

Survey report  
March 2014

# Managing an age-diverse workforce

Employer and employee views

# Championing better work and working lives

The CIPD's purpose is to **champion better work and working lives** by improving practices in people and organisation development, for the benefit of individuals, businesses, economies and society. Our research work plays a critical role – providing the content and credibility for us to drive practice, raise standards and offer advice, guidance and practical support to the profession. Our research also informs our advocacy and engagement with policy-makers and other opinion-formers on behalf of the profession we represent.

To increase our impact, in service of our purpose, we're focusing our research agenda on three core themes: the future of **work**, the diverse and changing nature of the **workforce**, and the culture and organisation of the **workplace**.

## WORK

Our focus on work includes what work is and where, when and how work takes place, as well as trends and changes in skills and job needs, changing career patterns, global mobility, technological developments and new ways of working.



## WORKFORCE

Our focus on the workforce includes demographics, generational shifts, attitudes and expectations, the changing skills base and trends in learning and education.

## WORKPLACE

Our focus on the workplace includes how organisations are evolving and adapting, understanding of culture, trust and engagement, and how people are best organised, developed, managed, motivated and rewarded to perform at their best.

## About us

The CIPD is the professional body for HR and people development. We have over 130,000 members internationally – working in HR, learning and development, people management and consulting across private businesses and organisations in the public and voluntary sectors. We are an independent and not-for-profit organisation, guided in our work by the evidence and the front-line experience of our members.

# Managing an age-diverse workforce

## Employer and employee views

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# Foreword

*‘The ageing population and the pensions crisis, the growth in service industries, migration patterns as well as the general expansion of university places has created a marked change to the UK labour market.’*

In winter 2013–14, the CIPD explored issues relating to managing an age-diverse workforce in both our *Employee Outlook* (EO) and *Labour Market Outlook* (LMO) surveys (with samples of 2,691 and 935 respectively across private, public and not-for-profit sectors). The result is this combined overview of the findings comparing employee and employer/HR perspectives on this important topic.

The ageing population and the pensions crisis, the growth in service industries, migration patterns as well as the general expansion of university places has created a marked change to the UK labour market. More than ever before, organisations are made up of different generations with potentially different cultures, expectations and beliefs and we believe they should start to proactively manage an age-diverse workforce and help employees maintain employability throughout their working lives.

In this report, we seek to explore some of the key issues of managing an age-diverse workforce, including:

- How age-diverse are organisations?
- How aware are they of the ageing population?
- Do current recruitment activities take into account the benefits of an age-diverse workforce?
- What are the benefits of working with colleagues of different ages?
- What are the challenges of working with colleagues of different ages?
- How effective are managers at promoting teamworking amongst team members of different ages?
- At what approximate age are employees expecting to retire?
- What are organisations doing to support the extension of working life?
- What do employees think about the benefits of extending working life?
- What support is available to employees with dependant care responsibilities?

# Summary of key findings

## **Organisations are fairly age-diverse.**

- Organisations are fairly age-diverse between the ages of 18 and 64 and both HR professionals and employees believe this to be the case.
- According to HR professionals, the median figure for employees over the age of 65 is just 1%. In terms of sector, the private sector has more 18–24-year-olds than the public and not-for-profit sectors and the public sector has more middle-aged employees (35–44 and 45–54) than the other two sectors.

## **However, HR tends to respond to ageing population issues in a reactive way.**

- HR respondents were most likely to say that they deal with issues relating to the ageing population as they arise rather than having a strategy (31%) and 15% don't think their organisation has considered the issue. The public sector is more likely to have a strategy agreed at board level (19% compared with 12% in the private and voluntary sectors) or to be developing a strategy (8% compared with 6% in the private and voluntary sectors).
- A third of employees (33%) believe their organisation takes into account that the population is ageing in its processes and procedures, but a larger proportion (38%) feel that it doesn't.

## **And HR are most likely to say they have no activities to ensure access to enough skilled and diverse people of all ages.**

- When it comes to recruitment activities, rather worryingly, HR professionals are most likely to say (34%) their organisation has no activities to ensure it has access to enough skilled and diverse people of all ages.

## **The benefits of age-diverse teams are numerous, but knowledge-sharing and having different perspectives is seen as key.**

- HR professionals ranked knowledge-sharing (55%), enhanced customer service (14%) and greater innovation (7%) as the key benefits of age-diverse teams. Employees identified many benefits of working with colleagues of different ages, including having different perspectives (72%), knowledge-sharing (66%), new ideas (41%) and improved problem-solving (32%).

## **The challenges of age-diverse teams are played down by both HR and employees.**

- With regard to the challenges associated with age-diverse teams, just under one in five (17%) HR professionals ranked 'no particular challenges' as first. Similarly, when employees were asked about challenges of working with colleagues of

*'Organisations are fairly age-diverse between the ages of 18 and 64; however, the median figure for employees over the age of 65 is just 1%.'*

different ages, a third (31%) felt there are none. More than one in five (23%) employees believe their managers are either ineffective or very ineffective at promoting teamworking amongst team members of different ages. Clearly more work needs to be done here.

**Nearly half of line managers are not trained in promoting teamworking in age-diverse teams, despite one in five believing their managers to be ineffective at this.**

- Nearly half (46%) of HR professionals said that line managers are not trained in promoting teamworking amongst team members of different ages and that their organisation has no plans to change this. This seems to be a potential oversight, particularly in light of one in five employees believing their managers to be ineffective in this area.

**The most common age bracket for retiring is now 66–70, but there are mixed employee views on the benefits of extending their working life.**

- The highest proportion of employees (38%) is expecting to retire between the ages of 66 and 70.
- Employees see the main benefits of extending their working lives as economic independence (45%), stimulation (36%) and social interaction at work (34%). However, nearly a third (30%) believe that there aren't any benefits of extending their working lives.

