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The Employment Relations Challenges of an Ageing Workforce

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Demographic shifts create challenges for society and social policy. One of the most dynamic changes currently occurring in the workplace is the increasing number of older workers. Health, economic, social and legislative changes are contributing to this trend, which is set to present opportunities and challenges over the forthcoming decade.

The implications are likely to be wide ranging. These are reflected in current debates which range from the considerable benefits of an extended, experienced older workforce, to concerns that their presence may block opportunities for younger workers wishing to enter or progress in the workplace. Changes around pension entitlement and the removal of the default retirement age have made the question of older workers, and the move to retirement more contested than ever. And debates are not just confined to issues within the workplace. Questions of the ageing workforce are now merging with wider concerns around caring, financial security and healthcare.

How can employers be sure to effectively respond to these changes? And what are the wider implications for employment relations? Acas commissioned Dr Emma Parry and Professor Lynette Harris to consider these issues and to explore in depth the implications of the ageing workforce for employment relations.

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The Context

In common with many other European countries, the UK has an ageing population resulting in a growing proportion of older workers in its labour force. This presents a challenge for employers, employees, trade unions and government in terms of developing employment policies and practices that are appropriate to increasingly age diverse workplaces. This paper will identify the key factors that are contributing to this demographic shift. It will then provide an overview of what is known from the research evidence of the impact this is having on employment practices and approaches to age management, and it will examine the implications for employment relations in the future. For the purposes of discussion the term 'older worker' will be defined as those aged 50 and over; a growing group in the workforce described by Weiss and Bass (2002) as being in the third age of employment.

A changing workforce

UK national labour force statistics identify that the growth in the labour force will come primarily from workers aged over 50; a trend that is already in evidence in recent data from the Office for National Statistics (ONS, 2011). In 2010 the number of people in employment aged between 50 and 64 had grown to 7.32 million and the numbers of employed aged 65 and over had reached 900,000. Both sets of figures are the highest since comparable records began in 1992. Specifically, the percentage of individuals over 65 in employment has doubled from 1.5% in 2001 to 3% in 2010. The shift in the age composition of the UK

workforce is not due to demographics alone; it is part of a wider trend towards longer working lives stemming from a combination of economic and social factors and legislative changes. As a result, workers currently aged 50 can expect to be working for a further 15 to 20 years with the numbers of individuals working beyond 65 predicted to increase following the removal of the default retirement age of 65 in October 2011.

The future of pensions is a particularly contested issue. National population projections (ONS, 2009) show the proportion of people aged 65 and over in the UK population increasing from 16% in 2008 to 23% by 2033. Despite the forthcoming rises in state pension age, old age support ratios are projected to fall. While in 2008 there were 3.2 people of working age for every person of state pensionable age, this ratio is projected to fall to 2.8 by 2033. On the grounds of just alleviating the cost of providing state pensions for growing numbers of people and for longer periods of time, these projections illustrate why the UK government wants us to work for longer, has removed 65 as the default retirement age (DRA) and is changing the state pension age (SPA).

Increases in the proportion of the working population aged 50 and over means that the contribution and employment experiences of this group of workers are increasingly important for overall workforce performance. Just under a decade ago, an ESRC Future of Work Programme report on the diversity of Britain's labour market (Taylor, 2002) identified the significance of workers aged 50 and over in the future development of the UK's labour

force and to organisational performance. But it identified falling satisfaction among this group compared to their reported levels of satisfaction in 1992, particularly in terms of their variety of work, how they are managed and the use of their abilities. According to recent Chartered Institute of Personnel and Development (CIPD) and Chartered Management Institute (CMI) research into age management, UK employers are still 'woefully unprepared for the impact workforce demographics will have on their businesses (Macleod, Worman, Wilton, Woodman and Hutchings, 2010).

Pensions

The Pensions Act of 2007 equalised the SPA for men and women at 65 by 2020. Government proposals are to introduce this universal SPA from 2018 and to increase it to 66 for both men and women by 2020. There are concerns that these changes in state pension age entitlement will place a disproportionate burden on women. Women are more likely than men to face pension poverty as a result of lower occupational pensions due to periods out of the workplace caring for children, and pension arrangements which did not allow them to join a pension scheme in the early stages of their working lives. This means that they will have to work for as long as possible out of economic necessity.

