
Should I Stay, Or Should I Go?

Older employees' later life planning in a business context

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Executive Summary

Organisations helping older employees plan their future work and/or retirement face many challenges. In a downturn there is a risk that cuts will have an adverse and disproportionate impact on older workers. On the other hand we are all expected to work longer, but negative attitudes and stereotypes in the workplace have not necessarily disappeared with the advent of age discrimination laws.

The research

This research project was commissioned by the corporate members of our HR Research Network. We have worked with five employers in the public and private sectors. We conducted in-depth interviews with approximately 100 individuals including staff aged 50 and over, and their HR and line managers. We focussed on how – and whether – older employees proactively planned their future working life and retirement; what support their employer provided and what sort of conversations they were having and with whom.

The landscape for older employees: then and now

The general picture emerging from ‘pre-recession’ literature sources is that the older workforce represented a valuable resource in the face of impending skills shortages brought on by mass retirement and a growing population imbalance between ‘young’ and ‘old’. By and large, under these circumstances older workers were portrayed as being at liberty to choose whether, when and how they retired. Now the situation has substantially altered. Redundancies and recruitment freezes enforced by the recession and the economic crisis have led to higher levels of economic inactivity in the older age bands. Suddenly, the individual may no longer be in the driving seat of his or her later life and retirement planning.

Planning in later life: what's on employees' minds

We asked older interviewees whether they had been thinking about, and planning for, their later life. Some participants had a clear plan mapped out for the future of their working life and beyond, but we were somewhat surprised to find that others, particularly those in their early 50s, seemed to have done little in the way of forward planning. It was apparent that underlying their thinking was a self-questioning process framed by two important perspectives: the kind of person I am (age, health, family, interests); and my particular situation and circumstances (finances and work).

The older employee as an individual

The first reaction of interviewees when asked the question, *'What plans have you made or do you want to make for working in later life or retiring?'*, was often to make a reference to *'being of the right age'* to think about the planning process. Some had a straightforward *'real time'* view of their age: *'I certainly don't fear reaching 60'*, others' perceptions were more subjective: *'I am talking to someone they can be 30 and I still think they are my age'* (a 50-plus interviewee) and others still felt somewhat anxious about the link between retirement and the ageing process: *'it would be such a shame to die in service. We do deserve a life after work.'*

The prevalence of *self-stereotyping* among older interviewees was particularly striking. We encountered many examples of negative self-stereotyping, where the sense (for some) of being a cultural misfit was evident in the shape of denial, intergenerational comparison and self-doubt. *'You've got all these youngsters behind you and it's very, very difficult admitting that you're getting older and perhaps can't cut the bread anymore.'*

A number of respondents mentioned family responsibilities as playing a part in their decision about later life planning. There were a good number of interviewees who frequently alluded to retirement as *'a new lease of life'* to be eagerly anticipated. Many spoke of a desire to make a contribution to society while others harboured a nagging anxiety about the prospect of boredom: *'what the hell am I going to do now?'*

Impact of work and organisational life

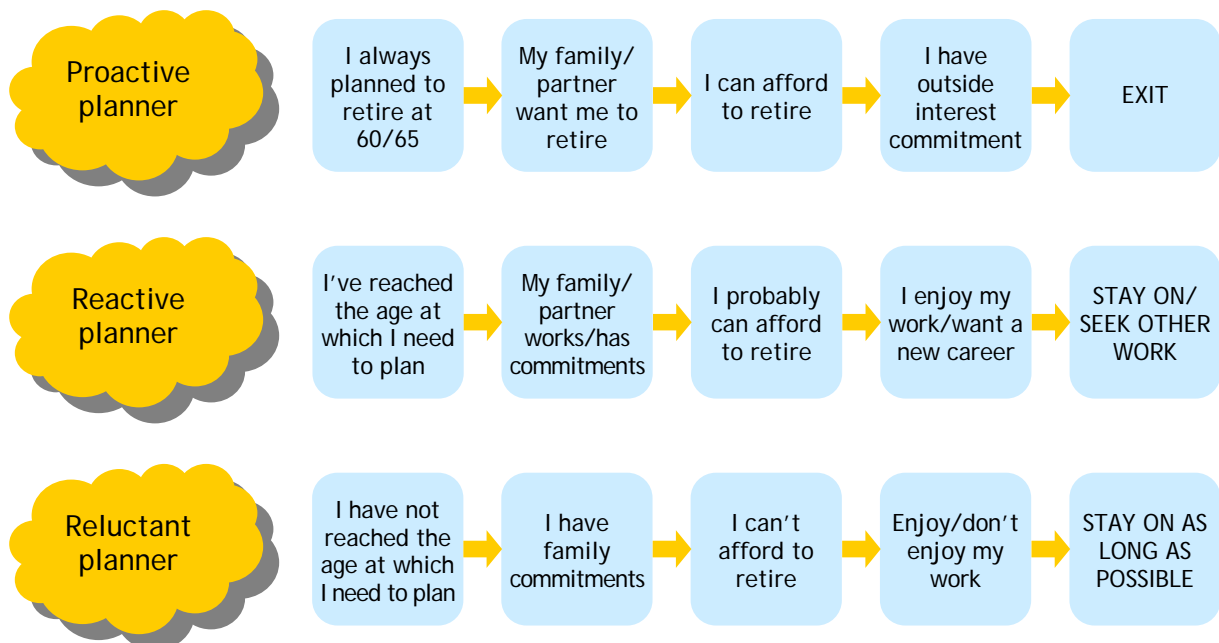
After issues to do with one's age and family circumstances, finance was the next most commonly cited consideration. Our interviewees often expressed confusion and frustration at the complexities of the pensions system. With the markets ever more volatile, older employees appeared to have lost something of their sense of control over their financial position. A number of factors relating to working life emerged, such as engagement at work, represented by two opposing stances:

enthused and energetic on the one hand, 'I enjoy getting up and coming to work' or weary and burnt out on the other: 'tired is the only word I can describe, I used to get up full of the joys of spring.' Employees who have recently joined an organisation and are still in effect developing their career may be more engaged than those with extended tenure. Some interviewees conveyed a sense of feeling sidelined when watching their employer's effort to bring in younger employees: 'there's so much focus on the younger, why isn't there as big an emphasis on the ageing workforce?'

Later life planning trajectories

We distinguished three broad groups of decision makers who followed a common set of questions but along varying trajectories displayed in Figure 1.

Figure 1: Planning in later life: different planning trajectories



Source: IES, 2010

- For the proactive planners who have a long-standing vision for retirement, most of the factors discussed above represent enablers to their planning process: 'My current planning is to retire at 60 and all my planning is aimed towards that.'
- The reactive planners have similar characteristics but their choices are more strongly determined by their current situation rather than long-term planning with a mix of enablers (family) and blockers (finances): 'I am financially burdened I have to stay on to 65.'
- The reluctant planners consider retirement is too far in the future and feel daunted by the idea of getting old. Their journey is characterised by blockers, mainly psychological: 'I'm very unprepared for retirement you know! I'll admit it; I've done nothing about it.'

Later life planning in a business context

All of the employers from our case studies had retained a default retirement age of 65. Line managers who obviously play a key role in supporting older employees' planning were enabled or constrained by business needs and their organisation's approach to addressing specific but varied issues.

Managers' perspectives

We asked HR and line managers how they were giving support to older employees. Managers appeared somewhat confused about what constitutes a retirement age, unless they were reaching retirement age themselves. Receiving a letter from HR was the most typical method that employers used to give their older staff formal notification that they were approaching the mandatory retirement age. Indeed some interviewees were somewhat fearful of the time when they would receive the letter: *'at that point then you start to get hit with correspondence and so you're made very much aware that you are of that vintage.'* Although, there was great concern to keep within anti-discrimination law, there was a widespread belief that managers could still implicitly, if not explicitly, discriminate against older employees. Our research dispelled some of the myths surrounding older employees' negative attitudes to training often cited by practitioners. Managers play an important part in encouraging older employees to take up training: *'It's fear of the unknown and as long as you are familiarising them and reassuring them they can pick it up just as quick as the 20 year olds can.'* But there may be a positive training culture which does not in practice deliver, as pointed out by another manager: *'There's often disguised discrimination but everything is open to just about anybody.'* And attending courses is not always a priority for older employees wishing to wind down: *'It's all geared for people getting skills whereas you're happy to lose a few skills.'*

Business perspectives

For managers in the call centre of the insurance firm, priorities were about delivering targets as well as ensuring that different generations worked well together. One manager was concerned about the impact of a mixed aged team: *'... the speeds you would expect someone to learn at 20 are very different from someone that's 50, 55 and 60.'* Whilst another had found a creative way to 'fit the job to the older employee': *'I took her off the phones it was just stressing her out... I managed to get her somewhere within the business... she was far happier.'* And described the benefits from mixing the generations: *'It keeps the more mature people on their toes because the young ones are a bit cheeky. And the younger ones get a clip round the ear ... I think it works quite well.'*

