more pressing than ever. And this will continue to become ever more important over the next 10-15 years.

Take, for example, the 'Transport and Logistics' sector, which covers all land, water, air and space transport and logistics, plus supporting activities like storage, warehousing and travel agencies. The sector currently employs around 1.3 million people (four per cent of the national workforce) across 64,000 organisations. Although a relatively stable sector, by 2014 it will need an additional 478,000 workers, to fill skills gaps and to meet the gap left by retirement of a comparatively older workforce (17 per cent of workers are currently over 55).⁵



Newham College

Who we are

Newham College of Further Education is based in London and is one of the largest further education colleges both nationally and in the Greater London Area.

We offer a very wide range of learning opportunities throughout the Borough and surrounding areas and aim to remove all barriers to education.

What we do

When it comes to managing our age diverse workforce we:

- hold regular audits where we collect data on all our staff, including age - we use this to inform our equal opportunities plan for the following year
- monitor every stage of employment, for example the number and type of applicants, short-listed and successful candidates - if bias is identified at any stage, the manager(s) involved is retrained in Equal Opportunities
- conduct impact assessments of all our new practices and policies and review how they will affect different age groups (as well as gender, disability and other diversity strands).

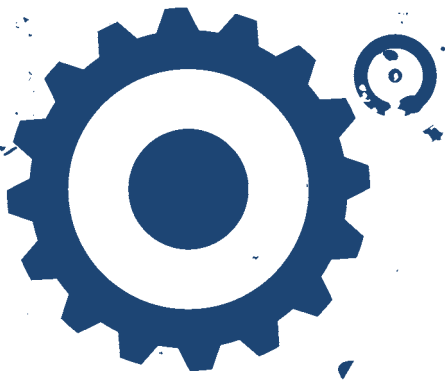
How it has benefited our organisation

- we see a wide variety of applicants, making it easier to find the right person for each job
- we are able to overcome skill shortages in many areas through succession planning and transferring skills from older to younger employees
- we have also been able to retain the essential skills of lecturers in hard to fill posts who might otherwise have retired
- many of our staff stay with us for 20 years or more.

³ Government Actuary Population Projections, 2004.

⁴ Labour Force Survey Dec-Feb 07

⁵ Managing an ageing workforce in the 'transport and logistics' sector. A report for employers available to view at www.agepositive.gov.uk



Age Positive Workforce Management: answers to your questions

1. I thought the new age regulations only applied to people looking for work. Does it cover those who are already employed as well?

Yes, the regulations do cover anyone who is applying for work but they also cover those who already work for an organisation and, in some instances, people who have left employment.

They also cover people of all ages from 16 upwards, with the exception of members of the regular armed forces, full-time and part-time reservists and unpaid volunteers.

2. I only employ a small number of staff - do the regulations still cover me?

Yes, all employers, regardless of size. This includes providers of vocational training, trade unions, professional associations, employer organisations and trustees and managers of occupational pension schemes.

3. I don't have an Equality Policy, do I need one?

Although the age regulations do not actually require you to have an Equality Policy or an appraisal or performance management system, it is good practice and good business sense for companies, large or small, to have them in place.

If you have an Equality Policy, check that it has been updated to include age. Review policies and procedures for age bias, including those covering sick absence, leave and holidays, discipline and grievances, flexible working, IT usage, pay and benefits etc.

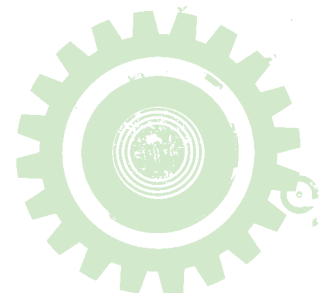
It is also important to update all employees about the changes and to ensure that those who make decisions that affect others are trained, for example, although it is important for those who deal with recruitment and selection, it is also important for managers and supervisors to be able to recognise and deal with age related bullying, harassment or victimisation.

If you don't have one, consider developing a policy - your local ACAS or Business Link should be able to help out.

4. Why do I need an appraisal system, especially if it's not a legal requirement?

It is possible within small organisations to deal with performance on a one-to-one basis, talking to all employees regularly and discussing their career aspirations and future plans, this is particularly important for older workers, who may feel left behind or who may not be performing to their full capacity; or for younger workers, who may feel you offer no progression or opportunities to train or develop.

For a larger organisation, a good appraisal or review system is important to manage staff development and ensure all staff feel valued and remain productive and motivated. Additionally, with the increased importance in employing and retaining older workers, a good appraisal system provides managers with an unbiased tool to address any performance problems and work out solutions, for example, identifying training needs, changing working hours to address caring needs or providing workplace adjustments to address any work place health problems. This is always preferable to ignoring problems.



5. Will age be a factor in the insurances that my business provides to employees as part of their benefits?

Yes, health, sickness, life and other insurance policies are covered by the age regulations.

Some (mainly large) employers provide their employees with Group Income Protection, Critical Illness and Life Insurance cover. Under the age regulations, care is needed where the cover is withdrawn or reduced, solely on the basis of the age of the employee.