In recent years there has been the virtual closure of final salary occupational pension schemes in the private sector. The Hutton report (2011) of public sector pension provision has recommended that the public sector should follow suit with a move to replace the current final-salary arrangements with career average earnings schemes and that the normal

pension age for public sector employees should be linked to, and track, increases in the state pension age. With more older workers employed in the public sector, which has higher trade union density, particularly among workers between the ages of 50 to 59 (Kersley et al., 2006) compared with the private sector, it is anticipated that pensions are likely to remain a contentious issue for the foreseeable future.

Recruitment and skills shortages

The ability to replace skills lost through retirement, combined with uncertainty about the impact that changes in university funding may have on access to a steady flow of graduates, mean that retaining the skills of older workers in areas of skills shortages will become critical in certain industries and occupations. Despite the economic climate and levels of unemployment, there continue to be reported skills shortages in the UK labour market.

The CIPD's 2011 annual survey into resourcing and talent management found that three quarters of organisations were experiencing the same difficulties recruiting managerial, professional and technical positions as reported in previous years. The same survey also reported that 23% of employers expect to recruit fewer people as a consequence of the removal of the default retirement age (DRA) at 65; a figure that rose to 45% in the public sector. If this proves to be the case, it will not only reduce job opportunities in the open labour market, but will also lead to fewer internal opportunities for career progression if there are fewer retirements. Put another way, if older people choose to continue working in the same career

or job role, there are implications for job opportunities and internal career progression for other age groups.

Economic pressures to work

Irrespective of the influence of statutory retirement age, choices about whether to retire or not in practice are likely to be heavily influenced by personal economic pressures for the majority. The high debt/low saving profile of many UK households will be a key factor in decisions to cease working. Data from the English Longitudinal Study of Ageing (ELSA, 2007) suggested that 40% of respondents aged 50 or over re-entered the workforce because they needed the income. The present low return on individual savings places further pressure on individuals to continue working for financial reasons. When this is coupled with a fall in the savings ratio (the measure of the amount of disposable income saved by households) in the UK from just over 10% to just under zero between 1995 and 2008, there is a serious short-fall in household incomes in retirement (FSA, 2011).

Looking at the discrepancy between the level of income people need to live adequately in retirement and what they can expect from their pension, a Chartered Insurance Institute Research report (CII, 2011) has calculated the size of the average annual pension gap per person in the UK as £14,500. The fact that older workers elect to stay in their existing roles for longer as a result of the removal of the DRA may, paradoxically, make it even more difficult for unemployed older workers aged 50 and over to find new work; the very age group which Labour Force Survey (LFS) data consistently reveals as taking the longest period of time to find re-employment.

Age and employment relations

Employers have traditionally focused on issues relating to early retirement in order to achieve work force reduction rather than on organisational policies and practices which support older workers staying in employment (Rocco and Thijssen, 2006). Hence there is limited evidence on the management of an age-diverse workforce in spite of a growing interest in the subject from both academics and practitioners. Over the next ten to twenty years older workers will make up a growing proportion of the workforce. Drawing on existing evidence, this paper explores some of the key issues for the future.

Engagement and retention of older workers

To be able to engage older workers and encourage them to remain in the workplace it is vital to first understand what it is that motivates individuals to continue to work. Survey research of 1,500 older workers by the Equality and Human Rights Commission (EHRC, 2010; Smeaton, Vegeris and Shain-Dikmen, 2009) found that 60% of older workers wanted to carry on working after retirement age either in the same or different jobs. This is often because they cannot afford to retire. The decision of whether or not to continue working is complex and influenced by a combination of factors which are unique to each individual.

Whilst economic considerations are a key factor, personal fulfilment is also important to older workers, with re-entering the workforce for enjoyment or company at work (ELSA, 2007). Smyer and Pitt-Catsouphes (2007)

suggest older workers fall into three categories: those who have to work due to financial need; those who want to work because they enjoy it and those who work for both reasons. Older workers in managerial positions are often particularly keen to continue working and progressing in their careers after normal retirement age; career progression in this sense being either hierarchical or developmental (Bown-Wilson (2011)). The key drivers for such progression include interest, challenge and avoiding stagnation, and are influenced by health, family circumstances and an awareness of ageing among other factors.

For employers these findings provide useful insights. They suggest that, while financial rewards will be more important to some older workers, fulfilling and rewarding jobs are of equal importance to many. Job quality is, therefore, an important consideration in extending working lives (Vickerstaff, 2010) with older individuals looking for challenging and meaningful assignments (Armstrong-Stassen, 2008). The psychological contract, which represents the mutual benefits, perceptions and informal obligations between an employer and an employee, may well see variations as a result of greater age diversity.