Resourcing was highlighted as an issue for the transport organisation which relied on highly skilled professional staff. Some managers thought it made resourcing and skill planning more complex while others did not necessarily share this view: *'they were working for me now they're not and whether they resigned or retired is of no great consequence.'* The county council strategy was to attract younger recruits to rebalance its age profile. Some managers thought this acted as a signal to older employees that they were not valued: *'it's sort of subliminal messages like that which really has had an impact (on culture).'* Streamlining and early release schemes in the defence organisation had put pressure on retaining sought-after skills while motivating the survivors. Managers needed to be innovative in considering other options than vertical promotion but were perceived to be ill equipped to do so: *'I've come across senior managers who have got no concept other than vertical promotion.'*

The process: talking about later life plans

We explored the extent to which later life planning was talked about in our case studies and the factors that enabled and hindered such conversations. We were somewhat surprised by what seemed to be a general lack of such conversations happening in the participating organisations. There was an overwhelming feeling that these conversations can be awkward and sometimes difficult. We were able to discern a number of themes underlying these feelings.

- Fear of unwittingly discriminating: as one HR manager remarked: *'the managers sometimes feel in those conversations the weight of legislation on them.'*
- Changing one's mind: there was a fairly widely held view that *'I wouldn't want to have that conversation if it was all pie in the sky. I think I'd be upsetting the applecart for nothing.'*
- The stigma of retirement: interviewees feared these conversations could act as a signal *'that some people may be worried about, a bit like you're being put on the "at risk" register.'*
- Relationships with managers: talking to managers depended on amongst other things whether managers were approachable and shared the same experience: *'she's quite young, you just don't know if she would understand.'*

Holding win-win conversations: what do the parties need?

Whatever decisions older employees are contemplating, they reach a stage where some kind of dialogues are needed to gather more information and finally negotiate and agree what their later life in the current organisation or elsewhere will look like. Our findings showed this to follow the traditional stages of the planning process requiring different types of conversations along the journey.

Information gathering and advice

As a first step, older employees need access to information about pension and finances and 'staying on after 65' options. The quality of pension advice provided by pension departments was reported to vary a great deal. It was more common for older employees to be feeling uncertain about the different pension options, and in need of clear guidance on the relevant legal and financial issues. Examples of good conversations were scarce in our study. The process to gather information about staying on options was somewhat shrouded in secrecy.

Preparing for negotiation and decision

Before reaching the decision stage, there are other types of conversations – typically occurring in parallel within other HR processes such as performance management – which provide valuable insights. We asked interviewees to: *'remember a time when they had an effective or ineffective conversation about later life planning.'* Examples of real conversations recounted by managers were often about unspoken performance issues. Few managers shared positive experiences of good conversations about performance with older employees but there were plenty of suggestions about effectively dealing with performance issues. On the whole, however, there was some reluctance to address this: *'it's trying to be kind to people so they don't leave the organisation on a bad note'* but counterproductive when they wanted to stay on: *'it's twice as hard (the conversation) as they think their performance is fine.'*

