



Managing an ageing workforce

How employers are adapting to an older labour market

September 2010

Dr Alison Macleod, Dianah Worman OBE, Petra Wilton, Patrick Woodman and Paul Hutchings



Contents

	Page
Foreword	3
Introduction	4
Methodology	4
Summary of key findings	5
1. Individual attitudes to age in the workplace	7
2. Recruitment	10
3. Training and skills development	12
4. Flexible working practices	14
5. Redundancy and redeployment	16
6. Retirement policies	18
7. Organisational policies	23
Conclusions & recommendations	27
Additional resources	30
Appendix – respondent profile	31
Acknowledgements	31

Copyright Chartered Management Institute & Chartered Institute of Personnel and Development ©

First published 2010

Chartered Management Institute, 2 Savoy Court, Strand, London WC2R 0EZ

Chartered Institute of Personnel and Development, 151 The Broadway, London SW19 1JQ

All rights reserved. Except for the quotation of short passages for the purposes of criticism and review, no part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior permission of the publishers.

British Library Cataloguing in Publication Data

A CIP catalogue record for this report is available from the British Library

ISBN 0-85946-462-8

Foreword

The UK population is ageing. By 2020 nearly a third of the workforce will be over 50. It is a change that has important implications for employers and their approaches to employment. Especially in difficult economic times, having the right knowledge and skills is a pressing issue for businesses looking to sustain and improve their competitiveness.

This report shows that HR professionals and managers recognise the invaluable contribution that older employees can make. Negative perceptions about older workers are declining and there is widespread recognition of the value that they can bring to the workplace long beyond traditional retirement ages.

However, despite the progress that has been made in addressing age discrimination since the introduction of legislation in 2006, organisations still need to work hard to prepare for the impact of demographic changes. All policies and practices related to recruitment, retention and development will need to be reviewed and refreshed to make sure that organisations have the talent that is vital for successful business performance.

This report shows that many organisations have neither a strategy in place for managing an ageing workforce nor a coherent range of provisions to respond to emergent issues. Even those organisations that are ahead of their contemporaries need to remain alert and responsive to new challenges to traditional ways of doing things.

The often significant changes that organisations need to make require top level involvement. Board-level leadership is important but our findings suggest it is frequently absent. Getting boards on board with this increasingly important agenda will enable organisations to develop the agility needed to respond effectively to demographic change.

Failure to act, whether as a result of complacency or resistance to change, will undermine not only business growth but business survival. This report offers practical recommendations to help employers, HR professionals and line managers understand what actions they can take. We encourage those organisations that have so far failed to take the age issue seriously to pay more attention to it – and to lose no more time in doing so. We recommend they catch up with the early adopters who are well ahead of them. It makes good business sense to do so.

Ruth Spellman OBE

Chief Executive
CMI

Jackie Orme

Chief Executive
CIPD

Introduction

As a nation, we are living longer, healthier lives. Combined with declining birth rates, the age profile of the British population is changing significantly. Consequently, so is that of the workforce. The Department for Work and Pensions calculates there are currently around 1.4 million people over the current State Pension Age who are in work, including 800,000 over 65 years. At the same time, the number of young people of working age is falling. These changes make it vital for organisations to draw on the talents of older workers.

Change has also been driven by the law. In 2006, the Employment Equality (Age) Regulations were introduced, making it illegal to discriminate against workers on the grounds of age in recruitment, promotion and training. The Regulations also introduced a Default Retirement Age of 65, with compulsory retirement ages below 65 only permitted if they could be objectively justified.

Further change can be expected. In 2010, the new Coalition Government announced its intention to phase out the Default Retirement Age altogether, allowing people more opportunity to extend their working lives in ways that address their own needs. This will increase the personalisation of retirement ages and offer employers new opportunities to access the talent and skills needed to sustain business activities.

Methodology

This report is based on a survey conducted in April 2010 amongst members of the Chartered Management Institute (CMI) and the Chartered Institute of Personnel and Development (CIPD). The survey, which was developed with support from Age Positive in the Department for Work and Pensions (DWP), examines how line managers and HR managers are adapting to the challenges of managing an ageing workforce.

The study provides an overview of the changing nature of employment practices and develops recommendations to maximise the contribution and retention of older workers. It builds on the previous joint study by CIPD and CMI, *Tackling age discrimination at work: creating a new age for all*¹ (2005), and these earlier findings are referred to in this report.

In the 2010 survey, 1,033 responses were received from the CMI and CIPD members surveyed, who come from across a wide range of economic sectors and sizes of organisation. The personal characteristics of respondents are therefore reflective of the institutes' professional members – respondents had an average age of 52 and were more likely to come from a large than a small organisation. A full breakdown of respondents is provided in the Appendix.

The findings of the report are also informed by ten case study interviews, drawn from survey respondents. These case studies offer some practical insights into the real-life approaches being taken by a variety of organisations as they respond to an ageing workforce.

¹ CMI & CIPD (2005), *Tackling age discrimination at work creating a new age for all*. Available at: www.managers.org.uk/researchreports

Summary of key findings

1. Attitudes to older workers

- **Positive attitudes towards older workers** – the vast majority of respondents (93 per cent) agree that the knowledge and skills of older workers are highly valuable. Most (69 per cent) disagree that older workers are more expensive than younger ones.
- **Benefits of employing older workers** – the principal driver for improving an organisation's approach to managing older workers is knowledge retention, well ahead of legal compliance or cost control issues (90 per cent compared to 36 per cent or 19 per cent respectively).
- **Reasons for working later in life** – motivations are principally financial, as people look to maintain their income or top up pensions. Social or personal motivations, such as maintaining social connections and being personally fulfilled, are also important.
- **Experiences of age discrimination** – 40 per cent feel they have been disadvantaged in a work situation for appearing too old, with these experiences mostly relating to job applications and promotions.

2. Impact of general HR practices

- **Recruiting older workers** – 64 per cent of organisations remove age from application forms, up from 44 per cent in 2005.
- **Training and skills development** – 91 per cent say their organisation offers training regardless of age and the majority (77 per cent) see training as very important in keeping older workers' skills up-to-date.
- **Flexible working** – around 60 per cent of respondents report that their organisations offer part-time and flexible working to all employees, in line with a general pattern of providing employment benefits in an age-free way. These ways of working are considered important strategies for retaining valuable staff beyond conventional retirement ages.
- **Redundancy** – encouragingly, age is not regarded as a key factor when it comes to redundancy selections. Job performance and skills are the primary factors, with cost issues and length of service regarded as less important.

3. The challenge of retaining older workers

- **Policies and preparedness** – only 14 per cent of managers and HR managers consider their organisation very well prepared to cope with the issues caused by an ageing workforce. Only a third report that there is board-level recognition of the need for an effective strategy on employing older workers.
- **Driving change** – HR departments are seen as very influential in terms of the way older workers are managed. They have a key role to play in driving through the necessary changes organisations need to take in order to adapt to an ageing workforce.
- **Resistance to change** – line managers are regarded as highly influential in the implementation of organisational policies, yet also somewhat resistant to change.
- **Managing older workers** – only 7 per cent of organisations offer training to line managers on managing older workers, yet 47 per cent of respondents think such training is needed. Some 59 per cent think that young managers find it hard to manage older workers.

4. Retirement policies

- **Default Retirement Age** – the DRA appears to have had mixed effects. Just over one in three of those using it feel that more employees stay on past 65, but nearly half think that retirement patterns have not changed since its introduction in 2006.
- **Retirement policy** – 57 per cent of respondents report that their organisation uses the current DRA of 65. Nineteen per cent have either no fixed retirement age, or retirement above 65. Worryingly, many managers are not well informed about their organisation's retirement policies, especially middle and junior managers in large organisations.
- **Benefits of flexible retirement** – those who already operate without a fixed retirement age are more likely to report that their retirement processes meet the organisation's needs and the individual's needs.
- **Reforming retirement law** – 42 per cent favour the removal of the DRA (as the Government has now proposed). Around one in three wish to retain it with 18 per cent in favour of raising it. The case study interviews show organisations recognise the need to increase retirement ages in line with employees' desires to work for longer.

1. Individual attitudes to age in the workplace

This chapter explores personal experiences of age in the workplace. It looks at discrimination, perceptions of age, attitudes to older workers and motivations for extending working life.

1.1 Personal experiences of disadvantage because of age

In total, 55 per cent of respondents feel they have experienced disadvantage at some point in their career because of their age, a modest decline from the 2005 survey where 59 per cent felt they had experienced discrimination. Twenty-eight per cent feel they have been discriminated against as a result of being perceived as too young and 40 per cent feel they have experienced disadvantage as a result of appearing too old. Such disadvantages were most commonly experienced in relation to promotion or job applications.

