75TH ANNIVERSARY

AGE IN THE WORKPLACE

DISCUSSION PAPER

CONTENTS

✶

Looking to the future

As CMI looks back at our impact over the past 75 years, and how the role and values of professional leaders and managers have changed, we want to understand what is next for workplace leadership.

We find ourselves at a crossroads. Over the past two years, issues of fairness, inclusion and equity have been brought to the fore by national events. Looking forwards, economic recovery and the government's desire to level up will shape UK workplaces.

Using the following five themes, we want to understand the barriers that remain to create fair, inclusive workplaces, and the practical steps leaders are taking for positive action:

Ethnicity

Socio-Economic Background

Gender

Disability

Age

Through polls around each of these core themes, and our members' experiences and insight from high profile leaders, we will share the practical actions which managers are using today to drive change. At the end of 2022, these findings will feed into a major piece of thought leadership and practical resources to help you create a level playing field for all your employees.

As we complete each of the polls we will share the outcomes with our community for your further consideration and comment.

Please find the first of our findings on Age in the workplace. If you wish to comment on the content of this discussion paper please use 75@managers.org.uk

The UK has an ageing population and workforce, but the pandemic has driven increases in economic inactivity among older people.

Research shows that from the mid-1990s up to the start of the pandemic, the employment rate for people aged 50 years and over has been increasing. For example, in 1995 the employment rate for people aged 50 to 64 years was 57.2%. This has steadily increased since and in April to June 2021 the employment rate was 71.2%.[1] This is driven by a number of factors such as improvements in health at older ages, the removal of the Default Retirement Age, changes in attitudes and expectations towards working longer and financial necessity.[2] But detailed research looking at the causes of an ageing workforce is limited.

CMI analysis shows that those aged 50 years and over in the UK Working Population and in management roles has increased since 2011:[3]

28%	**33%**	**36%**
In 2011, 28% of the UK Working Population were aged 50 years and over and 31% of managers were 50 and over.	In 2021, 33% of the UK Working Population were 50 and over and 35% of managers were 50 and over.	But the percentage of managers aged 50 years and over has reduced since 2020, where it was 36%. This suggests that the pandemic might have had an effect.

In fact according to ONS figures, economic inactivity among those aged 50 and over has increased at a larger rate than any other age group over the pandemic. This is in contrast to a historical trend that had seen the proportion of those 50 and over that were economically inactive declining from 59% in 2011 to 56% in 2019.[4]

There have been a range of different reasons for this. Retirement is a key driver (cited by 46%), but issues around health (15%) and caring responsibilities (11%) are also important. Those looking to return to work value greater flexibility in hours, the ability to work from home and being able to fit work around responsibilities such as caring.[5]

1. DWP (2021), Economic Labour Market Status of Individuals Aged 50 and Over, Trends Over Time: September 2021
2. For example see: Dr Ros Altmann (2015), A New Vision for Older Workers: retain, retrain, recruit; Government Office for Science (2016), Future of an Ageing Population; Centre for Ageing Better (2020), Work: state of ageing in 2020
3. CMI analysis of the Labour Force Survey, Jan - March quarterly datasets 2011 - 2021
4. ONS (2022), Movements Out of Work for Those Aged Over 50 Years Since the Start of the Coronavirus Pandemic
5. ONS (2022), The Over-50s and the World of Work: what's happening and why?

A multigenerational workforce can bring business benefits.

CMI's 75th project is about maximising talent in the workforce and this applies as much to people of different ages as it does to other protected characteristics. Diversity is good for business and a well-managed, multigenerational workforce can benefit organisations in various ways. For example, OECD analysis highlights benefits such as the sharing of knowledge and experience between younger and older employees, better retention of experience and a greater diversity of skills, ideas and knowledge.[6] If employers and governments are able to fully tap into the potential of older workers this could boost economic performance across the OECD.[7]

As everyone faces longer working lives, there is a need to reframe how we think about age in the workforce. Our Advisory Council argued that rather than seeing increases in life expectancy as meaning increases in the length of retirement, how can we increase opportunities for education and training in later life, or support the beginning of a new venture or career. And how can we encourage individuals in their 30s and 40s, who are often under considerable pressure to balance work and life, to take a longer term view of their own development? It's surely in all our interests to maximise quality time spent in work.

6. OECD (2020), Promoting an Age-Inclusive Workforce
7. Ibid.

Despite the benefits of a multigenerational workforce, poor attitudes in the workplace act as a barrier to older workers accessing jobs and feeling valued at work.