The presence of a higher number of older workers in the workplace will result in a greater generational span in organisational workforces than experienced in the recent past. This will present new challenges for employers in managing age diversity and for the trade unions and employee representatives who act for the interests of different age groups. How, for example, will employers manage the perception by younger

workers that their older counterparts are 'bed blocking' with older workers desire to stay? And similarly how do trade unions effectively represent what might be seen as conflicting interests of members, mirroring perhaps the situation posed by equal pay and the difficulties that they have faced in fighting for better pay for women whilst protecting the pay of relatively low paid men. But it is not just intergenerational conflict that may arise from an increase in those working beyond retirement age. It may be that one of the unintended consequences of people working longer will be reduced opportunities for under represented groups in the workplace, including at senior management level.

Whilst increased workforce age diversity may give rise to concerns about the potential for generational and other forms of conflict, it can bring positive benefits for the business in terms of employee motivation, flexibility and retention as illustrated by the experiences of employers who have won AARP International Innovative Employer Awards for their age friendly employment policies. One regular award winner, Domestic and General Group, a domestic appliance insurer, has found that having multi-generational teams in a call centre environment has not only reduced labour turnover and absenteeism, but has also improved customer service by having employees who reflect the age profile of those likely to use their services or products. Domestic and General Group's approach has been to develop an age positive recruitment process with initial interviews by phone and induction processes adapted to the age group concerned.

The barriers to a longer working life

It is also important to identify the barriers to continuing to work. Leaving aside those individuals who elect to leave employment as soon as they can afford to retire, key factors driving people to leave employment before the statutory retirement age are unsurprisingly health issues, the impact of caring responsibilities on the ability to work, levels of job satisfaction and redundancy (Vickerstaff, 2010). Poor health is a main cause of early retirement, but people also leave their job due to a lack of flexibility, choice of hours and work dissatisfaction (EHRC, 2010).

HR practices are particularly critical in encouraging individuals to remain in the workplace, but they can be the barrier to extending working life, because many policies and practices seem “designed to help older workers out of the door.” (Hewitt, 2009: 88). They can affect retention either directly or through the promotion of intervening factors such as the development of competencies, teamwork and commitment which in turn have an impact on retention (Paul and Anantharaman, 2003). Employee relations strategies which result in filling vacancies internally wherever possible reduces external recruitment and, as a result, opportunities for older workers seeking employment (Barnes, Smeaton and Taylor, 2009). These reduced employment opportunities may also be exacerbated by the greater difficulty older workers experience in open competition in the labour market. The reality must be that internal recruitment reduces opportunities for all external applicants, but the older worker may be particularly hard hit.

On the other hand, HR practices identified as being particularly valued by older workers include flexible working such as compressed working weeks, practices to increase workforce participation, and job re-design to accommodate changing physical needs (Armstrong-Stassen, 2008; Paul and Townsend, 1993; Remery, Henkens, Schippers and Ekamper, 2003; Saba and Guerin, 2005). These are explored below.

The removal of the DRA means that managing cases of under performance among older workers is likely to become a new challenge for those employers who in the past may have neglected such situations in the knowledge that an individual would be retiring at a prescribed point. Such concerns led the CBI to request a deferral of the removal of the DRA (CBI, 2010) to allow employers time to adjust their performance management processes. As the CIPD (2011) points out in its report on age management, the removal of the DRA will place the emphasis on organisations having robust and objective performance management systems in place that can be used consistently across all age groups. This also means that line managers will need to be developed to ensure that they have the necessary skills to performance manage workers of all ages effectively.

An important question is whether employers are actually developing and applying practices to attract and retain older workers and in the spirit of the law intended by the UK’s 2006 Equality (Age) Regulations. Many organisations still have no specific strategies with regard to age management and, within the context of the current economic downturn, retaining older workers is not seen as a priority

by employers and evidence of initiatives to engage this particular age group in the workforce is sparse unless there are immediate skills shortages due to retiring employees (Harris, Foster and Sempik, 2011). Even then there is little, if any, connection between policies to grow skills and the talent management of older workers possessing skills vital to the organisation's business. And there is a general lack of employment policies or practices which specifically address issues relating to third age employment. Instead, while employers may view any organisational talent management and career policies (including flexible working) as being applicable to all employees, Harris et al. (2011) found there was no evidence that employers had brought these to the attention of their older workers. Without such communication, it is questionable whether older workers perceive such policies as either relevant or applicable to their circumstances, particularly when these were initially introduced with a focus on other groups of employees, for example, working parents or to develop future leaders.