Making it happen

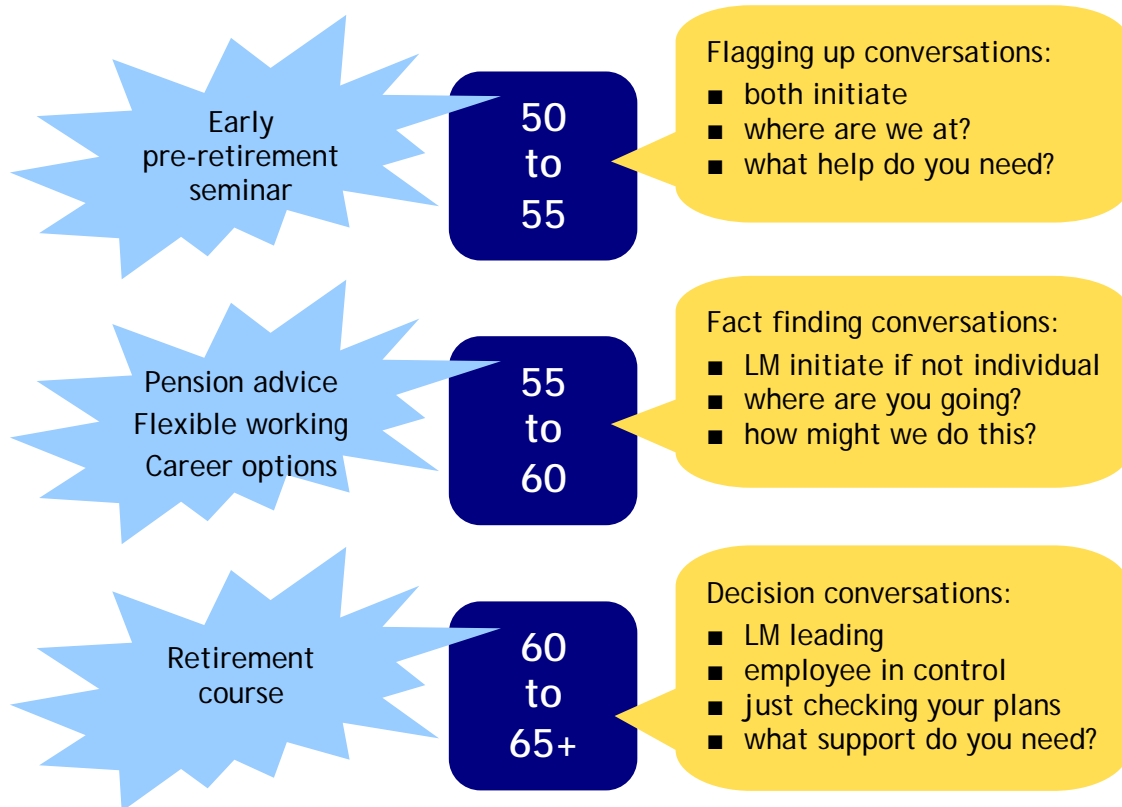
Older interviewees wished they had access to a variety of conversations on an informal and non-binding basis. These would be with different people, but initiated by both parties. Choosing the right time to have these discussions is important while maintaining the option of a continuous dialogue. Taken together these findings shaped 'a fit for purpose' framework depicted in Figure 2 with milestones, types of conversations and options for supporting external or internal inputs. Older interviewees expressed some doubt as to whether managers had the right skills and will to enter and facilitate these dialogues.

Realising win-win later life planning outcomes

Different potential scenarios emerged from our discussions positioned along a win-lose dimension. In the event of a mismatch, agreeing the outcomes requires a negotiation process where either the older employee or his or her employer is in the driving seat. We give some pointers as to how negotiating parties may be able to realise win-win outcomes and how to support the transition process. Again managers have a key role to play in supporting older employees to reach positive

outcomes. They should ensure that employees feel valued enough to maintain their level of motivation to perform well and leave the organisation in the best possible way: *'don't start taking bits of their job away – treat them exactly as you did the day before as a full-time, competent, hard working individual.'*

Figure 2: Later life planning: a fit for purpose approach to conversations



Source: IES, 2010

Next steps

Our research carries several clear and strongly voiced messages leading to potential solutions for employers to consider implementing:

- The need for helpful and user-friendly support for financial and lifestyle planning characterised by informal as well as formal jargon-free information and advice on pensions and financial planning. This support should be freely and widely accessible to all rather than limited to the ubiquitous retirement workshops which employers offered to employees reaching retirement age.
- An exploration of flexible working options to provide older employees with the opportunity to gradually phase down their working hours and lighten their workload: employers should make staying on and flexible working options more transparent rather than treating these on a case-by-case basis and failing to retain much needed skills.

- Eradicating the stigma of retirement: ageism is potentially the most common form of prejudice; older employees wished for a recognised forum to share their experiences, someone to have informal chats with and a chance to have a 'proper voice'.

In most settings managers play a key role in opening the lines of communication and need support from their HR functions to do so. Managers need to:

- Foster a culture in which talking about later life planning is legitimate. A number of good practice points have emerged suggesting how later life planning conversations can be improved.
- Above all, become 'engaging managers' to maintain motivation. While the process of engaging older employees is complicated by different later life planning intentions, there is a striking lack of meaningful and motivating performance discussions.

We will all have to work longer but later life planning can undoubtedly be an increasingly complex and potentially stressful process. We encountered older employees who seemed in control of 'their destiny'. True their financial and occupational status helped but critically they had a long-standing vision of what their later life will be. We invite older employees and their managers to try out later life planning, devising realistic and flexible objectives yet retaining a belief that it is worth planning. In the current climate of economic crisis and political and social uncertainties, it will become ever more important for older employees to secure their financial security and the right mix of activities and leisure they deserve.