**Organisation provisions for employee health and well-being are seemingly strong, but there is less provision for supporting the extension of working life.**

- When it comes to provisions for health and well-being, nearly half of HR professionals (47%) point to good practices

in managing sickness absence and 40% providing occupational health services. Nearly a third (30%) have employee assistance services and a similar number (29%) provide line manager training to enable them to be alert to the early warning signs of employee health issues.

- With regard to specific initiatives that organisations employ to support the extension of working life, flexible working options (42%) and a flexible retirement policy (30%) are the most likely initiatives used. However, three out of ten (30%) HR professionals report that they don't offer any support for the extension of working life.
- Finally, employees were asked their views on health insurance. Half of respondents (50%) felt that employer–employee insurance contribution schemes to protect employees against unemployment and ill-health are a good idea.

# Setting the context: how population ageing is heightening the need to manage an age-diverse workforce

The issue of managing an age-diverse workforce is particularly pressing because of population ageing, which is a trend affecting most advanced capitalist economies and many – but not all – emerging and less developed economies. Population ageing is the result of two separate developments:

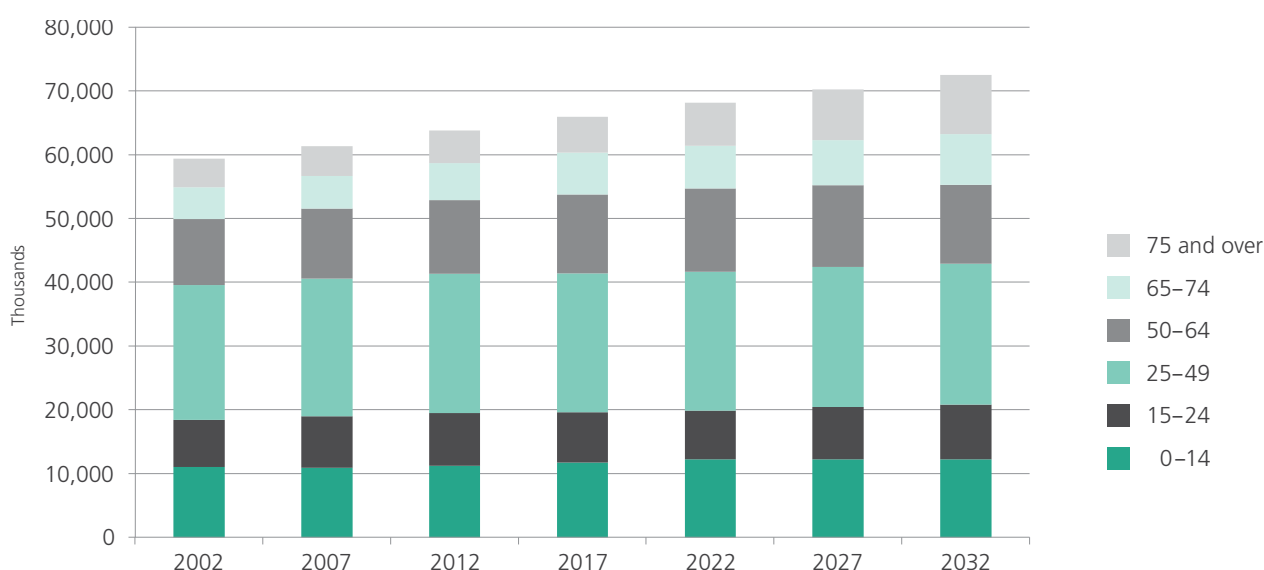
- a reduction over time in fertility rates (the average number of children borne by each woman), often the result of improved living standards, greater economic opportunities for women and falling infant mortality
- increased life expectancy, again a product of improved living standards as well as improvements in healthcare.

The latest Office for National Statistics (ONS) principal population projections show how the age structure of the UK population has changed, and is set to change further.<sup>1</sup> The median age of the population is projected to increase from 39.7 in 2012 to 40.6 by 2022, followed by a steeper increase to 42.1 years by 2032. More significantly, measures of the dependency ratio – the size of the population of assumed non-working age relative to the population of assumed working age – start to increase during the 2020s once the equalisation of state pension age has taken place. With the pay-as-you-go systems for state-financed pensions and healthcare in the UK, this means that the cost to each person of

working age of paying for the pensions and healthcare needs of the elderly will increase over time, and is a factor influencing the decision made by the Government to progressively increase the state pension age.

Figure 1 shows the broad age structure of the UK population between 2002 and 2032. The impact of population ageing builds over time, especially in the decade between 2022 and 2032. Over this period, the total UK population is expected to increase from 59 million in 2002 to 72 million by 2032. But whereas the population under 50 years old increases by just over 10% (from 50 million to 55 million), the population aged 50 and over nearly doubles from 9 million to 17 million.

**Figure 1: Age structure of the UK population, 2002–32**



Sources: ONS 2012 Principal population projections and revised mid-year estimates for 2002 and 2007.