Many older workers would appreciate a more formal approach from their employers setting out their options, for example to continue working or to change working patterns to assist them in reaching retirement decisions (Morrell and Tennant, 2010). In contrast, employers appear to prefer to adopt an informal 'ad hoc' approach in making adjustments for older workers' with Harris et al. (2011) finding that a greater willingness to adopt tailored solutions among employers in smaller organisations than those in larger organisations who were concerned about treating older workers differently

and breaching internal equality policies and age discrimination legislation. But this 'one size fits all' approach fails to address the needs of different age groups and employers will face pressures to customise their HR practices within the legislative framework.

Flexible working and reduced hours

One of the most commonly considered approaches by employers to retain older workers is the introduction of flexible or reduced hours. Flexible working practices have been suggested as key to retaining the skills of older workers (CIPD, 2005; Eyster, Johnson and Toder, 2008). ELSA (2007) data shows that 47% of workers aged 50 and over would like their job to be less demanding or stressful, while 36% would like fewer hours and 19% would like more flexible hours; partly due to older workers often having caring responsibilities. For example, the EHRC survey found that 39% of respondents aged 50-55 years were caring for either children or adults and that 43% of older men and 58% of older women used some form of flexible working. Flexible working is therefore relatively widespread generally, but many organisations still do not provide flexible working for older workers, flexible retirement or phased retirement (Parry and Tyson, 2009). Many older workers who are close to or working post retirement would welcome phased retirement options, more choice about their working patterns or to reduce their hours, whilst men in particular would often like to downshift in function, skill or responsibility (Loretto, Vickerstaff and White's 2005). This might suggest that women in this age group would prefer to stay at the same level whilst potentially reducing their hours.

There is clearly more to be done by organisations in providing the flexibility that would encourage older individuals to stay in work but those organisations that have done so report positive outcomes for both individuals and the business. For example, the Employers Forum on Age award winner Centrica, the energy provider, adopted a flexible working initiative to provide greater control of work life balance in order to attract and retain talent from across the ranges of ages in the workforce while achieving a more effective use of office space. With the increased use of ICT within organisations, enabling the efficient contact with employees who are out of the office, it is likely that more workers will work at home in the future. Indeed, increased home working might create opportunities for older workers providing they are developed to have the skills to use this technology. Home working would not provide the social aspects of work that many older workers seek in remaining in or returning to work, but might suit the personal circumstances of some older workers.

A case study (Parry, 2008) of award winner, British Telecom, provides a good example of how flexible working can be tailored to suit older workers and enable an organisation to develop a more age diverse workforce. The company has introduced a series of flexible working initiatives that, while available to the whole workforce, were designed to engage and retain older workers and to ease the transition to retirement. These include the following:

- “Wind Down” – effectively part-time working in the later stages of an employee’s career.
- “Ease Down” – where employees reduce their working commitments in the approach to retirement. This is often used for engineers, whereby an apprentice will gradually take over more of their work as they become experienced.
- “Helping Hands” – employees are offered the chance to take time out and go and work for another organisation such as a charity
- “Step Down” – allows employees at senior levels to continue working but with less responsibility.

Providing more flexible and reduced hour options will be key in not only allowing older workers to stay on but also to create space for the next generational cohorts to take up more challenging or senior roles. Equally in times of economic hardship, it may provide employers a means to reduce full time equivalent headcount without resorting to compulsory redundancies.

Training and career development

Many older workers still wish to make career changes or career transitions, whether these be promotions, horizontal moves, changes in hours, a move to a new organisation or a completely new career (Parry and Bown-Wilson, 2010). In order to facilitate internal career transitions, employers need to provide support to older employees in the form of training and development, appraisal and personal development systems. External training might also be needed to facilitate moves outside of an organisation, for instance to a new career.

Training for older workers offers a dual benefit in the same way as it does for workers of other ages; it not only helps them to survive in competitive markets, but also affects the quality of working life for the workers themselves (Cedefop, 2008). A lack of appropriate skills is a major obstacle constraining the employment of older workers (Taylor and Walker, 1994) as skills can become obsolete as advances, such as those in technology, require new skills to be learned.

Despite its importance, the evidence shows that older workers are still less likely to take part in training (European Older People's Platform, 2007); participation in training remains relatively constant from age 20s to early 50s when it begins to decline (McNair, 2009). The reasons for the decline in training after age 50 are not clear. Most older employees remain positive about training but feel that younger workers are given priority despite employers claiming that there is no such discrimination (McNair, 2009).