1 Why Research Later Life Employment and Retirement Planning?

Employers:

'We think we know what older employees want but we don't actually because we haven't asked them!'

Older employees:

'I would really like to talk to someone but don't know who and I don't want to rock the boat!'

This study stems from these two striking remarks voiced by large employers and their older employees participating in previous IES research in the wake of the 2006 Age Discrimination legislation.

Organisations helping older employees plan their future work and/or retirement face many challenges. In a downturn there is a risk that cuts will have an adverse and disproportionate impact on older workers. On the other hand we are all expected to work longer, but negative attitudes and stereotypes in the workplace have not necessarily disappeared with the advent of age discrimination laws.

Research evidence shows that older employees may want to continue working for their employer or elsewhere but that making the right decisions about their future is an increasingly complex and potentially stressful process. For employers fostering a culture where early retirement and prolonged working lives co-exist requires a tremendous shift in deep-seated stereotypical attitudes to ageing and work. Ideally there should be a good fit between employers' expectations and older employees' aspirations and needs. This can only be achieved with an open and continuous dialogue between line managers and individuals and supported by HR policies and practices. But line managers are confused in the current

climate of discrimination legislation and pension complexities. Meanwhile, individuals may fear that bringing up the issues may jeopardise their current position in a climate of added uncertainty brought on by the credit crunch and economic crisis. How can HR support individuals and their line managers in handling these conversations? Should individuals be more directly supported by experts inside or outside the company?

1.1 Research approach

This research project was commissioned by the corporate members of our HR Research Network. Our case study research covered a broad range of organisations, each with their own business context and presenting issues with regard to older employees. We have worked with five employers in the public and private sectors. Details of our case studies with their specific issues are presented in Box 1.1.

Box 1.1: Our case studies represented a broad range of issues

- A county council seeking to rebalance its ageing profile by recruiting and fast-tracking a greater number of younger employees
- A defence organisation downsizing by closing some of its sites
- A private sector insurance firm needing to manage mixed age teams
- A public sector employer wanting to retain skills and keep hold of its trained specialists
- A retail sector organisation with an age positive approach to recruiting, developing and retaining older employees

We conducted in-depth interviews with approximately 100 individuals including staff aged 50 and over, and their HR and line managers. The sample was largely self-selected, with individuals voluntarily responding to a blanket email invitation to take part in the research. The only prerequisite for participation was that the individual be aged 50 or over; there was no expectation that they had begun to plan for later life employment or retirement in any way, nor were any other circumstantial or demographic criteria applied. Our interviews thus exposed a very wide range of experiences, attitudes, opinions and needs relating to later life planning, as well as a respondent profile that spanned a broad spectrum of job roles and seniority. We focussed on how – and whether – older employees proactively planned their future working life and retirement; what support their employer provided and what sort of conversations they were having and with whom. Their words provide a rich tapestry against which we unravel older employees' experience and needs.

1.2 Research questions

Discussions with HR network members supplemented with IES experience, and a literature review to identify the main trends and issues amongst a plethora of research evidence, led us to address the following broad areas:

- What are the issues on the minds of both individuals and their line managers in talking about employees' future working lives and options for retirement as they approach retirement age? What are the enablers and barriers to people discussing their options and plans in their employing organisation?
- What help does the organisation currently provide to individuals? What conversations are they having, if any, and who are they talking to? How effective are these conversations and what happens as a result? How do line managers experience their role in such conversations?
- What are the unmet needs, if any, of both employees and line managers for information, advice and support? What help would individuals ideally like their organisation to provide and who do they think would be best placed to help them?
- What support do line managers need and what role should they have?
- What are the implications for HR of how employees and line managers are experiencing the challenges of planning for work and retirement?

1.3 Report structure

The remaining chapters address the issues related to helping older employees plan their future working lives and retirement, illustrated with practices we encountered along the way and quotes from the employees and their managers. In Chapter two, we introduce the employment landscape for older employees both as it presents itself in the external world, and internally as it relates to their employer business priorities and culture. The remainder of the report is structured around the planning and decision-making process. Chapter three examines whether older employees plan for their future work and retirement and the factors which enable or block their thinking. Chapter four presents employers' practices and issues dealing with the older workforce from the point of view of the managers. Chapter five reports the shape and potential outcomes of the planning process, the kinds of conversation arising and the role of the line managers and others in supporting them. Chapter six highlights unmet needs mentioned by interviewees and their implications for HR policies and practices, the role of managers and what this means for older employees.