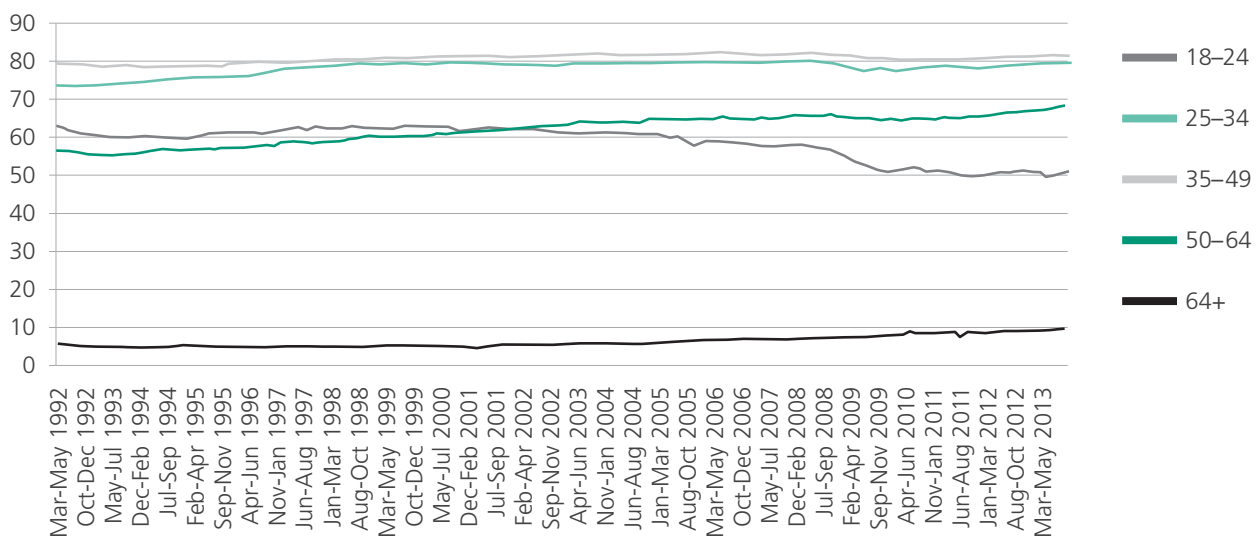
<sup>1</sup> The ONS assumes that the fertility rate remains at its current level of 1.89 for the foreseeable future, but further increases in life expectancy at birth are assumed: for men, an increase from 79 years in 2012 to 83 by 2032, with corresponding figures of 82 and 87 years for women.

## 'Population ageing is a trend affecting most advanced capitalist economies.'

The impact of population ageing on the age structure of the workforce depends upon the employment rate – the proportion of a given population group who are in employment. Employment rates change over time in response to economic conditions and to broader socio-economic developments. Figure 2 shows employment rates by age group between 1992 and 2013.

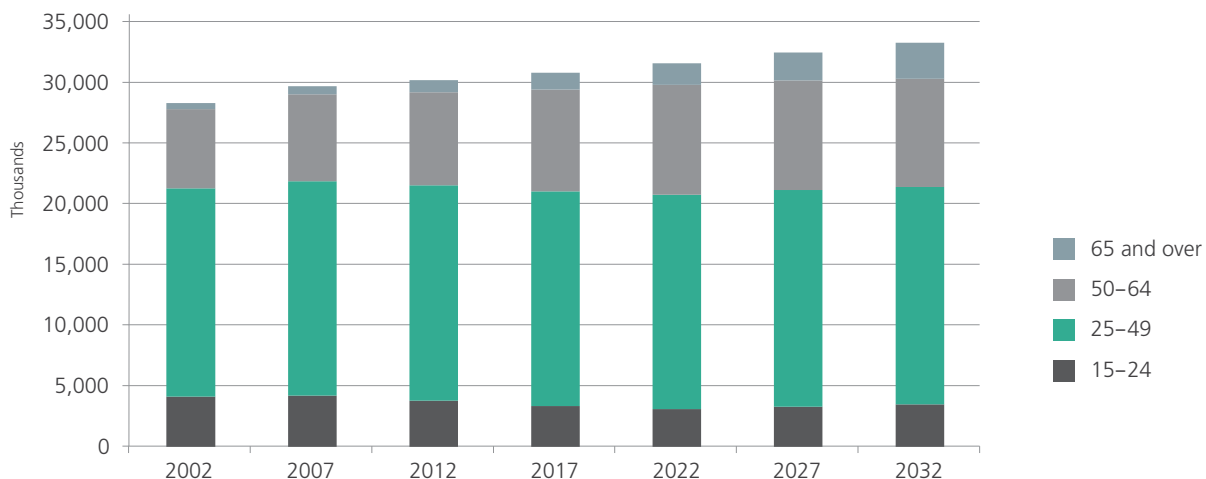
The combined effect of changes in employment rates and population changes has been an ageing of the employed workforce, as shown in Figure 3. In 2002, people aged over 50 accounted for slightly less than 25% of total employment, whereas they accounted for nearly 29% by 2012. In contrast, the share of employment accounted for by 15–24-year-olds fell over the same period from 15% to 13%.

Figure 2: Employment rates by age group, 1992–2013



Source: Labour Force Survey

Figure 3: Actual and illustrative projected age structure of UK employment, 2002–32



Sources: CIPD calculations based on ONS 2012 principal population projections and revised mid-year estimates for 2002 and 2007, employment rates for May–July 2002 and 2012 based on the Labour Force Survey and CIPD assumptions for employment rates for 2017 onwards.



In order to provide an illustrative projection of the combined impact of population ageing and trends in employment rates on the post-2012 age structure of the workforce, we have made some assumptions about future employment rates (see Table 1). The results suggest that share of employment accounted for by those over 50 will continue to grow rapidly in the coming decade, reaching 35% by 2022 with some further increase to 36% by 2032, by which time one-tenth of all those

in employment, 3.3 million people, are projected to be over the age of 65. In contrast, the proportion of those in employment aged below 25 is projected to stabilise at about 10% from 2017 onwards and absolute numbers level out between 2017 and 2022 and start to increase again modestly during the 2020s.