Past research has suggested that employers are reluctant to train older workers (Sterns and Doverspike, 1988) although an analysis of Labour Force Survey (LFS) data suggests that the proportion of employees offered training (as opposed to actually participating in it) only drops after age 60. Another explanation may be that older workers are less motivated to participate in the training offered by organisations as it is generally aimed at young people or offers older people the same training as younger people, including qualifications that are designed to provide benefits over the life course (McNair, 2009).

Whatever the reasons for lower participation of older workers in training, it has implications for their productivity and presents employers with a challenge in terms of the design and delivery of their training programmes: an issue that was particularly recognised and addressed in the good practice case studies provided by the Department of Work and Pensions (DWP, 2011). A number of means have been suggested to encourage older workers to participate in training and development activities; for example, delivering training in a way that allows older workers to learn at their own pace, in groups of a similar age (UNUM, 2008) and provide hands-on practice (Armstrong-Stassen and Templer, 2005).

Managing health and well-being

Although many older workers are healthier than ever before, health is a crucial factor in individual decisions to stop working and in the extent of their labour market activity. Many older individuals with poor health do continue working but struggle with inflexible hours (Smeaton et al., 2009). Those in poor health find their journey to work more tiring, are more likely to get tired at work and more likely to claim not to be strong enough to perform their job as well as when they were younger. In fact, almost two thirds of the respondents to Smeaton et al.'s (2009) survey who claimed that they were dissatisfied at work said that they could be helped if their employer was more sensitive to their health needs.

There are a number of physical, psychological and psychosocial changes that are likely to occur with age which include reduced reaction time, increased accuracy and accumulated knowledge

combined with experience. Although older workers are more likely to develop a long term illness, they do tend to be healthier on a day-to-day basis and take less intermittent sick-leave than younger workers (UNUM, 2008). There are understandable concerns among employers about work related illnesses and the ability of older workers to cope with physically demanding jobs but there are dangers in making general assumptions as health in older workers varies considerably according to socio-economic status, work status and geographical location. However, employers do need to ensure that the physical demands of a job do not outweigh the ability of individual workers and that ergonomic adjustments are made to accommodate older workers requirements; for example, increased lighting to overcome any decline in sensory ability. In practice, studies have found that most interventions for occupational health were of poor quality reducing the effectiveness of such interventions (Crawford et al., 2009).

An approach to dealing with mental and physical decline that has received some attention in recent years is the Finnish concept of “workability” or “employability”: a holistic idea that includes the interrelationships between the job itself, physical and mental health, skills, motivation and the work environment, including job demands and other factors (Harper, 2011). Workability contains four different aspects: adjustments to the psychosocial work environment; adjustments to the physical environment; health and lifestyle promotion and updating of skills (Ilmarinen and Rantanen, 1999). This approach allows the physical and mental changes that occur with age to be

addressed and could allow an individual to work on longer despite health difficulties.

Attitudes towards age

On a broader level the evidence suggests that despite anti-age discrimination legislation and the removal of age barriers in employment policies and practices, there continue to be stereotypical attitudes towards individuals based on age in the workplace, including the view that a person’s performance decreases from age 50 onwards, and that many employers generalise from what was actually limited experience of older workers with older workers seen as lacking technological skills and being less adaptable to change than younger workers (Loretto and White, 2006). Stereotypical attitudes of both older and younger workers remain prevalent among HR Managers (Parry and Tyson, 2009), the very people responsible for designing and implementing age management policies and there has been little change in these attitudes since the introduction of the Equality (Age) Regulations in 2006.

The full impact of the UK’s anti-age discrimination, which provides protection for an individual not to be discriminated against on grounds of age in employment or vocational training, has yet to become fully evident through case law. But there is some evidence that the legislation is having a deadening effect on employers’ proactivity in addressing age related issues on the grounds that to do so would be discriminatory as it would introduce different treatment for different age groups.

Harris et al. (2011) found that infringing age legislation was the reason most frequently provided by employers for not developing policies aimed at older workers. Employers' perceptions of fairness and equality were largely based on the principle of demonstrating 'no difference' or neutrality in the management of different groups in the workforce (Jewson and Mason, 1986). It was viewed as a risk to deviate from this approach to address issues arising from the employment of older workers because of creating the potential for litigation and unfairness to other age groups; a perception that also impeded the development of workplace dialogues to explore older workers' career preferences as an aid to effective long term workforce utilisation and resourcing for the business. This mistaken interpretation of the legislation may actually act as a barrier to achieving true equality in the workplace.