2 The Landscape for Older Employees: Then and Now

With the onset of the recession, the landscape for older workers and their employers has undergone a shift. This chapter sets a backdrop to our research by presenting selected highlights from our 2008 literature review, alongside more recently published data that provide an up-to-date, 'post-credit crunch' perspective on supporting older workers through their decisions surrounding later life employment and retirement.

We begin with some key data which will provide older employees who are thinking about job transitions with some pointers about the experiences of older people in and out of the workforce. Employers wishing to target their recruitment initiatives may also find they need a better understanding of the trends in the labour market.

2.1 Employment of the older generation: some selected facts

The UK continues to age – figures from the Labour Force Survey for example show that in 2008 one-third of the working-age population is now aged 50-plus (see Table 2.1).

Table 2.1: Age breakdown for the UK working-age population (percentages)

	16-49	50-SPA*	SPA-69
Men	45	31	25
Women	51	14	35
Overall	67	22	11

* SPA = State Pension Age (in 2009 still 60 for women and 65 for men)

Source: Labour Force Survey, October-December, 2008

It is interesting to note that three-quarters of people aged between 50 and State Pension Age (SPA) are employed compared with only one-quarter of people aged between SPA and 69 (Table 2.2). Patterns of employment after SPA are similar for men and women despite the fact that at the time of writing women's SPA remains at 60 and men's SPA is 65.

Table 2.2: Employment rates and inactivity levels for the UK working-age population (percentages)

		16-49	50-SPA*	SPA-69
Men	Employed	86	75	23
	Inactive	14	25	77
Women	Employed	73	72	25
	Inactive	27	28	75
Overall	Employed	80	74	24
	Inactive	20	26	76

* SPA = State Pension Age (currently 60 for women and 65 for men)

Source: Labour Force Survey, October-December, 2008

Targeting inactive people over SPA would seem to offer the most opportunities for employers seeking to recruit older workers for skills or to rebalance their workforce. On the other hand – and while the debate is about doing away with a default mandatory retirement age – in practice people have tended to retire earlier. The age at which people actually retire is complex to calculate given that some may subsequently return to work part-time or on a freelance basis, while others may become economically inactive for reasons other than retirement, such as ill health or the inability to find suitable work. However, the Office of National Statistics (ONS) has estimated, based on LFS data, that in 2006 male employees withdrew from the labour market at an average age of 64.2 years (the highest since data were first collected in 1984) and females at 61.9 years; although Wild (2006) cautions that the accuracy of this calculation is affected by the limited data available for people in their 70s and beyond.

But where should people target their applications if they want to rejoin the labour market? Older people aged above SPA are likely to be employed in large organisations since the 2009 British Chamber of Commerce (BCC) Workforce Survey of Small and Medium Employers (SMEs) revealed that businesses employing staff aged over 65 are currently in the minority. Overall, 33 per cent of the 2,562 participating organisations had staff over the State Pension Age, but on a case-by-case basis this seemed to be a factor of their size, as the proportion of over-65s rose to 77 per cent among businesses with 250 employees or more. For most of

the SMEs employing older staff, however, the over-65s accounted for less than 10 per cent of their workforce. This is a significant finding given that SMEs form a large part of the labour market.

There are also substantial variations by occupational group, with the highest proportions of over-65s found in manufacturing, engineering and construction organisations (40 per cent); the public, education and voluntary sector (41 per cent); and the hotel, restaurant and leisure industry. On the other hand, just nine per cent of marketing and media organisations and 21 per cent of business and professional services companies in the survey had staff over SPA.

Overall, the shape and characteristics of the employment of over-50s in the UK give some pointers for individuals to target their efforts. Box 2.1, below, presents some summary points relating to the employment of the older generation.