To summarise, the age structure of the workforce changes continually. In the past this has tended to be

the result of peaks and troughs in the size of cohorts entering the labour force (such as the 'baby boom' cohorts entering the labour market in the mid-1960s and early-1980s). While the number of young people in employment might well decline in the coming two decades, the principal change will be a much larger number of older workers seeking to extend their working lives – by choice or necessity – into older age than recent generations.

**Table 1: Employment rates: 2002, 2012 and post-2012 assumptions (%)**

Age group	2002 Employment rate	2012 Employment rate	Assumption made about path of employment rate post-2012
15–24	55.7	51.9	Stabilises at 45% from 2017 onwards (assumes there is a saturation point for educational participation)
25–49	81.4	80.8	Constant at 2012 value
50–64	62.3	66.1	Increases at 1.4 percentage points per five years (average rate of increase from 2007 to 2012)
65+	5.3	9.2	Increases at 2 percentage points per five years (average rate of increase from 2002 to 2012)

# The survey findings

*'HR respondents were most likely to say that they deal with issues relating to the ageing of the population in a reactive way as they arise (31%).'*

## How age-diverse are organisations currently?

Employer/HR respondents to our *Labour Market Outlook* survey described a fairly diverse workforce between the ages of 18 and 64, with a median 20% of 25–34-year-olds, 35–44-year-olds and 45–54-year-olds and a median 10% of 18–24-year-olds and 55–64-year-olds. However, the median figure for employees over the age of 65 was just 1%. In terms of sector, the private sector has more 18–24-year-olds (median 10%) than the public (median 7%) and not-for-profit (median 5%) sectors and the public sector has more 35–44-year-olds and 45–54-year-olds (median 25% for each) than the private sector (median 20% for each) and the not-for-profit (median 20% for each) sectors. Austerity-related redundancies and recruitment freezes may have created this employee age demographic profile in the public sector.

Looking in more detail at industry sector differences, wholesale, retail and motor trades have the highest number of 18–24-year-olds (median of 22%), while

professional, scientific and technical have the lowest (median of 1.66%). Wholesale, retail and motor trades also have the highest number of 25–34-year-olds (median of 30%), while professional, scientific and technical again have the lowest (median of 15.24%). Education (median 25%) and human health and social activities (median 25%) have the highest number of 35–44-year-olds, while wholesale, retail and motor trades have the lowest (9.47%). Wholesale, retail and motor trades also have the highest number of 45–54-year-olds (median 30%) while accommodation, food service activities and arts, entertainment and recreation have the lowest (median 10%). Wholesale, retail and motor trades have the highest number of 55–64-year-olds (median of 17%), while accommodation, food service activities and arts, entertainment and recreation have the lowest (median 5%).

Regional differences show that the south-east of England (median 22%) has the highest number of 18–24-year-olds in work, while Yorkshire and Humberside (median

**Table 2: Employer estimates of workforce age (n=935) (median %)**

Age	Overall	Private	Public	Not-for-profit
18–24	10	10	7	5
25–34	20	20	19	20
35–44	20	20	25	20
45–54	20	20	25	20
55–64	10	10	11.6	10
65+	1	1	1	2

5%), the east of England (median 5%) and the south-west of England (median 5%) have the lowest.

The south-east of England again (median 30%) has the highest number of 25–34-year-olds, while the east of England (median 10%) has the lowest. London (median 25%), the north of England (median 25%), the Midlands (median 25%) and the West Midlands (median 25%) have the highest number of 35–44-year-olds (median 30%), while the south-east of England (median 4.77%) has the lowest. The south-east of England (median 30%) has the highest number of 45–54-year-olds, while no regions have below the average median of 20% in this age category. Finally, the east of England (median 17.69%) has the greatest number of 55–64-year-olds in work while the north-west of England (median 8.82%) has the lowest number.

We simplified this question in the *Employee Outlook*, just asking employees to choose from three categories. Almost three-quarters of employees said that the workforce in their organisation was a mixture of ages (74%), with many fewer saying that the workforce was mostly mature (40+ years of age) (14%) and fewer still categorising it as mostly young (less than 40 years of age) (11%). Employees working in the public sector are most likely to say that their workforce is a mixture of ages (83%) (74% in the voluntary sector and 71% in the private sector). Additionally, those employees working in large organisations are also most likely to describe the workforce as a mixture of ages (81%), those working in micro organisations (40%) are likely to have the highest number of mostly mature employees and those working in medium organisations are likely to have the highest number of mostly young employees (20%).

### How prepared are organisations regarding ageing demographics?

HR respondents were most likely to say that they deal with issues relating to the ageing of the population in a reactive way as they arise (31%). A fifth of respondents either have a strategy agreed at board level or are developing a business case for a strategy. Fifteen per cent suggest they have considered possible implications but have not identified a need to modify the way they do things and a further 15% say that they don't think that their organisation has considered the issue. The public sector (19%) is more likely to have a strategy agreed at board level or to be developing a strategy (8%) than the other two sectors (existing strategy: private, 12%; not-for-profit, 12%) (developing a strategy: private, 6%; not-for-profit, 6%). This largely reactive approach and failure to think ahead could damage an organisation's ability to manage its talent needs successfully and leave it vulnerable when it comes to sustaining economic performance.

When employees were asked a similar question in the *Employee Outlook*, a third (33%) felt that their organisation takes into account that the population is ageing in its processes and procedures, but a larger proportion (38%) felt that it doesn't and many employees (28%) simply don't know about this.