Anti-age discrimination legislation and the development of policies and practices designed to promote age diversity and retain older workers are, in themselves not sufficient to create an age enlightened workforce. There also needs to be an age positive culture at all levels of an organisation which values and recognises the benefits of older employees through actions to support these workers. An adverse organisational culture can encourage older workers to leave an organisation and age barriers can continue to exist in an organisation which appears to have an "enlightened" culture when these are perpetuated by some line managers (Taylor and Walker, 1994).

The relationship with the direct line manager is likely to be a major

influence on an individual's decision to continue working or not and in shaping perceptions about the organisation's attitude towards age. Organisational culture and the support of line managers are two of the most important influences on whether or not an older individual could successfully make a career transition (Parry and Bown-Wilson, 2010) illustrating how essential it is that line managers receive training in age management. Recognising the vital role of managers in supporting an age diverse culture led Centrica to address issues of age imbalance by putting in place an Age Action Group which encourages managers from across the business to deliver action plans which accommodate the organisation's ageing work force.

Conclusions

There has been much discussion about the significance of engaging and retaining older workers. However, there is little evidence of UK employers taking proactive steps to achieve this goal. With the removal of the DRA, changes in state pension age and the continued ageing of the workforce this is set to become an increasingly important organisational issue. If the UK economy is to fully benefit from the skills and experience of its older workers, a larger proportion of organisations will need to adopt age management policies and practices which are effectively communicated to their workforces.

Whilst the argument is that more age diverse workplaces can offer real business benefits, the evidence to date is that a better understanding of how age is currently conceptualised in the world of work is needed. Furthermore this

should be embedded in the employment relationship in order to maximise the organisational engagement and contribution of older workers. Despite anti-age discrimination legislation, stereotypical attitudes about both older and younger workers appear to be both widespread and well embedded. This should be addressed through workforce training and other initiatives to change the organisational culture. Government, Employers' Associations and Trade Unions working together are likely to achieve this.

In some circumstances, a lack of understanding of anti-age discrimination legislation may be acting as a barrier to employers adopting proactive approaches to age management; and employers need a better understanding about what can be done to address the needs of an age diverse workforce irrespective of the age regulations. For the future, there is much to be gained from employers broadening their perspective on age management and this might be achieved through better targeted guidance and education which stresses the business benefits of innovative working practices, engagement and communication, rather than just focusing on compliance with the anti-age discrimination legislation.

Employers can also be constrained by the prevailing attitudes and norms within society. Generally, Western society still values youth as opposed to Confucian societies such as Japan that place much more value on older age. This is evident in the emphasis in recruitment and retention on the younger generation with early retirement being still seen as the norm by many managers and employees as a result of the employment policies of the 1980s. Despite the research

evidence revealing that many older workers want to continue working up to and past the present statutory retirement age, the media message continues to be that people are being "forced" to work longer against their will creating a negative perception of extending working life. There is a need for more positive messages about extended working lives which promote the concepts of choice and flexibility for workers of all ages.

For the immediate future, it is also important to consider the impact of the economic climate on age diversity and older workers. We have already identified that in the UK, economic circumstances are likely to mean that a higher proportion of older workers will have to continue working at the same time as increases in youth unemployment are taking the focus away from the retention of older workers and onto employment at the younger end of the workforce. Indeed, the increase in unemployment generally has made issues around skills shortages due to an ageing workforce seem less pressing for employers. These factors, alongside the fact that many organisations are operating under tight budgets, means that age management is not viewed as a priority for the investment of time or money by many employers.

In conclusion, the current times contain many uncertainties. The employment situation for many UK employees is volatile; and there are on-going changes to occupational pension provision and the age of entitlements to state pensions. These factors alone mean more people will be working for longer and that the issues we have identified will intensify for

employers. It will become an increasing imperative for organisations to develop informed and effective employment practices relevant to an age-diverse workforce and it is suggested that the emphasis for both employers and older workers should be on the provision of flexibility and choice. At the same time, employers and trade unions will have to address the potential conflict of interests that a more age diverse workforce may produce for example, if this leads to less opportunities for under represented groups to progress to managerial roles because longer working lives reinforce the 'status quo' of a predominantly white, male management.

However, to maintain the skills and experience they need and ensure that these can be passed on to younger workers, employers need to be flexible about the hours and place of work, changing or adapting work roles and in the delivery and content of training for older workers. But this should be a shared agenda. Employers require support from government, professional associations and trade unions to develop the capacity to manage an age diverse workforce effectively.

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