	Promotion %	Job application %	Training %	Appraisal %	Redundancy %
Perceived as too young	20	12	3	4	4
Perceived as too old	19	25	13	6	8

Table 1: Experience of unfair disadvantage as a result of being perceived as too young or too old

More men than women feel that they have been at a disadvantage as a result of being perceived as too old. This is despite attitudes that regard women as being 'older' at a younger age than men (55 for a woman compared to 56 for a man, as reported below). In addition, more men than women feel they have been disadvantaged for being too young in cases of training, appraisal and redundancy.

1.2 Age diversity within organisations

Respondents were asked to characterise the age composition of their organisation. A majority – 59 per cent – describe their organisation as age diverse. Thirty-two per cent perceive their organisation as mature, while only 9 per cent describe their workforce as mostly young.

Respondents from private sector organisations are more likely to describe the workforce in this way. Small organisations of less than 50 people were the most likely to characterise their workforce as mature, with 42 per cent describing their organisation in this way.

1.3 How old is 'old'?

When asked to suggest an age for an 'older employee', the average response was 56 for a man and 55 for a woman. This is virtually unchanged from the 2005 survey. Although the gap is narrow, it still seems to be the case that female employees become 'older' at a slightly younger age than their male counterparts.

Perhaps unsurprisingly, one's own age has a bearing on perceptions of age. Ideas of what 'older' means increase as the respondent themselves gets older: 'older' is seen as early 50s to someone under 30, and 59-62 for someone over 65.

1.4 Attitudes to older workers amongst our members

Attitudes to older workers appear to be shifting away from negative stereotypes encountered in past research. Respondents demonstrate firm conviction that older workers are an important resource for organisations, with an overwhelming majority (93 per cent) agreeing that the knowledge and skills of older workers are highly valuable. They also disagree with the notion that older workers cost organisations more money than younger workers. There was broad disagreement with the idea that older workers needed to be treated differently from younger workers.

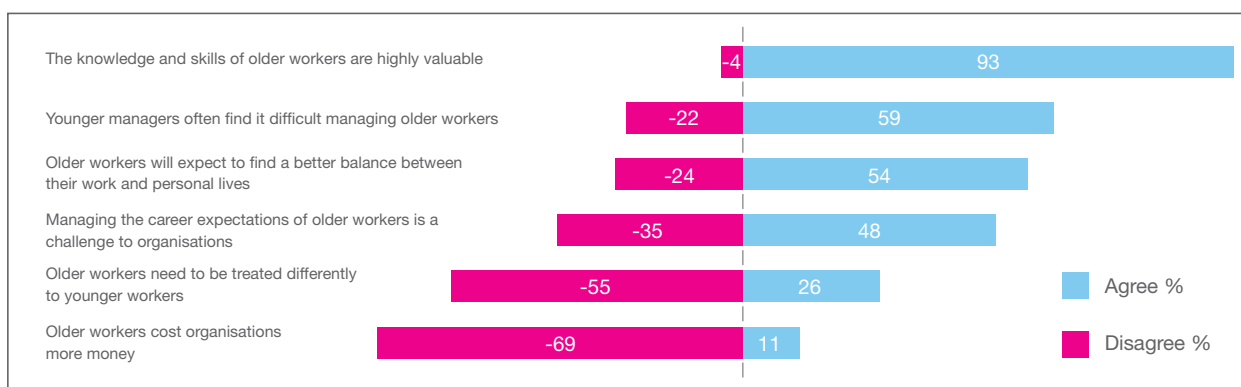


Chart 1: Attitudes towards older workers

At the same time, it is clear that the management of older workers may present a number of distinct challenges to organisations. Fifty-nine per cent agree that younger managers often find it difficult to manage older workers. Managing older workers' expectations about their careers and their work-life balance is also important. So, while the knowledge, skills and experience of older workers are seen as extremely valuable to organisations, customised approaches may be needed to engage and motivate them. Training and management implications are discussed in later sections. Career and talent management is likely to become an increasing challenge for organisations, given the planned phasing out of the Default Retirement Age.

1.5 Motivations for extending working life

Healthier, longer lives, changes in retirement legislation, and reducing pension values are all encouraging more people to extend their working lives. What do CMI and CIPD members think motivates older people to stay in work for longer?

Forty-nine per cent of respondents report a small increase in older workers' interest in staying in work later in life. One in ten see a more significant increase. While there is evidence, then, of changing expectations these appear to be gradual and incremental rather than rapid.

Those who report an increased interest within their organisation were asked what older workers' motivations are for wishing to work later in life. As the results show, respondents cite multiple reasons, including financial and social incentives.

	%
To be able to continue funding their existing lifestyle	89
To top up their pensions	72
Personal fulfilment from work	68
Enjoyment of the social aspects of work	62
Ability to make a contribution to society	33
To be able to support dependent children	34
To be able to fund elderly dependents	20

Table 2: Motivations for working later in life (Base: 709 replies)

Assumed motivations are very similar across public and private sector respondents, with public sector respondents placing a slightly higher emphasis on support, financial drivers, and the desire to contribute to society. Directors and senior managers value personal fulfilment more than other managers, as do those in small organisations.

Dyfed-Powys Police – a rural police service covering Mid and West Wales

“Our aim is to reflect through our staff internally the communities we serve externally, across all the diversity strands” – Chief Superintendent Gwyn Thomas, Dyfed-Powys Police.

In its quest to reflect the communities it serves, Dyfed-Powys Police has established working groups for each of the diversity strands identified in its Single Equality Scheme. These groups are each led by senior managers who act as Champions, promoting the needs of the different diversity strands – including one dedicated to promoting pro-age agendas. Group leads are influential senior police officers and staff able to influence the organisation at a strategic level.

Gwyn believes that encouraging older and younger employees to work together can promote better understanding between each group’s needs and perspective. Diverse teams with members of varying ages enable them to better engage with and serve the differing needs of the many rural communities that are served by Dyfed-Powys Police Service.

Police Pension Regulations currently mean police officers of the rank of Constable and Sergeant have to retire by age 55. However, police staff work to the statutory retirement age of 65. This is currently under review in line with UK Government direction. Older workers, especially those over 50, are considered both committed and stable employees. There are examples of Police Community Support Officers (PCSOs), in particular, being recruited in their 50s, and some of these are retired police officers rejoining in PCSO roles.

The Force takes great pride in its occupational health services which proactively offers services to support and monitor the health and fitness of officers and staff. Proactive policies, such as leadership training that focuses on employee well-being and the promotion of healthy lifestyles, are seen as integral to the success of the organisation. A variety of flexible and part-time working arrangements are offered to employees and this is seen as a key factor in enabling the service to get the best out of all its employees in serving the rural communities of Dyfed & Powys.

2. Recruitment

In the past, employers were able to use age-related language in recruitment literature, often deliberately targeting a younger workforce and neglecting the potential contribution from older workers. What are managers' perceptions of current recruitment practices in their organisations?

2.1 Encouraging applications from older workers

The majority of managers (64 per cent) say that their organisation removes age from application forms as a way of encouraging applications. This represents a large rise from the 2005 figure of 44 per cent, and is particularly welcome in light of the finding that job applications are one of the most common areas for disadvantage due to age. However, fewer managers think their organisations are trying to target a range of age groups when recruiting.

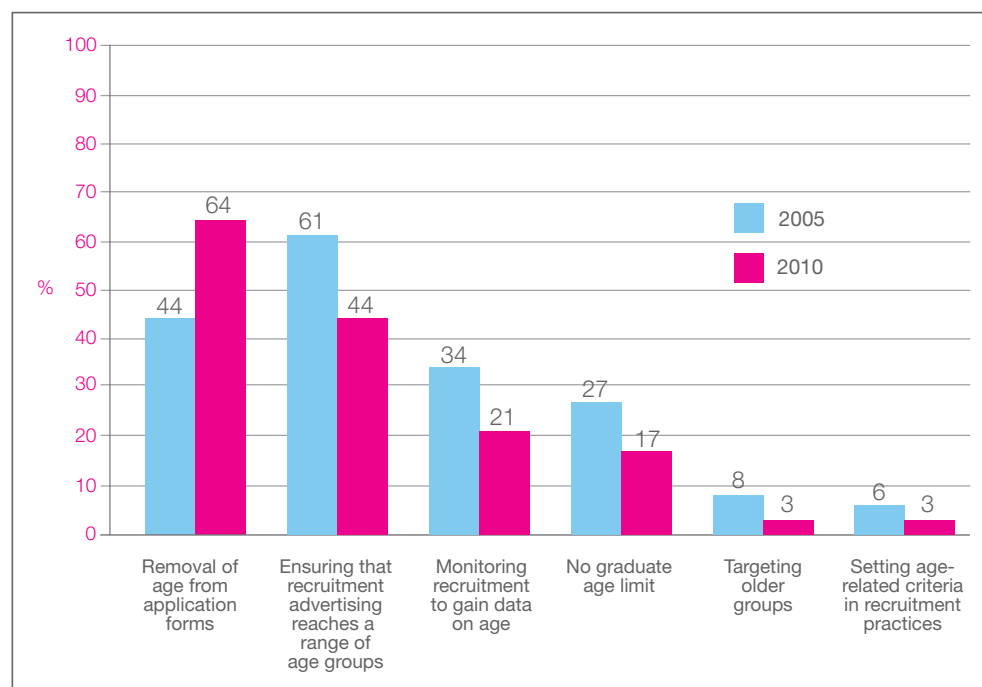


Chart 2: Reported recruitment practices used to encourage applications from older workers

It is possible that organisations feel the removal of age from application forms is the main way of tackling age discrimination in work practices. However this practice alone may not ensure organisations always attract talent from a range of age groups and other techniques may be needed. Separate CMI research² has shown the importance of reaching a range of age groups when recruiting, for example by using a variety of media when advertising positions.