HR professionals were also asked about their recruitment activities to ensure their organisations have access to enough skilled and diverse people of all ages. Interestingly, the top response chosen by over a third (34%) of HR professionals is 'none' – my organisation does no activities to ensure it has access to enough skilled and diverse people of

all ages. Nearly a third (32%), however, provide clear, accurate and accessible information about jobs and career opportunities as part of their strategy and one in five (20%) are building closer relationships with schools or colleges. Nearly one in five (19%) are also providing work experience opportunities for employees of all ages. Respondents in the private sector are most likely to say their organisation does no activities

(38% compared with public: 20%; and not-for-profit: 30%). The public sector is more likely than the other two sectors to provide clear, accurate and accessible information about jobs and career opportunities (38% compared with private: 30%; and not-for-profit: 32%) and to be building closer relationships with schools and colleges (22% compared with private: 20%; and not-for-profit: 17%).

**Table 3: Employer response to the ageing of the population? (%) (n=935)**

We have a strategy agreed at board level which informs what we do.	14
A business case for a strategy is being developed.	6
We deal with issues as they arise.	31
We have considered possible implications but have not identified a need to modify the way we do things.	15
We are not aware of any challenges that might emerge.	6
I don't think we have considered the issue.	15
I don't know	13

**Table 4: Employer recruitment activities to ensure organisations have access to enough skilled and diverse people of all ages (%) (n=935)**

Monitor the age distribution of the workforce	17
Provide clear, accurate and accessible information about jobs and career opportunities	32
Provide career guidance that meets the needs of all ages	13
Build close relationships with schools and colleges	20
Employee volunteering opportunities for all ages	14
Internship schemes for all ages	7
Apprenticeship schemes for all ages	15
Work experience opportunities for all ages	19
Work-shadowing for all ages	15
Mid-life planning courses	4
Build links with parent and retiree groups and networks	4
Other	2
None – my organisation does no activities to ensure it has access to enough skilled and diverse people of all ages	34
Don't know	7

**What are the benefits and challenges of working with colleagues of different ages?**

HR respondents were asked to rank the benefits of working with colleagues of different ages in order of importance and Table 5 shows the percentage of respondents who ranked the following options first. Knowledge-sharing (55%) is by far the most common benefit associated with age-diverse teams. This is followed by enhanced customer service (14%), improved problem-solving (9%) and greater innovation (7%).

When asked to tick all that apply, employees identified many benefits of working with colleagues of different ages, including having different perspectives (72%), knowledge-sharing (66%), new ideas (41%) and improved problem-solving (32%). Additionally, one in five (20%)

pointed to the benefit of greater innovation and enhanced customer service delivery.

With regard to the challenges associated with age-diverse teams, just under one in five (17%) HR professionals ranked ‘no particular challenges’ as first. Similarly, when employees were asked about challenges of working with colleagues of different ages, a third (31%) felt there were none. However, challenges were identified and those ranked highest by HR professionals include concerns around internal progression/ succession planning problems (16%), age stereotyping (16%) and a lack of shared values (15%) between colleagues of different ages. Employees, when asked to tick all that apply, were most likely to identify the challenge of a lack of shared interests (32%), with 29% highlighting

*‘Knowledge-sharing (55%) is by far the most common benefit associated with age-diverse teams.’*

**Table 5: Employer views of benefits of working with colleagues of different ages (1st ranking) (%)**

**Base: all HR professionals giving a response (n=871)**

Knowledge-sharing	55
Greater innovation	7
New ideas	6
Improved problem-solving	9
Enhanced customer service	14
Better risk management	3
Other	1
No particular benefits	4
Don't know	1

**Table 6: Employee views of benefits of working with colleagues of different ages (all that apply) (%)**

**Base: All employees (n=2,691)**

Knowledge-sharing	66
Having different perspectives	72
Greater innovation	20
New ideas	41
Improved problem-solving	32
Enhanced customer service delivery	20
None – there are no benefits	7
Don't know	6

*‘More than one in five (23%) believe their managers are either ineffective or very ineffective at promoting teamworking amongst team members of different ages.’*

**Table 7: Employer views of challenges of working with colleagues of different ages (1st ranking) (%) (n=864)**

Misunderstandings	13
Lack of shared interests	11
Potential for disruptive conflict	5
Lack of shared values	15
Difficulty in developing trust	3
Difficulty in gaining agreements	2
Age stereotyping	16
Internal progression/succession planning problems	16
Other	1
No particular challenges	17
Don't know	1

**Table 8: Employee views of challenges of working with colleagues of different ages (all that apply) (%) (n=2,691)**

Misunderstandings	29
Lack of shared interests	32
Potential for disruptive conflict	22
Lack of shared values	28
Difficulty in developing trust	9
Difficulty in gaining agreements	9
No particular challenges	31
Don't know	8

misunderstandings and 28% pointing to challenges associated with a lack of shared values. Far fewer referred to difficulties in developing trust (9%) and difficulty in gaining agreement (9%).

#### **How effective are managers at managing age-diverse teams?**

Employees were asked how effective they believed their managers to be in promoting teamworking amongst team members of different ages. Over a third (35%) believe their managers are either very effective or effective at this. However, more than one in five (23%) believe their managers are either ineffective or very ineffective at promoting teamworking amongst team members of different ages. Clearly, more work needs to be

done here. Respondents from the public sector were more likely to say their managers are ineffective at promoting teamworking amongst team members of different ages (28%) than respondents from the private (22%) and not-for-profit (20%) sectors.

We also asked employees how satisfied they are with how their performance is managed. Overall, 39% felt either satisfied or very satisfied, but a sizeable 26% were either dissatisfied or very dissatisfied. Again, respondents from the public sector were more likely to be dissatisfied (29%) compared with 25% each in the private and not-for-profit sectors. Age seems to have an influence on satisfaction with performance management, with

the youngest (18–24-year-olds) and the oldest (55+) employees most likely to be satisfied or very satisfied (43% and 41% respectively) and least likely to be dissatisfied or very dissatisfied (19% and 24% respectively).