Box 2.1: Employment of the older generation: some selected facts

- In the period 1992 to 2008, there was a 7.4 percentage point increase in the employment rate of older people (aged 50 and over) and 8.8 percentage for those aged between 50 and State Pension Age (SPA) across the UK, compared with a 3.2 percentage point increase for all workers aged 16 and over
- There are regional variations in employment rate increases, with the largest increases between 1992 and 2008 being in the North East and South West; however, in 2008 the North East still had the lowest employment rate for over-50s at 34.1 per cent
- The sector with the largest increase in older workers between 2001 and 2008 was Professional Occupations
- Jobs most likely to be carried out by those aged above SPA are Administration, Secretarial, Health Associates and Public Services
- Over twice as many older workers work full-time (69 per cent) than part-time (31 per cent), but part-time working is on the increase
- More older workers are self-employed compared with younger (19 vs. 12 per cent) and more men than women
- Over three-quarters of people aged 50 to SPA with qualifications are in employment compared with half of those with no qualifications

Source: Adapted from Khan, 2009. The author stresses that caution must be exerted in interpreting these trends given the complexity and comparability of available data.

The latest wave of the English Longitudinal Study of Ageing (ELSA) presents interesting demographic and social variations inherent in older people's decisions about continuing to work (see Box 2.2 below). Whilst in no way a prescriptive list, it

may help employers to hone in on those areas and individuals where considerations of later life working are especially relevant, and target support mechanisms appropriately.

Box 2.2: Factors increasing the likelihood of working past State Pension Age

- Previous expectation to remain in paid work
- Partner employed or returned to employment
- No onset of major health conditions
- Member of defined contribution pension scheme (men only)
- Higher level of education
- Less time in current job
- Shorter time out of work
- Divorced single women

Source: adapted from Banks et al. (2008)

2.2 Before the recession ...

Prior to beginning the case study research, IES reviewed and summarised a range of contemporary academic and practitioner-oriented literature on general issues relating to older workers (Baldwin, 2008). Key topics covered were employee perspectives on working in later life, the business case for age diversity, and the HR policy and practice implications of attracting, retaining and managing an older workforce.

Our initial review yielded a substantial breadth of formal survey data capturing the opinions and aspirations of the over-50s, much of which pointed to a clear intention on the part of older individuals to remain active into later life, including beyond their 'official' retirement age. People are living longer in better health, and want to keep busy, feel useful, and maintain their social networks. For some, it will be retirement itself that opens the door to these possibilities, but for others there is a clear desire to remain in paid employment, and a contentment, if not a keenness, to blur the boundaries between working life and retirement. Many are actively seeking opportunities to continue working in some capacity, often with reduced hours or other flexible arrangements in place.

The review uncovered a number of factors that have been found to impact on an individual's choice over whether and when to retire. Finance will inevitably be

one of the most important considerations taken into account, yet there are suggestions that pre-retirees may be unclear or confused about the pension implications of a more phased retirement process. The decision may also be affected by an individual's self-confidence and belief in their ability to continue working; the state of their health; the extent of their caring responsibilities; and, where applicable, their partner's plans for future work and retirement.

From a more negative perspective, our review suggested that older workers may feel obstructed by embedded organisational attitudes and practices that seem to disadvantage those of their age group, such as restricted access to training. They may also have to make a realistic appraisal of the level of stress they face in their job, as well as the nature of their working conditions and environment more generally.

It was clear at this time that employers were becoming ever more cognisant of the business case for an age diverse workforce, recognising the skills, positive attitudes and accumulated expertise offered by older workers. These considerations are all the more pertinent against the backdrop of an ageing population, large scale retirement of the 'baby boomer' generation, and the now-established Employment Equality (Age) Regulations. It is clearly in an organisation's interests to promote flexible working options that may help to retain their older staff for a longer period. Other interventions might include re-skilling older workers through targeted training, thus enabling them to take on new roles, as well as allowing them time off to participate in voluntary work. Ultimately, there will be a concern to preserve and transfer the (often tacit) knowledge and skills of older workers within the organisation after they have retired. Mentoring, coaching and supervised apprenticeship schemes may help to achieve this.

The pre-2009 research pointed to a range of wider implications for HR policy, management practice and organisational attitudes. At a strategic level, various studies and commentaries highlighted the importance of workforce mapping, talent management and succession planning strategies that take account of the age profile of employees. Firms looking to bring in additional older workers may want to consider targeted recruitment drives and attractive benefits packages. There are also various steps that organisations can take to help eradicate age-related stereotyping and discrimination and encourage positive attitudes towards older workers. However, at the time of our review there appeared to be a greater abundance of theoretical research and consultancy literature on these issues than reports of how, if at all, such approaches were being rolled out in practice.