Although age is a protected characteristic under the Equality Act 2010 there is evidence that it is often neglected as a diversity issue.[8] Research has shown that more than one third (36%) of those aged 50 to 69 felt they would be at a disadvantage in applying for jobs - this is often based on a suspicion that employers might see them differently because of their age.[9]

Another survey[10] looking at attitudes on employment for those over the age of 55 found that many older workers feel that employers pigeonhole them with stereotypes such as having "too much experience", exhibiting lower levels of commitment and being less physically or mentally able. 56% of employees over 55 also said they would continue working beyond the age of 65, but 65% of employers encourage retirement at age 65 or before.

In our poll we found that 20% of respondents thought older workers were under-represented in their organisation.[11] Of those who thought older workers were under-represented, 95% either said the organisation was not proactively trying to recruit older workers to diversify their workforce or did not know if their organisation was taking any action.

20% 👤
under-represented

The barriers older workers face in accessing jobs and feeling valued at work can be compounded when age interacts with other characteristics. For example, research has shown that women in their 50s and 60s were considerably more likely to describe experiences of ageism in the workplace. This included feeling patronised, invisible and excluded.[12] Whilst data shows that the largest disability employment gaps are seen for those aged 45 to 49, 50 to 54 and 55 to 59 years.[13] There is also the link between age and socio-economic characteristics - there will be those who have the choice to work from home or retire early, but for others working longer is a financial necessity. Another dimension to this is the physicality of the role. Office workers whose work patterns focus on computer use at a desk may feel they are able to work later in life than a waiter who spends all day on their feet or a machinist required to do heavy manual handling.

The research above shows that if left unaddressed, ageism can act as a barrier in the recruitment process and to individuals thriving whilst in work - yet at the same time it is not taken seriously enough. If staff feel like they are excluded from the workplace because of their age, this means organisations will be missing out on talent and experience. As we have explored in other discussion papers, culture change is not a quick fix. Managers and leaders need to call out bad behaviour when they see it and look at specific initiatives which can make the workplace inclusive for staff of all ages.

8. Centre for Ageing Better (2018), Becoming an Age-Friendly Employer
9. Centre for Ageing Better (2021), Too Much Experience
10. 55/Redefined (2021), Shut Out, Forced Out and Overlooked
11. CMI, 75th Anniversary Project, March 2022
12. Centre for Ageing Better (2021), Boom and Bust?
13. ONS (2022), Outcomes for Disabled People in the UK: 2021

Skills development can be an important tool for attracting and retaining staff and can help overcome some of the barriers that older workers face. But it's particularly hard for older workers to access skills development.

Participation in adult learning declines with age, with only 33% of 55 to 64 year olds engaging in learning, the lowest amongst working age groups surveyed.[14] Analysis shows that overall government spending across adult education, apprenticeships and work-based learning fell by 35% between 2009-10 and 2019-20.[15] Furthermore, older people are less likely to be considered for work-related training - this becomes more pronounced when training decisions are made by the employer rather than the individual.[16]

This is despite the fact that lifelong learning and training will be important in supporting an ageing workforce.[17]

2009-10

35%

2019-20

In CMI polling for this discussion paper we found that although 65% of respondents said they had a personal learning and development (L&D) plan, the proportion of respondents reporting a L&D plan decreases with age: respondents in their 30s (74%) and 40s (70%) were more likely to say they had a L&D plan in place, compared to those 50 and over (59%).

Most respondents (79%) said their organisation offers training opportunities for upskilling, but they offer reskilling opportunities to a lesser extent (51%). Reskilling opportunities decrease with age: respondents under 30 (67%) and those in their 30s (60%) were more likely to say their organisation had training opportunities to reskill, compared to respondents aged 50 and over (45%).

The government has published support and guidance aimed at employers and older people who want to get back into work or stay in work longer. This covers a range of areas including skills development. But it is clear we need to do more to encourage investment in adult training by employers.

14 Learning and Work Institute cited in UK Parliament (2021), Upskilling and Retraining the Adult Workforce
15. Institute for Fiscal Studies (2021), Big Changes Ahead for Adult Education Funding?
16. Government Office for Science (2016), Future of an Ageing Population
17. Ibid.

For younger workers, the challenges are different. Research has shown that although the youth unemployment crisis that many feared at the start of the pandemic did not transpire, there are still concerns about younger people who have missed out on work and educational opportunities. For example, one in three 18 to 24 year olds who were in work on the eve of the pandemic experienced extended periods of worklessness during the pandemic. Whilst there has been a slight growth in the share of 18 to 24 year olds who are economically inactive and not in full-time study since spring 2021.[18]

However, this data masks disparities in access to good working opportunities. In CMI's discussion paper on socio-economic background we highlighted that during the pandemic young people from more privileged backgrounds have disproportionately taken up or stayed in education, whilst many others are likely to be missing out on valuable work experience and education.[19]

We also highlighted how those young people who are missing out on education and employment opportunities may experience 'scarring' effects over the long-term which could affect their pay and progression in the workplace.[20]

CMI's joint research with the Learning and Work Institute highlighted that managers and leaders play an important role in supporting low skilled workers - including young people - into work and to progress once there. Talent management strategies, apprenticeships and coaching are just a few of the interventions that can drive progress.