There are few differences in recruitment practice by sector or size. Large organisations and public sector organisations are more likely to monitor recruitment data.

² CMI (2008), Management Recruitment: understanding routes to greater diversity. CMI. Available at: www.managers.org.uk/researchreports.

2.2 Recruiting older workers

How do managers feel about recruiting older workers? Around half of respondents think their organisation is consistent in its approach to recruiting older workers. Three in ten did not know, or did not have a strong feeling in either direction. This suggests employers need to do more to communicate best practice to all managers.

Scottish Power Energy Retail Ltd – an energy retailer (gas, electricity, hydro-electric power)

As part of the Ibredrola Group, the fourth largest energy provider in the world, Scottish Power has circa 8,000 employees in the UK.

Keith Jones, Senior Operational Manager, at Scottish Power, explains a new innovative approach they are taking to retirement planning:

“Employees have access to an online retirement planner where they can enter their details and enter any date after their 55th birthday that they may be considering retiring and it will immediately give them what their annual pension would be... it’s a very interactive system which means that employees can make their own decision.”

The organisation looks to accommodate both those who wish to stay longer and those who want to retire earlier. Decisions are based on individual and business needs.

In a bid to improve global succession management, the International Career Development Portal has been developed, enabling employees with specific skills or experiences working in one market to be targeted for a move to a new market. Again making use of technology, an online recruitment portal allows employees to apply for internal vacancies.

Keith explains: “Posts that become available are advertised on our own intranet, not just with our own division. There are development plans being put in place that will allow the system to show all of the roles that are available in all the other countries.”

Recruitment looks at competencies, not age. Regular appraisals take place, so problems do not build up, and coaching and mentoring are recognised as important methods for helping managers to develop.

3. Training and skills development

If employees are to make a major contribution to organisations throughout their careers, their skills need to be continually developed and refreshed. The survey results suggest that most organisations take an “age-free” approach to training, basing it on individual and business needs. Initiatives aimed at older workers are less common.

	%
Training is offered to all regardless of age	91
Training is delivered in a variety of learning styles	61
Opportunities to mentor others	47
Pre-retirement training	36
Opportunities for career progression	36
Training for part-time workers	29
Opportunities for career redeployment	21
Volunteering opportunities	17
Personal development allowances	12
Union learning representatives	12
Age champions	3

Table 3: Initiatives to encourage older workers to take part in training and development (Base: 976 replies)

The overwhelming majority (91 per cent) offer training regardless of age and 61 per cent offer training to suit a variety of learning styles. Other initiatives are less common: just over one third offer pre-retirement training and around half have opportunities for workers to mentor others. Union representatives are mentioned by about one in ten and only a tiny minority have an age champion in place.

There are few differences between the private and public sectors, but public sector organisations are far more likely to offer pre-retirement training (54 per cent) and slightly more likely to have union learning representatives (18 per cent).

Genzyme Diagnostics – a biomedical firm

Genzyme Diagnostics is a medium-sized organisation (500 employees worldwide) which produces biological enzymes for use in medicine. With their employees being highly skilled science specialists, attracting talent is a continuing challenge.

Age is not considered a particular issue, but it is likely it will become a greater worry in the future as succession planning worries grow. Some senior managers are soon to be approaching retirement age, so Jan Reynolds, Senior HR Manager, is looking to develop a talent pipeline to promote talented employees into their roles.

The company uses flexible working at every level, and the company considers all kinds of flexible work such as redeployment and downshifting. It is hoped this will allow employees to continue working for longer, enabling their experience and skills to be retained and passed on to other employees

Training is seen as very important and quarterly reviews allow needs to be identified and met very quickly. Jan does recognise there are sometimes issues with older workers, especially on the production side of the business: “Many are reluctant to continue to do night shifts, and the company has not managed to solve this difficulty yet”.

3.1 Attitudes to training and older workers

Training and professional development are considered important in keeping older workers' knowledge and skills up-to-date. This is well-accepted, with 77 per cent of respondents agreeing that training is critical. The majority generally reject the argument that training for older workers is not cost effective, although it has to be said that a substantial minority (34 per cent) are not sure or did not have a strong opinion.

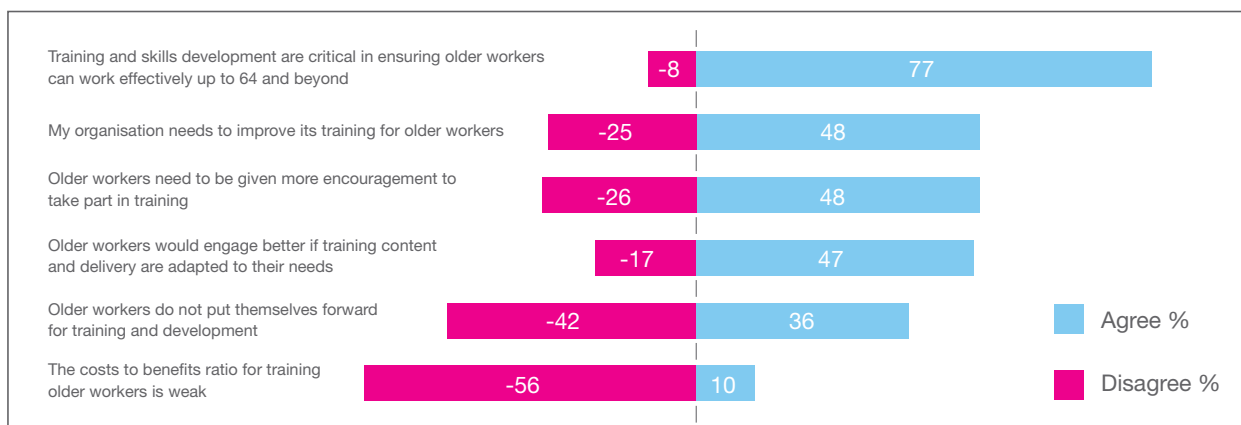


Chart 3: Attitudes towards training and older workers

Overall, it appears that organisations could do more to engage older workers in training. Just under half of respondents think their organisation needs to improve its training for older workers. A similar proportion feel older workers need more encouragement to take part in training, and might engage better if training content is adapted to their needs.

Some of those interviewed suggested that it can be difficult to encourage older workers to take part in training. This might be because older workers feel that they were already highly experienced and competent. The challenge for employers in offering training is to communicate the business needs and its associated benefits very clearly. VTCT, an educational charity, has experienced this kind of reluctance from some of its older employees. To deal with it, managers receive specific training which encourages them to engage with staff as individuals.

3.2 Monitoring training

To be confident about organisational training policies being free from age bias, organisations should ideally collect information about training participation. The survey results show that collecting of such data is unusual, being either patchy or absent. While over a third report that their organisation monitors training completion, over half say their organisation does not monitor age in relation to training participation or the impact of training. Only 14 per cent monitor access to preferred learning styles.

Many organisations seem to take it for granted that their 'unbiased' approaches to training participation are enough to encourage older workers and therefore fail to collect evidence to confirm this.

3.3 Line manager training

The survey asked whether line managers are offered training to improve how they managed older workers – 89 per cent say that this kind of training is not offered and only 7 per cent say that this kind of training is available. Yet there is clearly some demand, 47 per cent of respondents think that such training is needed and one out of five do not know whether it is needed or not.

In light of the finding that three out of five respondents feel that younger managers find it hard to manage older workers, training for younger managers may be particularly needed.