Following on from this, in the LMO we asked HR professionals whether line managers in their organisations are trained to develop teamworking amongst team members of different ages. Over a third (37%) said that they are trained in this area, with a further 10% saying they will be in the future. However, nearly half (46%) of respondents said that line managers are not trained in this area and that their organisation has no plans to change this. This seems to be a potential oversight, particularly in light of just over one in five employees believing their managers to be ineffective in this area.

In the LMO, we asked HR professionals about the practices their organisation uses to ensure performance management is effective for all employees. More

than three in five (64%) pointed to regular one-to-one discussions between line managers and team members. A similar number (63%) also hold regular appraisals – either annually or more frequently. Nearly half (46%) also provide line manager training. Interestingly, nearly one in five (17%) said that there are no practices in place to ensure performance management is effective within their organisation.

Sector differences show the not-for-profit sector as most likely to hold regular one-to-one discussions between line managers and team members (83% compared with public: 76% and private: 59%) and most likely to hold regular appraisals (84% compared with public: 83% and private: 56%). The public sector is most likely to provide line manager training (61% compared with private: 41% and not-for-profit: 56%); however, it is questionable how effective this is given that employees in the public sector are most likely to be dissatisfied with how their performance is managed.

**Table 9: Employer responses: Are line managers trained to develop teamworking amongst team members of different ages? (%) (n=935)**

Yes they are	37
No they are not and there are no plans to change this	46
No they are not but will be in the future	10
Don't know	6

**Table 10: Employee views of effectiveness of managers at promoting teamworking amongst team members of different ages (%) (n=2,691)**

Very effective	9
Effective	26
Neither effective nor ineffective	25
Ineffective	12
Very ineffective	11
Don't know	5
Not applicable – we don't have team members of different ages	6
Not applicable – I don't have a manager	4

**Table 11: Employer responses: net satisfaction with the way performance is managed by age (n=2,691)**

	18–24	25–34	35–44	45–54	55+
Net: Satisfied	43	37	35	38	41
Net: Dissatisfied	19	28	28	27	24

**Table 12: Employer responses: practices are used to ensure performance management is effective for all employees (%) (n=935)**

Regular one-to-one discussions between line managers/team leaders and team colleagues	64
Regular appraisals (annual or more frequently)	63
Line manager training	46
Other	1
None – there are no practices in place	17
Don't know	3

### Employee skills and performance

Employers can use a variety of practices for employees of all ages to ensure they develop and keep their skills up to date to meet business needs. HR professionals are most likely to state their organisations use regular reviews of training needs for all employees (58%) for this purpose. Four out of ten HR professionals have a requirement for line managers to

encourage employees of all ages to take part in training (43%) or encourage employees to act as mentors and mentees (41%).

However, a fifth of HR professionals say their organisation (22%) has no provisions in place to ensure employees of all ages develop and keep their skills up to date, with the private sector (27%) and SMEs (35%) significantly more likely to report this.

**Figure 4: Employer responses: practices used to ensure employees of all ages develop and keep their skills up to date to meet business needs (%)**





**What are employees' retirement expectations and the perceived benefits of extending working life?**

Very few employees are expecting to retire before the age of 55 (4%). The highest proportion of employees (38%) are expecting to retire between the ages of 66 and 70. This is followed by nearly a third (31%) who are expecting to retire between the ages of 61 and 65 and 11% between the ages of 56 and 60. Interestingly, 16% are realistically expecting to retire after the age of 71.

There are mixed views with regard to extending working life. Employees see the main benefits of extending their working lives as economic independence (45%), stimulation (36%) and social interaction at work (34%). However, nearly a third (30%) believe that there aren't any benefits of extending their working lives.

HR professionals were asked to think about the provisions their organisations have for overall employee health and well-being. Nearly half (47%) point to good practices in managing sickness absence and 40% providing occupational health services. Nearly a third (30%) have employee assistance services and a similar number (29%) provide line manager training to enable them to be alert to the early warning signs of employee health issues. One in four (25%) also offer ergonomic job design (taking account of the physical requirements and characteristics that are relevant to different roles). However, nearly one in four (24%) say they have no provisions in place to support employees' health and well-being.

With regards to specific initiatives that organisations employ to support the extension of working life, flexible working options

*'Employees see the main benefits of extending their working lives as economic independence (45%), stimulation (36%) and social interaction at work (34%).'*

**Table 13: At what approximate age are you realistically expecting to retire? (%)**  
**Base: Employee Outlook respondents; n=2,691**

Under 50 years of age [47.5]	1
50–55 [52.5]	3
56–60 [58]	11
61–65 [63]	31
66–70 [68]	38
71–75 [73]	9
75+ [78]	7
<b>Mean</b>	<b>65.92</b>

**Table 14: What do you see as the benefits of extending your working life? (%)**  
**Base: Employee Outlook respondents; n=2,691**

Economic independence	45
Personal status	11
Social interaction at work	34
Stimulation	36
Improved personal well-being	26
Other	3
None – there are no benefits	30

*‘Part-time working and flexible working arrangements are considered the most effective methods of supporting older workers to remain in employment.’*

**Table 15: Employee views on employer–employee contributions to insurance to protect employees against unemployment and ill-health (%) (n=2,691)**

Good idea	50
Bad idea	18
Don't know	32

**Table 16: Employer responses: Which, if any, of the following provisions are in place to support employee health and well-being of employees of all ages? (%) (n=935)**

Access to occupational health	40
Healthcare insurance	22
Employee assistance services	30
Guidance on managing healthy lifestyles	22
Line manager training to be alert to early warning signs about employee health issues	29
Ergonomic job design (that is, taking account of physical requirements and characteristics that are relevant to role)	25
Stress management training for individuals	23
Good practices in managing sickness absence	47
Other	1
None – no provisions are in place for employees' health and well-being	24
Don't know	3

(mentioned by 42%) and a flexible retirement policy (30%) are the most likely initiatives used.

