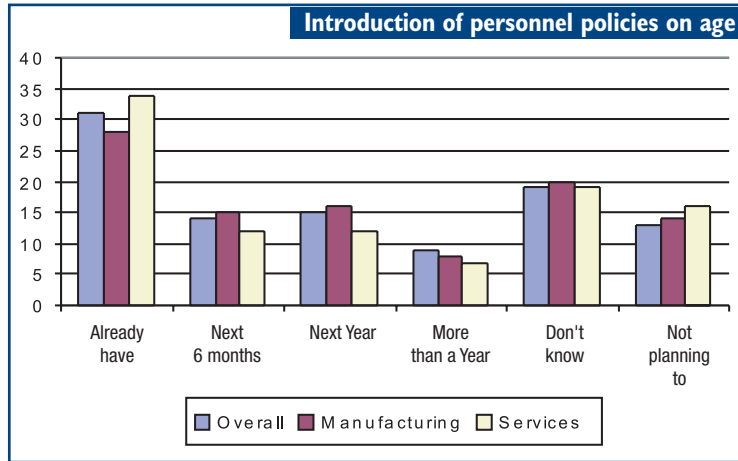


# AGEISM CRISIS LOOMS

Employers are unprepared for legislation outlawing age discrimination in the workplace, a special report from the Recruitment Confidence Index has found.

The research, which has been sponsored by the Government's Age Positive campaign, found that as many as one in three employers had no plans to introduce age-related HR policies over the next few years. A similar number were totally unaware that the government was planning ageism legislation for October 2006.

Shaun Tyson, professor of Human Resources at Cranfield School of Management said the results showed a frightening apathy and ignorance among employers. 'It is amazing that so many organisations do not have age policies in place. Experience from dealing with sex and race



discrimination shows that developing a policy is just the first step,' he said. 'Employers must act now. Changing the deep-seated prejudices of managers across an organisation will take time and effort.'

Sam Mercer, director of the Employers Forum on Age, said this lack of awareness among employers would be the number one problem when the legislation came into force. 'The implications of the legislation are quite staggering but it's difficult to get employers to think about it. They simply don't consider it to be their problem,' she said.

The legislation, which will outlaw both direct and indirect discrimination, will affect a whole range of HR policies and practices including recruitment,

benefits, training and retirement ages. Employers need to take an interest now Mercer said. 'The quality of the regulations next year will depend on the response the government receives to its current consultation.'

Nationwide Building Society operates a series of policies and practices to promote age diversity in the workforce. As a result more than 11 per cent of its workers are now aged over 50, compared with less than one per cent in the 1980s.

'Employers have to start by understanding the commercial benefits of having workers of all ages,' said Keith Astill, head of corporate personnel. 'If companies are spurred into action because of the legislation alone, then they are missing the point. What is more, having policies will not be enough, they will also need to have the practices to follow them through.'

# A £16 BILLION DIVIDEND?

Consultation on the Department of Trade and Industry's proposals to outlaw age discrimination ended in October.

The government's aim is to outlaw direct and indirect discrimination on the basis of age in employment and vocational training. It believes that increasing the employment of older people could add £16 billion to the country's gross domestic product.

However current proposals could force employers to overhaul their policies on retirement, redundancy and recruitment. They include:

- Recruitment, selection and promotion.
- Retirement: employers will have to justify mandatory retirement ages.
- Unfair dismissal: employees will be able to take a case to tribunal at any age but awards will no longer be based on an employee's age.
- Redundancy: age will cease to be a factor when calculating redundancy payments.



# STAFF RETIRE AT THEIR LEISURE



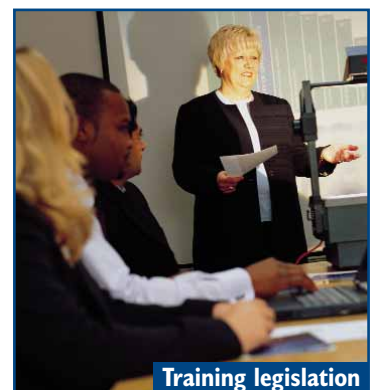
Connie Cox of B&Q

Only one in five firms have introduced flexible retirement ages in advance of government plans to ban mandatory retirement ages. A further 15 per cent are planning to.

Finance organisations, HBOS and the Nationwide both operate flexible retirement policies while supermarket giant Tesco, also scrapped its retirement age recently. It can now boast that 2,200 of its staff are aged over 65 with some in their 80s. 'It seems crazy that the day people hit 65 they are no longer deemed fit to do the job they had done the day before,' said Catherine Glickman, HR services director at Tesco.

She insisted that it was not a matter of forcing people to continue working into their 70s. 'We sit down annually with staff who are over 65 and ask them how they are. Do they feel physically able to do the same job or should we move them into something lighter? We have to be responsible about it,' Glickman said.

She saw no reason why other firms couldn't follow suit. 'The mix of hours we can offer perhaps helps us recruit and retain older workers but it is physically demanding work with staff on their feet most of the time,' she said.