4. Flexible working practices

Flexible working which allows employees to achieve a better work-life balance can be a useful strategy for helping older workers to stay in work longer and for making the transition to full retirement less abrupt. This section reviews attitudes towards its use and assesses availability.

4.1 Availability of flexible working

Survey respondents reported that flexible working practices are quite commonly available – and where they are offered, they tend to be offered to the workforce as a whole, with relatively few organisations offering them to older workers only.

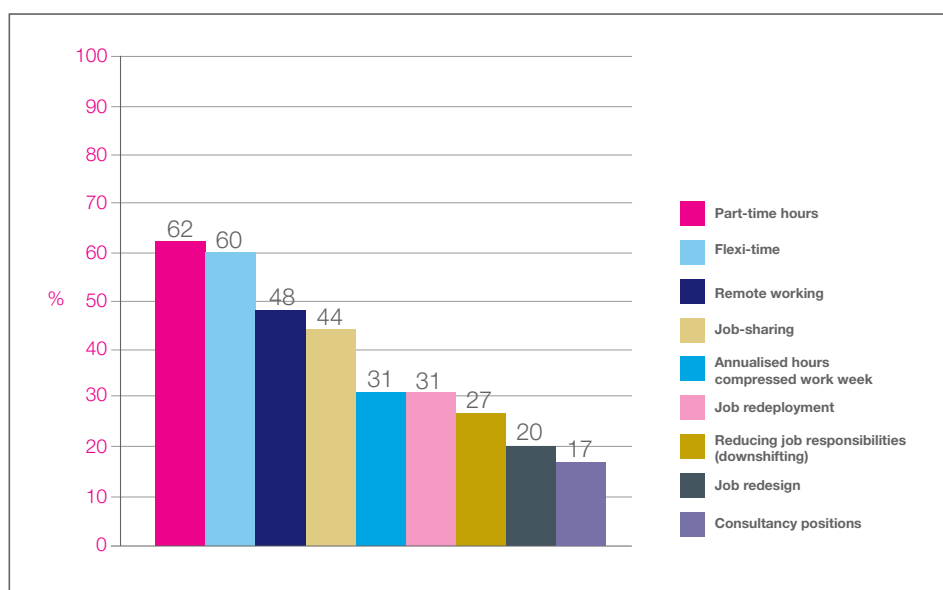


Chart 4: Provision of flexible working in organisations

Part-time hours and flexible working are available options for all employees in three out of five cases. Remote working and job sharing are available in just under half. Only sixteen per cent of organisations do not offer any flexible working. Public sector organisations are significantly more likely than the private sector to offer flexible working, with the one exception of the consulting sector.

VTCT – an educational charity with 45 employees

With an age profile that is a mixture of under-30s and over-50s, VTCT is worried about handling succession as senior managers approach retirement age. They have been using the Default Retirement Age, although they have been willing to negotiate with individual members of staff about specific arrangements such as retention through consultancy roles.

Some positive experiences of these flexible arrangements have proved useful in encouraging others to try similar approaches. HR plays a key role in this process, and is also charged with educating the organisation on age legislation and the importance of succession planning.

While the company “embraces giving training to all workers whatever their age or grade”, there are occasions when they have found a blanket approach problematic. The company recently ran customer service training for all customer-facing staff and noticed some reluctance from older staff, perhaps because these staff already felt very competent.

The company now focuses on developing dialogue between managers and employees. Managers are encouraged to avoid making assumptions about their employees’ career plans and ambitions, and to treat them as individuals.

Two practices stand out as slightly more likely to be offered only to older workers: part-time hours and reduced responsibilities. This is reflected in some of the case studies, where one approach offered to workers nearing retirement age is the opportunity to gradually taper their departure from the workforce, rather than going directly from full-time work into retirement.

Under half of respondents (47 per cent) feel that their organisation offers adequate flexible working opportunities for older workers. However, 28 per cent expect their organisation to offer more in future (with 26 per cent disagreeing).

No practice stands out as being particularly popular among older workers. Part-time hours, flexi-time and consultancy positions are thought to be more popular than other options. Several of the case study organisations included in this report described how individual employees have been able to negotiate highly successful part-time or reduced-hours arrangements around the time of their retirement.

Hutchison Ports (UK) Limited – seaports

Hutchison Ports (UK) Limited ('HPUK') employs over 3,000, staff, many working in physical roles. To support their employees the organisation takes a thorough approach to occupational health throughout employees working lives, with a focus on musculoskeletal health. It is something that is particularly relevant for older workers – many of whom have worked at HPUK for very long periods and are particularly valued by the company for their knowledge and experience.

The physical ability to complete heavy work does eventually decline with some employees becoming less able to undertake certain tasks as they get older. As a result part-time arrangements and other flexible working practices, such as job redesign are under active consideration and on trial in some areas to enable people to switch to roles that are more manageable. A productive working relationship with trade unions makes such transitions easier.

Bob Page, Head of Support Services, explains HPUK's pragmatic approach:

"As some people age, they lose their strength, and some of the jobs on ships are very heavy duty. We retain a number of reserve posts here, for people who can no longer work on the front line, where they can check containers or move back into the warehouses. We have a very strong relationship with the trade union and it allows us to be quite flexible in how we move people around."

Training is also strongly encouraged if people want it, and there are no differences by age. However, it was made clear that it is important to be realistic about balancing individual needs and business needs.

4.2 Attitudes to flexible working

Some mixed messages emerge from the responses to questions about flexible working. This ambiguity is reflected in the finding that under half (48 per cent) agree that their organisation has a culture of flexible working – and in the fact that while 40 per cent agree that line managers are positive about flexible working, 35 per cent disagree. Fifty-nine per cent disagree with the suggestion that flexible working practices are suitable for all jobs in their organisation. Addressing managers' doubts and increasing uptake of flexible working may require more training about how to manage a flexible workforce and how to develop creative and appropriate solutions.

5. Redundancy and redeployment

With recent economic conditions placing a renewed focus on redundancy procedures in organisations, the survey looked at what strategies organisations are using to avoid redundancies – and what role age plays in this process.

5.1 Redundancy Over two-thirds of those surveyed (68 per cent) report that their organisation has made redundancies over the past two years. Surprisingly, given the recession, the general frequency of redundancies experienced is the same as in 2005, indicating that redundancy and restructuring are a typical feature of employment³.

The 2006 Employment Equality legislation, now overtaken by the Equality Act 2010, removed age limits on unfair dismissal and redundancy rights, making it unlawful to use age as a major factor when selecting for redundancy, and removing the upper age limit on statutory redundancy pay.

Age is a factor for only 11 per cent of managers, down slightly from 13 per cent in 2005. As chart 5 below shows, it is reassuring to see that age and associated measures such as length of service and employment costs have all diminished relevance to redundancy over the past five years. However, length of service (often a surrogate for age) is taken into account by some organisations.

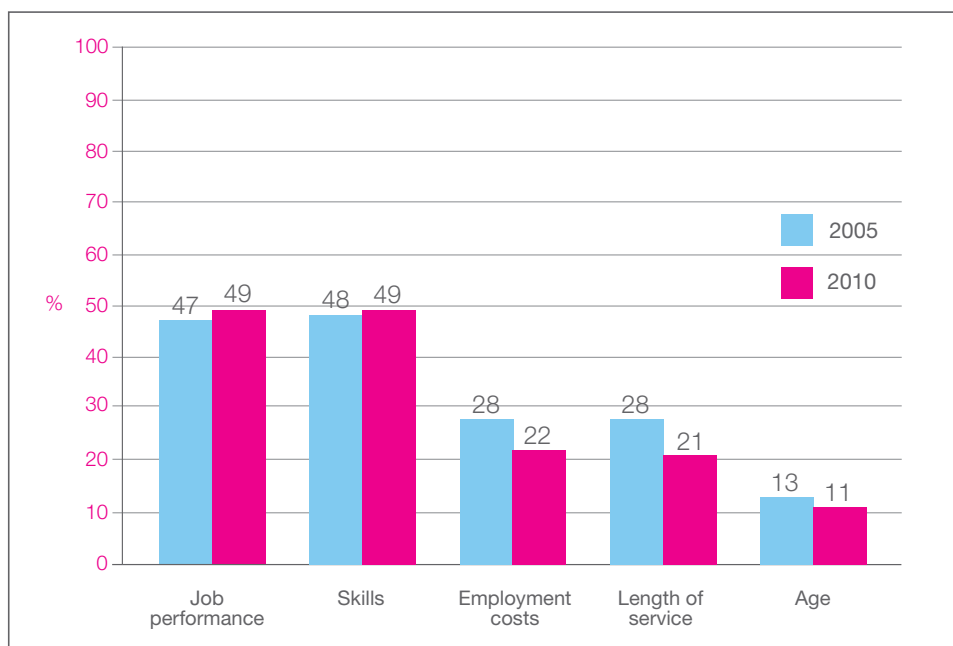


Chart 5: Factors taken into account when selecting for redundancy

The survey asks managers whether older workers are at greater risk of redundancy than younger workers. Only 30 per cent agree, with three-fifths rejecting the idea. There are no differences in opinion here, by sector, organisational size or management status. It appears that age is genuinely not seen as an important factor in redundancy – performance and skills are far more important to managers in making these decisions.