18. Resolution Foundation (2022), Leaving Lockdown
19. Social Mobility Commission (2021), State of the Nation 2021
20. Resolution Foundation (2021), Uneven Steps

Are there challenges associated with managing multigenerational workforces?

According to one survey, differences in expectations and perceptions between generations have the potential to lead to workplace conflict.[21] For example, Millennials[22] perceive technology to be a source of workplace conflict. 34% reported that older workers not understanding new technology was the main cause of conflicts. However, for 34% of Generation X[24] respondents and 24% of Boomer[25] respondents, demand for rapid career progression by younger workers was the leading cause of intergenerational conflict at work. Among employers, this was even more strongly felt, with 69% of employers seeing this as the leading cause of conflict between generations.

However, our poll does not find evidence to suggest that multigenerational teams are problematic to manage. The majority of respondents feel confident (90%) and positive (93%) about managing them.

90%
Feel confident

93%
and positive

21. Robert Walters (n.d.), Attracting and Retaining Millennial Professionals
22. Robert Walters define Millennials as those born between 1980-1999
23. Robert Walters define Generation X as those born between 1960-1979
24. Robert Walters define Baby Boomers as those born between 1940-1959

What should employers be doing to improve age diversity and inclusion in the workplace?

In our previous discussion papers we have highlighted how approaches such as regularly collecting and analysing data, implementing workplace adjustments (such as flexible working) and formalising recruitment and promotion practices can play an important role in making workplaces more inclusive. These initiatives are also important for developing an age-inclusive workplace.[25]

Our Advisory Council emphasised that as we are all living and working longer, employers need to be thinking about the changing needs of workers over time. It's unlikely that a one-size-fits-all approach will be sufficient to enable people at different life stages to contribute effectively to organisational success. Longer working lives needs to be factored into workforce support, management and development.

For example, younger workers may need more access to support and training, with clear progression routes. Mid-life workers (e.g. those in their 30s and 40s) might have challenges around work-life balance which is where flexible working is important. For those later in their career, employers need to think about how they can maximise their talent and experience whilst enabling more flexible structures of work that offers choices on retirement.
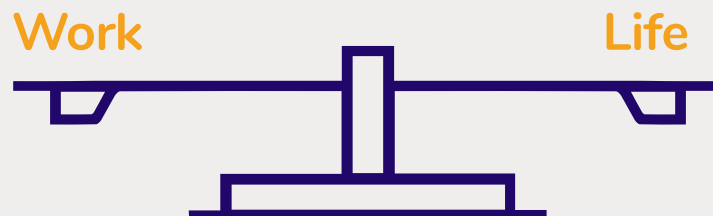
25. For example see: Centre for Ageing Better (2021), Good Recruitment for Older Workers. DWP cited in Centre for Ageing Better (2021), Good Recruitment for Older Workers

Targeted actions include:

- Carefully framing and wording job adverts to ensure age inclusivity. For example, replace terms such as "enthusiastic" and "recent graduate" with specific skills required for the job such as "programming skills".[26]

- Providing career guidance for older workers including retirement plans. For example, consider supporting phased retirement.[27]

- Introducing skills development programmes to help attract, retain and reskill older workers. For example, Barclays Bolder Apprenticeship programme is dedicated solely for the over-50s and is aimed at creating jobs for older people through retraining.

- Making use of mentoring and reverse mentoring to encourage intergenerational learning and inclusivity. Older workers can share their skills, experience and knowledge. Whilst younger workers can feedback views on strategy and leadership and share their skills.[28]

- Introducing an employee network. Networks can be valuable for boosting inclusivity across a range of characteristics. For example, in our CMI Race guidance we highlighted how they can be important in allowing staff to share views and if implemented correctly, can drive cultural change in organisations. Some employers are already leading the way when it comes to age in the workplace. For example, Sodexo has launched a "Generations" employee network to help employees understand the personal and professional development needs of different generations.

Respondent to CMI 75th Age poll:

I think there could definitely be more reverse mentoring programmes for us in a formal way. Right now we have a...senior staff [member]...who is saying they're enjoying the role... because they are learning from their supervisee as the supervisee from them. It's great to see but I think it's clear the organisation hasn't tapped much into this area.