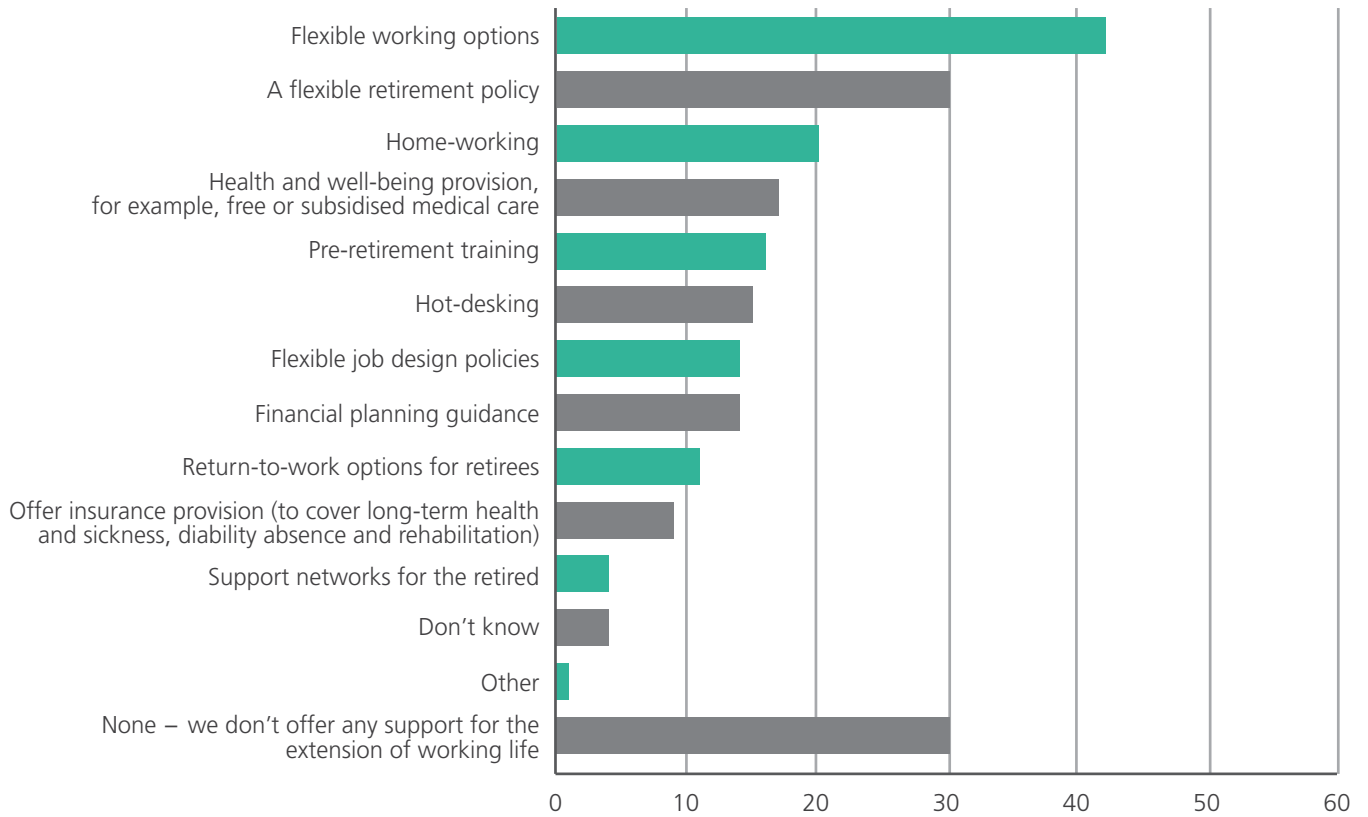
However, three out of ten (30%) HR professionals report that they don't offer any support for the extension of working life, with organisations in the private sector (35%) significantly more likely than public sector organisations (14%) and voluntary/not-for-profit (22%) to report this.

Part-time working and flexible working arrangements are considered the most effective methods of supporting older workers to remain in employment, with three-quarters of those employers who have these arrangements rating them effective.