³ It is important to stress that the survey does not indicate the scale of redundancies in each organisation, which are likely to be more extensive than they were in the 2005 study given the economic conditions at the time the survey was carried out.

5.2 Redeployment policies

Job redeployment is the most common strategy used to avoid the need for redundancies. However, three in ten organisations do not use any specific strategies in order to avoid redundancy. Public sector organisations are more likely to use redeployment as a strategy (61 per cent), while a larger proportion of private sector organisations use reduced hours and pay cuts.

Magnox North Wylfa – a nuclear power station in rural Wales

Judy Craske, a Transition Manager from Magnox, reported the value of age and skills audits in planning the management of the workforce. In a safety critical industry where the right skills take years to develop and are always needed, the age audit revealed areas where succession planning was needed now to stop skills shortages developing down the line.

The company's skills audit revealed many "hidden" talents within the workforce. With the site moving towards end of generation and subsequent decommissioning and employees needing to be moved onwards, this helped Judy in her task of managing the transition.

"Magnox is trying to help move the workforce from their nuclear background to new industries that are coming to North Wales, and therefore we're looking at renewable energy, digital engineering, aerospace, biosciences and so on. The skills audit helped distinguish what the workforce had to offer".

For older employees, unlikely to move to another employer, Magnox are using the same process to encourage greater involvement in the community. This retirement transfer project, where workers approaching retirement are encouraged to turn to community work, is run in conjunction with 'future mapping' workshops that provide employees a chance to discuss their needs and wants as they approach the end of their time at Magnox.

6. Retirement policies

The survey was carried out in April 2010, before the General Election and the new Coalition Government’s announcement that it would phase out the Default Retirement Age (DRA). The findings suggest that the DRA has not had a significant impact on the way organisations approach their retirement practices and, while opinions are divided, that there is substantial support for its abolition.

6.1 Current retirement policies

Nearly three-fifths report that their organisation uses the Default Retirement Age of 65. Surprisingly, one fifth report that they have a normal retirement age below 65, but 16 per cent do not have a fixed retirement age. In the 2005 survey 52 per cent of organisations used 65 as a mandatory retirement age, so the 2010 findings are broadly similar – even though the previous study pre-dated the new rules on age discrimination and retirement.

The survey does indicate significant variations in retirement policy depending on organisational size. Small organisations are less likely to have a fixed retirement age, while medium-sized organisations are the most likely to stick to the DRA. Large organisations are the most likely to use a normal retirement age below 65.

	Overall %	Small %	Medium %	Large %
The Default Retirement Age of 65, with employees able to request a postponement	57	43	70	58
A normal retirement below Default Retirement Age of 65	19	10	12	24
No fixed retirement age	16	40	9	9
A normal retirement age above Default Retirement Age of 65	3	2	2	3
Don’t know	6	4	6	6

Table 4: Current retirement policy (Base: 1,018 replies)

Private and public sector responses are very similar, with one exception: 21 per cent of private sector organisations have no fixed retirement age, compared with only 10 per cent of public sector organisations.

Fifty-one per cent of respondents say their organisation is currently reviewing its retirement policies or has done so in the last five years. However, a substantial minority (43 per cent) do not know what their organisation is doing. There are no real differences in these responses by sector, management level, or organisational size. Interestingly, middle managers are most likely not to know whether policy had changed (55 per cent).

With the impending removal of the DRA likely to prompt major reviews by many organisations, coupled with the already high number of organisations undergoing change, clear guidance is needed to help organisations make sure changes are made in appropriate ways. A key message in such guidance should be the importance of communicating what the changes are to everyone who needs to know.

Separate guidance on managing with and without a retirement age has been developed by CIPD – see *Retirement practices: making the right choice! An employer’s guide (2010)* cited in the further information section at the end of this report.

6.2 Future changes in retirement policy

Many are also unsure of what changes their organisation might need to make over the next five years. At the time of the survey (April 2010) the Government's position regarding the future of the DRA was under review. However, the recent announcement that it will be phased out may give organisations greater clarity.

Regardless of the legal situation, the survey shows that some anticipate greater flexibility in retirement practices. However, the level of anticipated change remains moderate rather than high.

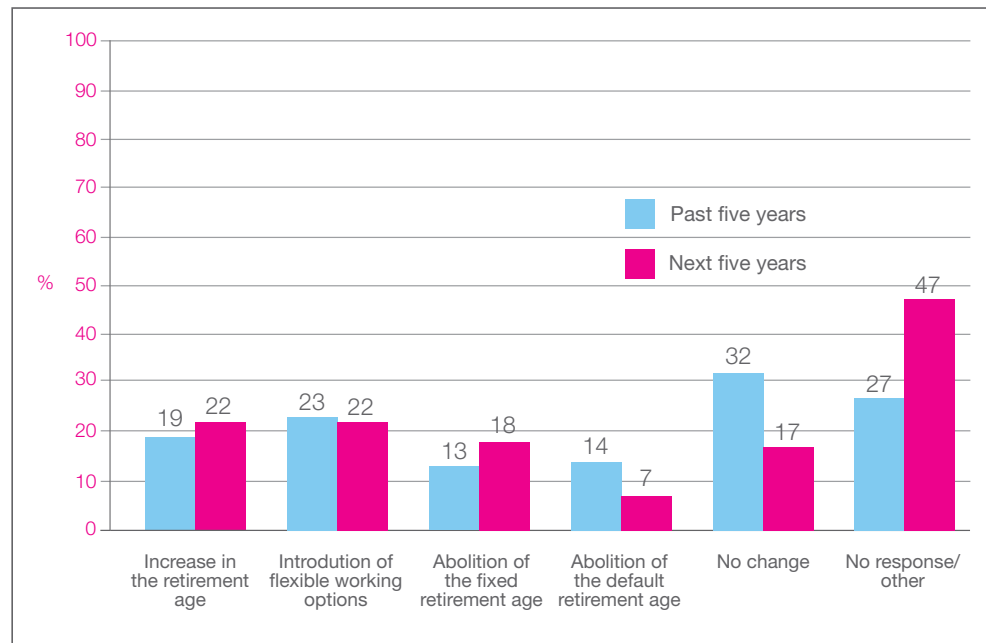


Chart 6: Changes in retirement policy: past five years vs. next five years

As with other questions about retirement policy, a substantial minority do not really know how their organisation either has changed or might change in the future.

More public sector organisations have introduced flexible working options as a response to retirement in the last five years (40 per cent). Thinking about the next five years, those in large organisations or public sector organisations are more likely to expect an increase in retirement age and the abolition of the DRA. Small organisations and private sector organisations are the most likely to expect no changes.

6.3 Drivers of retirement practice

The leading influence on retirement practice is legal compliance, which is understandable given the changing legal framework in recent years. Nevertheless, it is not the whole story. Skills retention and succession planning are influential factors of retirement policy and both have increased in importance since the 2005 survey. Financial drivers are less important.

	Not important %	Important %	Important (2005) %
Legal compliance	9	64	N/A
Enhancing the retention of skills and knowledge	13	57	49
Succession planning	20	50	34
Pensions	29	36	36
Managing poor performers	27	36	34
Reducing overall labour turnover costs	29	33	29
The ability to shed staff	37	29	34
Reducing all other financial costs associated with employing older workers (i.e. annual leave, service awards, redundancy payments)	44	23	18

Table 5: Drivers of retirement policy

6.4 Value of the retirement process

Three out of five feel that the retirement process works well for their organisation, although a significant minority (33 per cent) are not sure. A similar proportion of respondents feel that the organisation's current process works well for the retiree. Only 40 per cent feel that the retirement process needs to be reviewed though and 26 per cent did not know. This uncertainty may be because some managers are somewhat remote from this issue and, if they have not been required to manage a retirement, have not needed to know the detail.