Training legislation

Under these proposals, employers will have to justify any employment decisions they take that are based on age. Mitigating factors could include health and safety issues, employment planning, training needs, and encouraging and rewarding loyalty.

Draft regulations to accompany the legislation are due in the first half of next year. To comply with the EU's employment directive, the legislation must come into force in on 1 October 2006.

# BOSSSES FAIL TO BREAK THE MOULD

Ageism stereotypes



unreliable, inexperienced and prone to taking sick leave. The only good thing employers had to say about young people was that they were open to new ideas.

The results reflect an earlier poll carried out by Mori for Age Positive. This found that a large number of people considered older workers to be resistant to change and younger workers to be irresponsible and unreliable.

The results are a wake up call for business, said Stephanie Richards, recruitment research manager at the Daily Telegraph. 'It's clear from our research that HR and the people who make recruitment and employment policy decisions in companies, share the prejudices of the general population,' she said.

However, employers who actively pursue anti-ageist policies have found age stereotypes are usually untrue. Tyrone Jones, diversity manager at HBOS, said managers at their call centre in Leeds had their views on older workers shot through when they

campaigned to recruit people aged 45 and over to the centre.

Commenting on the research, Malcolm Wicks, Minister for Age Positive said: "The survey shows that employers are now aware of the need to remove ageism from the workplace and the results are welcome. But we need to do more to ensure that all employers understand the real business benefits of employer and training younger and older workers. The Age Positive Campaign will continue to promote the fact that employers reduce costs by removing ageism from their organisations".

Ageism stereotypes



Ageism lives on, as managers continue to apply ageist stereotypes to both older and younger workers.

The RCI research found that well over half of respondents saw older workers as being better time keepers and more reliable than their younger colleagues. But 20 per cent said older workers were slow to learn, 20 per cent said they weren't interested in learning and 49 per cent said they lacked technological skills.

Employers were similarly prejudiced against younger workers whom they saw as

## EXPERIENCE NOT NEEDED

Employers will have to sharpen up their recruitment advertising if they want to avoid accusations of indirect discrimination under forthcoming ageism laws.



Only a tiny minority of employers admit using words such as *young* or *mature* in job advertisements, but a much larger proportion use more oblique age references. Nearly half advertise for *experienced* workers, nearly one in four ask for *dynamic* applicants and nearly one in five seek candidates who are energetic.

'Often these words are just shorthand for older or younger workers,' said Sam Mercer, director of the Employers Forum on Age, which is campaigning to rid job advertisements of all ageist references.

Mercer said: 'The challenge for recruiters will be to work out what they mean when they say they want someone who is *dynamic* or has 10 years *experience*. Nine in ten times they won't need to use any age-related words and as a result they will improve their pool of candidates.'

## FIRMS WANT PROOF IN AGE DEBATE



Employers have yet to be convinced of the business case for ensuring they have a broad range of ages on the payroll.

Although nearly half of RCI respondents said age diversity reduced turnover, only 28 per cent said it reduced their recruitment costs. On the plus side, one in three said age diversity among

staff increased productivity and a similar number said it increased morale. But less than one in seven - 15 per cent - said it increased their profits.

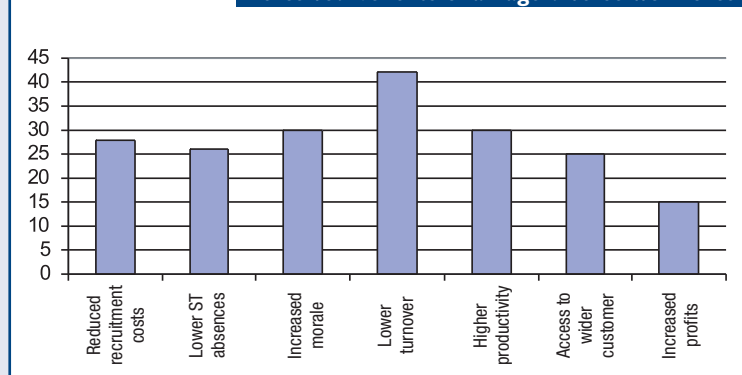
Keith Astill, head of corporate personnel at Nationwide Building Society said this was an incredibly low figure. Astill had no doubts that age diversity at the Nationwide has had a big impact on profits.

'The research that we have done internally shows a significant correlation between employing older people, who often have

longer service plus an enhanced commitment to us, and better customer service. This in turn links into increased profits and performance,' Astill said.

Catherine Glickman, HR services director at Tesco is also convinced of the benefits of employing older workers alongside a younger workforce. 'We have found that absence among older workers is lower and their tenure is longer. What is more, the morale in stores where there is a good mix of ages is much higher,' Glickman said.

Perceived benefits of an age-diverse workforce



## WHAT IS THE RCI?

The Recruitment Confidence Index (RCI) is a quarterly Index that has been developed by Cranfield School of Management and the Daily Telegraph. Supported by Personnel Today, the RCI measures expectations of future recruitment activity over a six month period.

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