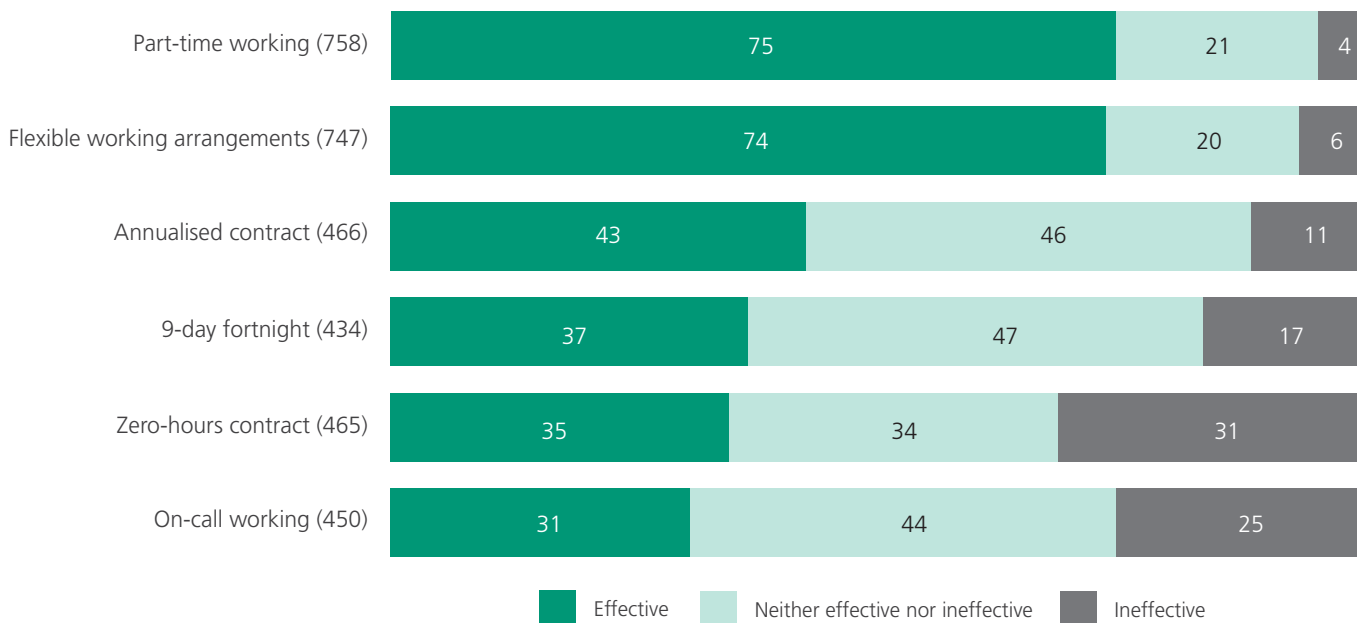
On-call working (where employees need to be available to be called for work outside normal working hours) (25% rating ineffective) and zero-hours contracts (31% ineffective) are considered the least effective in supporting older workers to remain in employment.

Finally, employees were asked their views on employer–employee insurance contribution schemes to protect employees against unemployment and ill-health. Half of respondents (50%) felt that this is a good idea, with just 18% believing it to be a bad idea and quite a high proportion, almost a third (32%), responding 'don't know' to this option.

**Figure 5: Employer responses: How, if at all, does your organisation support the extension of working life? (%)**



**Figure 6: Employer views of effectiveness of arrangements to support older workers (over-50s) to remain in employment (%)**



**Table 17: Employer responses: support for employees with dependant care responsibilities, by sector (%)**  
**Base: 935**

	All	Private sector	Public sector	Voluntary and not-for-profit
Flexible working to help with childcare	45	39	61	61
Flexible working to help with the care of elderly dependants	36	30	53	43
Access to information sources about coping with childcare	17	14	28	14
Access to information sources about coping with eldercare	15	13	23	20
Access to information to cope with care for a person with a disability	13	10	23	19
Flexible working is available to all employees	38	32	55	47
Employee carer networks	5	4	11	1
Other	2	3	2	4
None – no provisions are in place to support carers	30	36	11	20
Don't know	5	4	6	4

Flexible working is primarily provided by organisations to support employees with caring responsibilities, including caring for children (45%) and care of elderly dependants (36%). In fact, nearly two-fifths (38%) provide flexible working to all regardless of the reason. However, nearly a third (30%) of organisations have no provisions in place to support carers.

Sector differences show that there is more likely to be support for flexible working for both types of caring responsibilities in the public and not-for-profit sector than in the private sector (see Table 17). The private sector is also the sector most likely to have no provisions in place to support carers (36%) compared with 20% in the not-for-profit sector and just 11% in the public sector.

# Conclusions

## So, the good news so far...

Our findings in this report clearly show that the age at which employees are retiring is increasing, with the average now being 66–70.

Both HR professionals and employees believe their organisations to be fairly age-diverse currently between the ages of 18 and 64, but very few (just 1%) have employees over the age of 65. As the context for this report shows, as we progress to 2032 the number of employees in this age group will rise dramatically.

It is also encouraging to see that both HR professionals and employees recognise the benefits that age-diverse teams can bring to businesses and particularly highlight knowledge-sharing and the diverse perspectives this brings. Employees working at the coalface are also particularly likely to highlight the advantages of innovation, new ideas and improved problem-solving.

Both HR and employees alike were less likely to identify negative challenges emerging from age-diverse teams. When they did identify challenges, however, HR were most likely to be concerned about succession planning problems and age stereotyping, while employees were most likely to point to a lack of shared interests and potential misunderstandings.

Finally, on the positive front, organisation provisions for employee health and well-being are seemingly strong. Employers appear to be tackling these issues in a coherent and inclusive way, which takes account of the whole workforce by, for instance, being proactive about the management of sickness

absence and providing occupational health and employee assistance programmes.

## However, there are a number of areas where organisations need to build momentum.

Despite the fact that many employers think their organisations are age-diverse, very few are proactively monitoring the age distribution of their workforces. In fact, the evidence in this research suggests that HR tends to respond to ageing population issues in general in a reactive way. HR respondents are most likely to say that they deal with issues as they arise rather than having a strategy and some don't even think their organisation has considered it. Interestingly, the public sector is ahead of the game on this, with the private and voluntary sectors dragging their feet on it.

Most worrying is the lack of organisational activity and attention to ensuring enough skilled and diverse people of all ages are currently being recruited. Another concern is that nearly half of line managers are not trained in promoting teamworking in age-diverse teams, despite one in five believing their managers to be ineffective at this. Against the important backdrop of the need to improve productivity in the UK (which is poorer than it was before the recession began), focusing on this agenda could help to turn that situation around.

Finally, given our ageing demographics, more work needs to be done to support the extension of working life, with currently nearly a third of HR professionals saying they have no provisions in place at all.

*'Our findings in this report clearly show that the age at which employees are retiring is increasing, with the average now being 66–70.'*



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