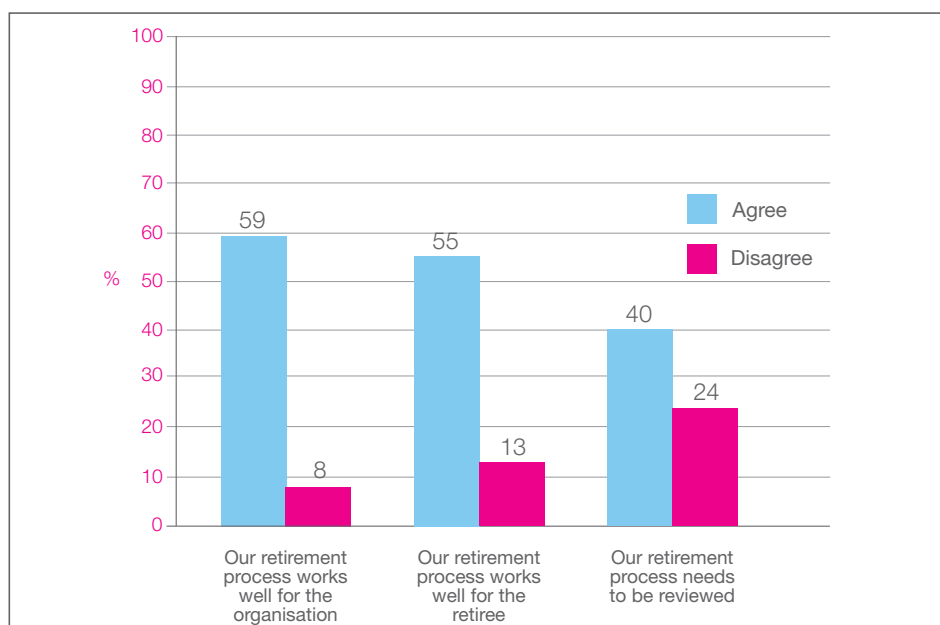


Chart 7: Effectiveness of organisational retirement processes

There are some differences among those with different existing practices: those already operating without a fixed retirement age are significantly more likely to agree that their retirement process works well for the retiree (68 per cent agree), which is encouraging given the decision to phase out the DRA. Those with a retirement age below 65 are slightly less likely to agree that the process works well for either the

organisation or the retiree. Perhaps as a result, they were also much more likely to agree that their current retirement process needs reviewing – 53 per cent, compared with only 25 per cent of those with no fixed retirement age.

6.5 Impact of the Default Retirement Age

The impact of the DRA, introduced in 2006, appears to have been somewhat mixed. Around half feel that it brought no real change in actual retirements. Just over a third feel that more employees stay on beyond age 65. Significantly, a quarter of managers feel that the assumption was created that employees could not work beyond age 65.

	%
Employees continue to retire at the same rate as before its introduction	47
More employees now stay on beyond 65	36
It creates an assumption that people cannot be employed beyond 65	27
Performance management of older employees is neglected	16
Complaints from employees whose requests to stay in work are refused	14
It creates unnecessary administrative burdens and costs	6
Fewer compromise agreements	4
Reduced number of industrial claims	3

Table 6: Impact of the Default Retirement Age (Base: 676 replies)

6.6 Reforming the Default Retirement Age

The survey explored attitudes about potential options for reforming the DRA, pre-dating the announcement that it will be phased out. Two out of five who expressed an opinion wanted to remove it, while 18 per cent would like to raise it. Two out of five want employers to explain their decisions about requests to work beyond 65 to employees while around a third support retaining the current DRA process.

	%
Requiring employers to explain their decisions to employees when requests are made about working longer	42
Removing the Default Retirement Age	42
Retaining the current Default retirement Age process	35
Raising the Default Retirement Age	18

Table 7: Support for measures relating to the Default Retirement Age (Base: 950 replies)

There are no real differences between public and private sector organisations in their preferences, although private sector respondents demonstrated slightly more support for removing the DRA (45 per cent versus 39 per cent in the public sector). HR managers were significantly more likely than other managers to support retaining the current process (41 per cent, compared with 34 per cent of middle and senior managers).

De Beers UK – a diamond trading and marketing company with 350 employees in the UK

De Beers reviews and develops its retirement strategy as required to meet the needs of both the business and its employees. The company has many long serving employees, with 30 years of service not being unusual. Due to previous generous pension arrangements, employees have been able to retire well before normal retirement age which was traditionally 60. With wider use of defined contribution pension arrangements, the need for flexibility of employment terms and changes in legislation the Company anticipates that employees will in future retire at a later age.

The Company believes that a flexible retirement policy can work to the benefit of both the employer and employee and facilitates both knowledge transfer and succession planning.

7. Organisational policies and preparedness

In this final section, we explore how organisations are equipping themselves to deal with the challenges caused by an ageing workforce and associated changes in working practices. The survey results reveal that while managers recognise the importance of retaining talent, they are not always organised to manage age-related issues to help them do this more effectively.

7.1 Drivers for improving the approach to managing older workers

The desire to hold onto valuable knowledge and experience older workers is by far the biggest driver for improving how older workers are managed, identified by 90 per cent of respondents. Experience is also implicit in the next two most popular drivers, the ability to mentor younger employees and skills shortages. It is clear that older employees are seen as valuable sources of knowledge.

Drivers	Overall %	Public sector %	Private sector %
Retaining knowledge and experience	90	86	93
Ability to mentor younger employees	56	52	59
Skills shortages	54	53	56
Maintaining productivity	38	34	43
Current legislation	36	43	29
Responding to employee expectations	29	30	28
The rising state pension age	20	23	16
Keeping recruitment costs under control	19	23	15
Managing pension liabilities	17	21	13
Reflecting an ageing customer base	15	16	14

Table 8: Drivers for improving the approach to managing older workers (Base: 1,017 replies)

As in other questions such as those on redundancy, financial drivers featured low on the list. Interestingly, the desire to reflect an ageing customer base – an idea that is common in much of the diversity literature – is not widely regarded as important.

The overall pattern is very similar between public and private sector organisations. ‘Current legislation’ is a stronger factor for public sector organisations (43 per cent cite this compared with 29 per cent of private sector organisations), as is recruitment cost control and managing pension liabilities. Productivity is of slightly greater concern to private sector organisations.

RJD Technology Ltd – a consultancy firm which offers technical support on defence projects, using a small number of core staff supported by a larger number of mainly freelance contractors

The extensive knowledge possessed by older people is highly valued in this industry. The organisation recruits irrespective of age, provided that the individual has the knowledge and the reputation: indeed some of their contractors are in their 70s. In RJD’s experience, older workers often want to work flexibly and project or contract work enables them to do that – so it benefits both the individual and the organisation. RJD’s Chairman, David Thomsett – who is ‘older’ himself – feels that there are ‘subtle prejudices’ against older people, including the expectation that older people will be more dogmatic and less flexible than younger people. Although some of this is simply prejudice, David also feels that older people have to learn to communicate their expertise to younger people more effectively: “Not ramming it all down their throats

– letting them make their own discoveries and giving them respect and support. ‘Informal mentoring without being patronising.’”

Sometimes the organisation finds that older people lose their earlier spark and motivation. It is very important to manage this well, by alerting and being honest with the person and identifying the reasons why this is happening. “It’s easy to adopt a very authoritarian opinion and get rid of someone without actually diagnosing what the real problem is”.

Retirement is seen as something that needs to be negotiated between the individual and the business. There may come a time when someone cannot keep up with the demands of the business, but on the whole people in the business look after themselves and manage their work commitments to suit their lifestyle. Being a small company, RJD is able to be agile in its response and do things which larger companies might find difficult.

7.2 Key issues for organisations

Three out of five respondents identify refreshing workers’ skills as a key issue to address in order to improve the management of older workers. Managing health and well-being is also an important area.

Public and private organisations prioritise issues similarly with just one key difference: public sector organisations are more likely to identify review of the retirement process as a key issue (60 per cent versus 45 per cent). Priorities are also very similar across management levels, although HR managers are more likely to suggest that helping line managers to be more competent is an important issue.