The benefits provided are usually calculated to cease at an age which aligns with employees entitlement to company occupational pension, state pension or in line with the default retirement age. Where an employer agrees that an employee can work longer than this, the benefits provided under these schemes can only be withdrawn or reduced if it has been objectively justified.

For further help on insurance issues, check out Association of British Insurers website at www.abi.org.uk or the Group Risk Development website at www.grouprisk.org.uk.

6. What should I do to make sure my systems are in accordance with the regulations?

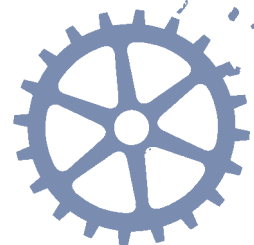
Review any policy or practice including harassment, equality, and appraisal and performance systems, to make sure that they include age, are working fairly and are without bias.

Ensure you check for age related historical practices within your policies. Remember, if these are outside the five year exemption period stipulated within the new regulations they could now be unlawful.

Unacceptable behaviour is a serious issue and action will need to be taken if it occurs. Remember, what one person sees as a joke or a minor issue, another can feel very differently about, for example, using inappropriate comments or names such as 'over the hill' granny, granddad, 'wet behind the ears', junior etc. Additionally, don't permit ageist jokes or ageist birthday cards, the same rules apply - it only takes one person to find it offensive and you could end up with a claim.

These are important areas, if you have concerns, seek advice. If you don't have access to your own HR department or to independent legal advice, ACAS is the nominated agency to give advice and guidance on age issues. Contact their Helpline on 0845 7474747 or go online at www.acas.org.uk

Good practice, help and information is also available on the Age Positive website at www.agepositive.gov.uk or look at any of the other sources of help and information listed in this leaflet.



Sources of additional information

General help and information

Age Positive

www.agepositive.gov.uk

ACAS

08457 474 747

www.acas.org.uk

Business Link

0845 600 9 066

www.businesslink.gov.uk

Financial Services Authority

0845 606 1234

www.fsa.gov.uk

British Chambers of Commerce (BCC)

020 7654 5800

www.chamberonline.co.uk

Age Concern

0800 00 99 66

www.ageconcern.org.uk

The Employers Forum on Age (EFA)

0845 456 24 95

www.efa.org.uk

Trades Union Congress (TUC)

020 7636 4030

www.tuc.org.uk

Confederation of British Industry (CBI)

020 7395 7400

www.cbi.org.uk

Chartered Institute of Personnel and Development (CIPD)

020 8612 6200

www.cipd.co.uk

Chartered Management Institute (CMI)

01536 204 222

www.managers.org.uk

Equal Opportunities Commission (EOC)

0845 601 59 01

www.eoc.org.uk

The Age and Employment Network (TAEN)

020 7843 1590

www.taen.org.uk

Recruitment and Employment Confederation (REC)

www.rec.uk.com

Federation of Small Businesses (FSB)

020 7592 8100

www.fsb.org.uk

Association of British Insurers

www.abi.org.uk

0207 600 3333

British Insurance Brokers Association (BIBA)

www.biba.org.uk

091 814 0015

Group Risk Development (GriD)

www.grouprisk.org.uk

Other Government sites

Department of Trade and Industry (DTI)

www.dti.gov.uk

Department for Work and Pensions (DWP)

www.dwp.gov.uk

HM Revenue and Customs (HMRC)

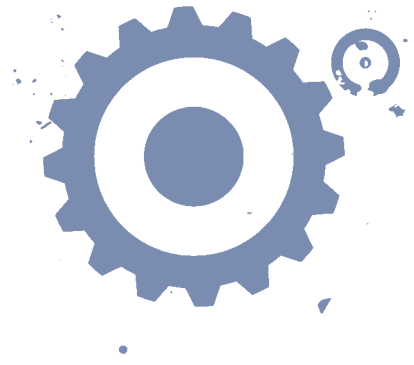
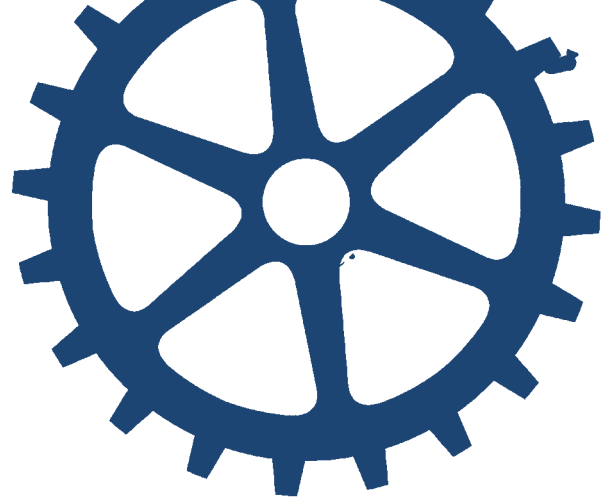
www.hmrc.gov.uk

Health and Safety Executive (HSE)

www.hse.gov.uk

Directgov (Employment)

www.direct.gov.uk/en/Employment/







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age discrimination in employment

DWP Department for
Work and Pensions