Male, 31, working in the third sector for a large employer (500+ employees)

26. Centre for Ageing Better (2021), Good Recruitment for Older Workers; Centre for Ageing Better (2021), Ads for All Ages
27. BiTC (2020), Becoming an Age Friendly Employer
28. CIPD (2016), Creating More Fulfilling Lives for Older Workers. HBR (2019), Why Reverse Mentoring Works and How to Do It Right

Poll findings

In our poll we found that although some forms of flexible working, such as home working were widely reported to be offered by respondents (reported by 83%), more specific initiatives that might support longer working lives were less widely reported. For example, less than half (48%) said phased retirement was offered.

Other work arrangements were also less widely reported to be offered: only 48% said redeployment to a new role, 44% said role changes to an existing role, 22% said consultancy opportunities and only 16% said freelance opportunities.

This suggests that organisations are missing out on opportunities to support and retain older workers. Furthermore, whilst managers play a key role in building an inclusive workplace, they also need to be equipped and empowered to do so. Yet, only 1 in 5 (17%) of all respondents in our poll said that their organisation offered age diversity training specifically to line managers. A lack of support for managers, in terms of training, has been a recurring theme across our polls.

Specific management behaviours which can help build an age-inclusive workplace include designing projects to be assigned to employees of diverse age ranges to facilitate a culture of collaboration,[29] challenging harmful stereotypes based on age and understanding what methods of communication individual team members prefer.[30]

29. Birkbeck (n.d.), How to Manage Age-Diverse Friendships in the Workplace
30. Harvard Business Review (2021), How to Manage a Multi-Generational Team

What next for public policy?

Age inclusion in the workplace is an under-developed policy area that needs further exploration but supporting longer working lives should be a clear policy objective. Focusing on flexible working and tools to identify and support changing needs at work is a good place to start.

Age campaigning groups have argued that as flexible working has specific benefits for older workers, it should be made the "default" and a day 1 right for employees.[31] We know flexible working can help to improve EDI in the workplace but that this is not guaranteed. When it comes to remote working for example, CMI's joint research with the Learning and Work Institute highlighted challenges around training and integrating staff into teams.

The government has launched a "Mid-life MOT" website to help those in their 40s, 50s and 60s in the areas of work, wellbeing and money. This encourages individuals to consider whether different initiatives will help them at work such as workplace adjustments, flexible working or taking up the opportunity to upskill or reskill. It signposts to a range of services and guidance in these areas.

In our poll we found low awareness levels around mid-life MOTs - only 14% were aware and 85% simply did not know about it. Of those aware, only 1 in 5 (19%) had been offered a mid-life MOT by their line manager. Despite low levels of awareness the mid-life MOT was frequently suggested as a way organisations can support and be more inclusive of older workers.

85% did not know about Mid-life MOTs

Of those aware, only 19% had been offered a Mid-life MOT

31. Age UK (2019), Employment UK; Centre for Ageing Better (2021), Flexible Working From Day 1 Essential to Supporting Older Workers

Instead of just signposting to guidance through the mid-life MOT, it has been argued that the government should go further by introducing a more comprehensive "Career Review at 50". This would include more proactive planning for future work, pensions and wellbeing and give people the opportunity to re-skill.[32] But in practice, how would this differ to what is already available? And how would the government compel employers to offer this?

Some employers are already leading the way. For example, Aviva offers a "Mid-Life MOT" for its employees.

32. Age UK (2019), Employment UK

Concluding thoughts

In this paper we have explored some of the key challenges around age inclusion in the workplace. Despite the fact that the UK has an ageing workforce and there are many benefits of having multigenerational teams such as the sharing of knowledge and skills and being able to retain experience, we still see poor attitudes towards age in the workplace. Age is a protected characteristic under the Equality Act, yet employers do not seem to be taking this seriously as a diversity issue. As with the other characteristics we have explored as part of CMI's 75th Anniversary project, managers and leaders need to be making a more concerted effort to drive cultural change in their organisation. Some of these approaches have already been identified in our other discussion papers such as data collection and workplace adjustments. But as mentioned above, there are also more specific initiatives that can be adopted.

A note on terminology

Older workers/older people

There is no formal definition of 'older workers', but in most research we have reviewed for this paper 'older workers' or 'older people' refers to workers aged 50 years and over.[33] This is also how the government refers to 'older workers'.[34]

Younger workers/ younger people

Similarly, there is no formal definition of 'younger workers', but typically in employment terms 'younger workers' or 'younger people' refers to those aged 16 to 24.[35]

When referring to research, the age ranges in the original source have been used.

We recognise this terminology may be contested, particularly the use of 'older workers' or 'older people', and welcome any feedback on our use of terminology.

33. For example see: House of Lords Library (2022), Older Workers in the UK; ONS (2021), Living Longer: older workers during the coronavirus (Covid-19) pandemic
34. DWP (2021), Help and Support for Older Workers
35. For example see ONS (2021), Coronavirus and changing young people's labour market outcomes in the UK: March 2021

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