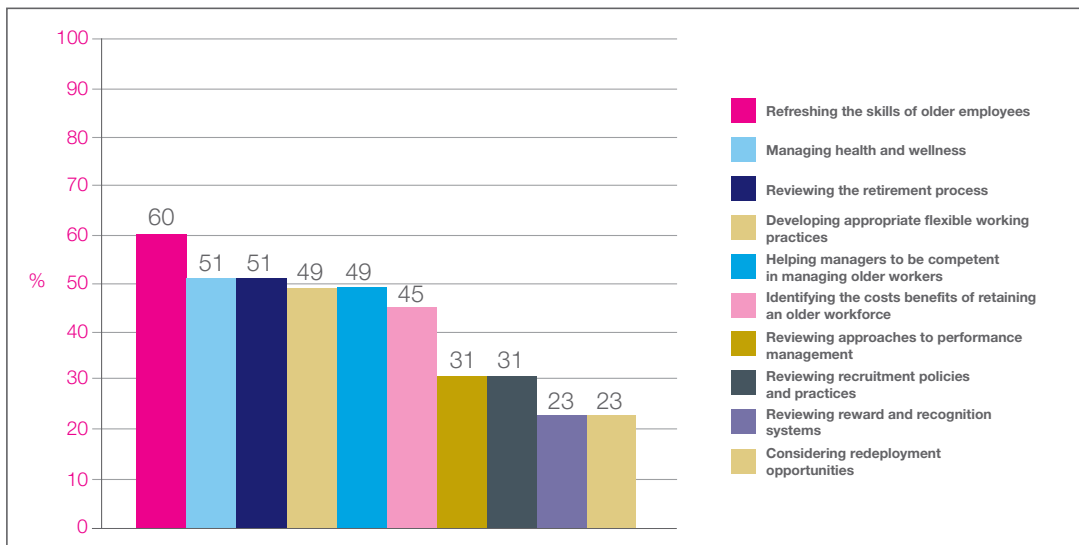


Chart 8: Key issues for organisations managing older employees

7.3 What is the biggest challenge?

Right at the end of the survey, respondents were asked an open-ended question about their organisation’s biggest challenge in managing older workers. A wide variety of responses were received and of course the context varies from organisation to organisation depending on their circumstances. A large minority say they have no significant challenges: either because their workplace profile is predominantly young, or, encouragingly, because they are managing this issue effectively.

The principal challenge to emerge is the risk of losing valuable knowledge, skills and experience as older workers retire. Linked to this is the challenge of successfully handing on knowledge to younger workers.

Productivity and performance are also concerns for some, particularly in connection with perceptions about physical strength in some manual occupations. However, our interviews drew out the point that this differs from employee to employee, with health and well-being programmes most effective when focused on individuals' needs rather than age-based assumptions.

More generally, some respondents are concerned about how to maintain high performance in older employees and how to engage them effectively. In the main, perceptions are that older workers are to be 'treasured' but there is still lingering resistance.

The final theme was the need to achieve a balanced approach to extending working lives – one which takes account of business needs as well as employee preferences. So, for example, later retirement is seen as useful when the individual is a productive and worthwhile employee. Achieving this balance has to be the aim of any reforms to organisational practices that affect older workers.

Airbus UK – aeroplane manufacturing

As one of the world's leading manufacturers, Airbus is an age diverse organisation with over 50,000 staff employed in a variety of roles. Employees in manual jobs are subject to regular health and fitness checks and employees are encouraged to look after their health. Flexible work is offered in some areas of the business across the age range, with flexitime being very popular.

Airbus has over the last few years offered opportunities for voluntary redundancy with enhanced retirement packages to employees who nearing retirement age (currently 65, although this may change). However, people are increasingly choosing to stay on, and if their skills are important, some even return part-time beyond their original retirement date.

Steve Marshall, UK Supply Chain Manager, feels it is important to recognise individual differences in this process:

"Retirement and people's views on retirement are very much an individual position and often dependant on personal circumstances."

Balance is very important: retaining people who are happy and interested and not working people beyond an age when they are not physically and mentally capable. Steve says:

"It's a matter of getting the balance between what the employee wants and what the employer needs."

7.4 Line manager awareness

Line managers' awareness of the impact of an ageing workforce on a range of issues appears to be only moderate. The greatest level of awareness is in relation to retirement, with 46 per cent describing their line managers as having high awareness of the issue. This may reflect managers' limited knowledge or limited involvement in these areas. Line managers appear to be the most suitable target for specific training about managing older workers.

Influencing change within organisations is important – understanding who influences age related policies is important for policy makers wanting to drive change in working practices.

7.5 Influence and resistance to change

Respondents cite directors, followed by HR and line managers, as the most influential in terms of the way that older workers are managed. The influence of HR is likely to reflect their role in ensuring compliance. The HR department is also seen as the least resistant to change, with other types of staff offering some (fairly low) levels of resistance to change. Line managers, together with older workers themselves, and other employees are seen as the most resistant.

	Most influential %	Resistant to change %
Directors	51	15
Human Resource department	48	10
Line managers	43	21
Senior managers	40	17
Older workers	15	20
Other employees	6	20

Table 9: Most influential and most resistant groups to changing the management of older workers

There are some differences in perceptions of influence by organisational size. Small and micro businesses rate directors as the most influential (71 per cent). Large organisations are more likely to describe HR departments (59 per cent) and line managers (51 per cent) as wielding significant influence. Managers are also inclined to rate the group that they belong to as wielding more influence than other groups.

Only 56 per cent of respondents list any group as resistant. Although numbers are small, those in public sector organisations are more likely to say that older workers are resistant to change. HR specialists are more likely to cite line managers and senior managers as resistant to change.

7.6 Organisational preparedness

How do managers feel about their organisation's ability to deal with the continuing demographic shift?

Worryingly, only 14 per cent of managers consider their organisation to be very well prepared to deal with issues caused by the increasing average age of the workforce. A quarter consider their organisations to be 'on the way', and a further quarter describing themselves as just starting out. However one third of respondents say that they are not aware that their organisation has made any preparations for this demographic shift. Directors and senior managers are the most confident about their preparedness, and middle and junior managers the least confident. Private sector organisations are more likely to describe themselves as very well prepared.

Genuine transformation within organisations typically requires board-level recognition and support. In the survey, only 32 per cent feel there is board-level recognition of the issue in their organisation. Thirty-five per cent do not know, and 34 per cent think that board level recognition is not present. Directors and senior managers are more likely to say that this issue receives board-level recognition. Middle managers and HR managers are the most likely to admit that they do not know, with 48 per cent of middle managers unsure about recognition compared with 32 per cent overall. Small and micro organisations are the most likely to have board-level recognition (49 per cent).

Overall, the results suggest a lack of preparedness within UK organisations. Strategic recognition is lacking, especially at board level, and the proposed removal of the Default Retirement Age is likely to require a major shift in perceptions and behaviour.

Conclusions and recommendations

Progress has been made

Much has changed since the 2005 joint CIPD-CMI report on older workers. There is plenty of encouraging news about managers' attitudes to the ageing workforce. The evidence is that older workers are seen as valuable employees who bring vital skills, knowledge and experience to their jobs. Negative stereotypes about their abilities seem to be declining.

A focus from managers on talent and performance rather than age is helping to reduce the wasteful effects of discrimination, with age no longer having such a strong and unfair influence on the way decisions are made about people in connection with recruitment, job performance or selection for redundancy.

Good practices – such as the removal of age from application forms and the introduction of flexible working – are becoming more widespread. But employers need to be careful not to fall into the trap of assuming that the adoption of a single 'good-practice' technique alone can be relied on to check age-related unfairness.

But there is still work to do

Most worrying is the suggestion that organisations' top teams are not strategically involved in promoting the age agenda. Getting the board on board should be a priority.

Despite the case study examples of good practice the survey findings suggest that many managers lack awareness of their organisations' policies relating to the employment of older workers. Line managers and middle managers in particular are not clued-up about retirement policies. They are also the groups most likely to find managing older people a challenge. It is likely they would benefit from training to help them manage older workers more effectively as well as specific training on approaches to retirement.

Managers need to address individuals' needs, especially with the forthcoming abolition of the DRA. Employees differ in their motivations and abilities. Some will remain committed to full time work while others will prefer to wind down or stop completely. It is important to enter early dialogue with employees about their specific needs and how they align with those of the organisation, ensuring no surprises for either side and allowing sufficient time for succession planning.

While flexible working is relatively widespread, it appears that line managers and organisational practices may create resistance to its implementation. It demands a focus on outputs rather than inputs and many managers need to be supported to do this effectively. This suggests a need for more awareness raising and training about the benefits of flexible working and how to use it to meet business needs.

About compulsory retirement

There is encouragement to be drawn from the positive experiences of those whose firms operate without fixed retirement ages, particularly in light of the Government's decision to phase out the DRA.

CMI and CIPD members are broadly supportive of the elimination of the DRA and the general concept of extending working life. This finding is being fed into the Government's consultation on the phasing out of the DRA, which is being carried out at the time of publication.

Taking steps forward

Managing the employment of older employees demands a careful balance between individuals' needs and business needs. It requires being proactive and creative in finding workable solutions that are fair and take an organisation forward. The following key recommendations for action are intended to help organisations to make progress on this agenda.

Recommendations for top teams

- Make sure the top team takes account of the ageing population and how this impacts on the organisation's talent pool, approaches to employment, marketplace challenges and opportunities, and the changing legal landscape. Examine what responses are needed.
- If the organisation is vulnerable to losing skills, experience and knowledge as older workers retire, introduce flexible retirement options that allow you to draw on those strengths. If pension conditions are a barrier, consider using employees as consultants after retirement. Explore how knowledge can be passed on to other employees.
- Stress that it is pivotal to good practice and sustainable business performance to take into account individual employees' different needs and expectations about extending their working life. Organisations should aim to respond to personal preferences in ways that are both fair and practical and deliver added value to the business.
- Move quickly to anticipate the phasing out of the Default Retirement Age. Adopt flexible options to draw on the benefits experienced by organisations which already operate without fixed retirement ages. Look at how retirement planning services can help individuals think through their plans and inform their discussions with their line managers.

Recommendations for HR managers

- Monitor the organisation's age and skills profiles. This is an important activity which will help track how well responses are being made to age issues. The data will keep the organisation well informed and help to improve succession planning and talent management.
- Ensure well-crafted and up-to-date messages about the organisation's response to the ageing population reach all employees in appropriate ways, especially decision makers.
- Develop well-designed training to make sure line managers are up to speed in managing age issues, as well as their responsibilities for responding in line with organisational policy. They are pivotal implementers and need to be well supported. Training will need to take into account changes in retirement policies following the announcement of transitional arrangements for phasing out the DRA in 2011.
- Make sure a range of flexible working opportunities are available to help meet the organisation's talent and skill needs. This is an important employment response to support resource needs in a 21st century environment.
- Use different sources of expertise to manage employee health and well-being. This will help to maintain a fit and productive workforce. A range of stakeholders, such as unions and occupational health departments, may help maintain well-being amongst older employees.

Recommendations for line managers

- Use performance management to help inform discussions about retirement. There should be feedback as part of regular conversations between managers and their team members – not just an annual interview. Feedback, including on poor performance, must be timely and fair, with issues of concern and actions taken well documented.

- Make decisions about extending working lives based on what individuals are good at and like doing. Think creatively about redeployment opportunities which will help retain talented people in ways that add value to the organisation. For example, older employees may be used as mentors to younger employees to maintain the organisation's knowledge and skills base.
- Engage with every individual on the basis of their specific situation and recognise that ageing and retirement are challenging and highly personal transitions. Ensure that discussions about retirement, performance and changes to working practices are conducted in an open, transparent and sensitive way.
- If you are managing a growing number of older workers, look for training to help you handle any age-related issues. Get up to speed on the latest changes to pensions and retirement policies within your organisation.

Additional resources

The survey enquired about sources of help and information for age related issues. The findings suggest that CMI and CIPD members are much more likely to seek advice from their own professional bodies than other sources but would benefit from guidance on a range of matters related to the management of older workers. The following sources should help meet those needs.

- The Business Link Age Positive campaign links to information for employers on recruiting, training and retaining older workers.
<http://www.businesslink.gov.uk/agepositive>
- The Age Positive publication page on the DWP website provides guidance, case studies, research and statistics on age and employment, including:
 - *Age isn't an issue: an employers' guide to a 21st century workforce* (2009)
 - *Removing ageism – make it your business. A simple-to-follow 3 step Age Positive business checklist to identify and eliminate age discrimination in the workplace.* (2005)<http://www.dwp.gov.uk/age-positive>

CIPD resources CIPD has produced a range of resources offering practical insights into people management and development issues, including:

- *Managing age: a guide to good employment practice* (2007)
- *Retirement practices: making the right choice! An employer's guide* (2010)
- *Manager support for return to work following long-term sickness absence* (2010)
- Factsheets, such as *Age and employment* (2009) and *Flexible Working* (2010) via www.cipd.co.uk/factsheets
- A 'Hot Topic' paper on *Performance management in action: current trends and practice* (2009), available at: <http://www.cipd.co.uk/hottopics>
- The 'Developing Performance Management' tool (2010), available to members only, at <http://www.cipd.co.uk/tools>

CMI resources Members of CMI have access to the KnowledgeDirect information services, including the ManagementDirect online service – an information portal that provides access to a range of management resources – and the Ask a Research service, with informed researchers ready to answer your questions on key management issues. CMI's popular management checklists provide clear guides to key management issues. Relevant checklists include:

- Checklist 180: Performance management
- Checklist 026: Flexible Working
- Checklist 125: Choosing a second career
- Checklist 093: Setting up as a consultant

Older employees may also be interested in Checklists 141 and 219, which offer guidance on retirement planning.

All ManagementDirect resources can be accessed via:
<http://www.managers.org.uk/practical-support>

Other resources

- Age UK has guidance for older workers looking for work, plus guidance on discrimination, employment rights, redundancy and further education and training. Available at: <http://www.ageuk.org.uk/work-and-learning/>

Appendix – respondent profile

Percentage of respondents		Percentage of respondents	
Sex		Sector (continued)	
Male	60	Education	15
Female	40	Electricity, gas and water	2
Age group		Engineering	5
Under 30	2	Finance, insurance	3
30-39	10	Fire and rescue	<1
40-49	26	Health & social care	11
50-59	42	Hospitality, catering, leisure and tourism	2
60-65	16	Housing and real estate	4
Over 65	4	IT	2
Managerial level		Justice/security	1
Director	22	Legal and accounting services	1
Senior manager	30	Local government	9
Middle manager	29	Manufacturing and production	8
Junior manager	8	Mining and extraction	2
HR specialist	12	Police	2
Status of organisation		Sales/marketing/advertising	1
Public sector	37	Telecommunications and post	2
Public limited company	13	Transport and logistics	4
Private limited company	33	Wholesale and retail	1
Charity/not for profit	13	Region	
Partnership	2	East of England	7
Owner-managed/sole trader	2	London	16
Sector		East Midlands	6
Agriculture, forestry and fishing	1	West Midlands	8
Business services	3	South East	19
Central government	5	South West	12
Construction	5	North West	6
Consultancy	7	Yorkshire and the Humber	4
Creative/media	1	Northern Ireland	2
Defence	5	Scotland	8
		Wales	4
		Other	4

Acknowledgements

This report has been prepared by Dr Alison Macleod from the Human Element, with Patrick Woodman, Paul Hutchings and Petra Wilton from CMI, and Dianah Worman OBE from CIPD. The researchers would like to thank the DWP team that contributed to the project for their input and hard work.

The authors would like to thank all 1,033 CMI and CIPD members who completed the survey. In particular, we are grateful to everyone who spoke to us as part of the case study interviews.



Chartered Management Institute

The Chartered Management Institute is the only chartered professional body in the UK dedicated to promoting the highest standards of management and leadership excellence. CMI sets the standard that others follow.

As a membership organisation, CMI has been providing forward-thinking advice and support to individuals and businesses for more than 50 years, and continues to give managers and leaders, and the organisations they work in, the tools they need to improve their performance and make an impact. As well as equipping individuals with the skills, knowledge and experience to be excellent managers and leaders, CMI's products and services support the development of management and leadership excellence across both public and private sector organisations.

Through in-depth research and policy surveys of its 88,000 individual and 450 corporate members, CMI maintains its position as the premier authority on key management and leadership issues.

For more information please contact the Policy and Research Department on:
Tel: **020 7421 2721**
Fax: **020 7497 0463**
Email: **research@managers.org.uk**
Website: **www.managers.org.uk**
or write to us at the address below.

Chartered Management Institute

2 Savoy Court, Strand,
London, WC2R 0EZ
Registered charity number 1091035
Incorporated by Royal Charter
ISBN 0-85946-462-8



The Chartered Institute of Personnel and Development

The Chartered Institute of Personnel and Development (CIPD) is Europe's largest HR and development professional body. We're a globally recognised brand with over 135,000 members, and pride ourselves on supporting and developing those responsible for the management and development of people within organisations.

Our aim is to drive sustained organisation performance through HR, shaping thinking, leading practice and building capability within the profession. Our topical research and public policy activities set the vision, provide the voice for the profession and promote new and improved HR and management practices.

CIPD knows what good HR looks like and what HR professionals need to know, do and deliver at different stages of their career, be they specialists or generalists, working in the UK or internationally.

CIPD offers individuals and organisations:

- membership
- professional development including qualifications and training
- networking and world-class events
- expertise in HR capability-building and consultancy services
- topical insights and analysis
- a wealth of resources
- and a voice for HR.

For more information please contact the HR Practice Development Team on:
Tel: **020 8612 6304**
Fax: **020 8543 4371**
Email: **research@cipd.co.uk**
Website: **www.cipd.co.uk**



Certificate No FS28404