The general picture emerging from these 'pre-recession' literature sources is that the older workforce represents a valuable resource in the face of impending skills shortages brought on by mass retirement and a growing population imbalance between 'young' and 'old'. By and large, under these circumstances older workers

are portrayed as being at liberty to choose whether, when and how they retire. Personal and social factors may be just as important as financial ones in making the decision. Those who elect to continue working tend to do so on their own terms, with employers proactively responding and adjusting to their preferences through a mutually beneficial set of arrangements that also helps meet the organisation's talent management, legal and moral obligations.

2.3 ... and now in (and out?) of the recession: how do older employees fare?

Fast-forward one year and the situation has substantially altered. Redundancies and recruitment freezes enforced by the recession have led to higher levels of economic inactivity in the older age bands. Most recent ONS figures (May 2009) confirm that over the past year, unemployment among people aged 50-plus has risen by 47 per cent, and in April 2009 there were 20,550 people aged 60 and over who signed up to Jobseekers' Allowance – an increase of 65 per cent on one year previously (Wallop, 2009). There are implications that not only are older workers being targeted by companies looking to cut costs, but that those who do lose their jobs cannot afford to take early retirement as they might have done in financially healthier times.

Suddenly, the individual may no longer be in the driving seat of his or her later life and retirement planning. A recent survey of almost 1,000 older workers, carried out on behalf of Age Concern and Help the Aged, revealed that 28 per cent feared they would be forced out of jobs because of their age if their employers tried to cut costs. Those worried about being made redundant during the economic downturn also feared spending their late years in poverty because the value of their investments has been slashed. Forty-seven per cent of those surveyed said they were less confident than six months ago that their life savings and income from their pensions would be enough to support a satisfactory lifestyle when they retired (Moore, 2009).

Indeed, a report by the insurance firm Aon found that the value of employees' defined contribution pensions dropped by nearly one-third during the 12 months from October 2007 to October 2008 as a result of the credit crunch: the equivalent of a £46,417 loss for each of the 3.4 million workers who pay into such schemes (Logan, 2008). In the wider picture, shifts in the dependency ratio (the proportion of non-working to working people in the population) triggered by factors such as greater longevity, declining birth rates, and increased uptake of higher education, continue to project the country towards a pensions crisis.

To compound the situation, concerns about the possibility of 'forced' retirement have also resurfaced in recent times, with the European Court of Justice upholding the UK government's stance on a default retirement age, following a challenge by

the charitable body Heyday, a branch of Age Concern. Under this ruling, employees may not be obliged to retire before 65 unless the organisation can justify (if necessary, in a legal contest) that such a move is a '*proportionate means to achieve a legitimate social policy objective*' (IPE news, 2009). In past times, older workers who have applied to work past the default retirement age may have been more likely to have had their requests granted, but increasingly, organisations looking to make cutbacks may choose not to accommodate such desires. According to a report by Age Concern and Help the Aged, one in seven employers plans to make more use of mandatory retirement to help reduce staff numbers during the recession (Taylor, 2009).

So in the current climate, age discrimination issues have come back to the fore (if they had ever really left), particularly in the areas of recruitment, redundancies and pay. This will be the first recession in which employees have been able to raise claims of unlawful age discrimination. Eilidh Wiseman, head of employment law at Dundas & Wilson, asserts that organisations may be at particular risk of claims from white, middle-aged men who believe their redundancy is based on age or length of service (Personnel Today, 2009). The issue of pay may be an additional cause for concern because latest figures indicate that the gender pay gap is widest among those aged 50 to 59, although in the other upper age bands of the workforce it has narrowed (see Table 2.3).

Table 2.3: Percentage gender pay gap for older employees*

Age group	2000 pay gap	2008 pay gap
50-59	21.0	18.2
60-64	12.2	10.3
65-69	16.5	9.6
All employees aged 16 and over	16.3	12.8

* Author stresses that caution must be exercised as sample sizes tend to be small and fluctuate year on year

Source: Adapted from Khan, 2009

In the light of these shifts in the economic and social landscape, employers seeking to respond to and manage an ageing workforce are encountering fresh challenges and concerns. On the one hand, organisations may face pressure to downsize or halt recruitment as they seek to weather the financial crisis; but this must be balanced against the need to retain skills and expertise within the workforce and prepare for recovery, all the while treading carefully around the age discrimination laws. On the other side of the equation, older employees concerned about their future financial security are more likely to want and/or expect to stay in employment past their SPA.

3 Planning in Later Life: What's on Employees' Minds?

This chapter explores whether and how the older workers within our case study organisations are planning for later life working and retirement. We consider who plans and under what circumstances, and investigate the factors that facilitate or block the planning process.

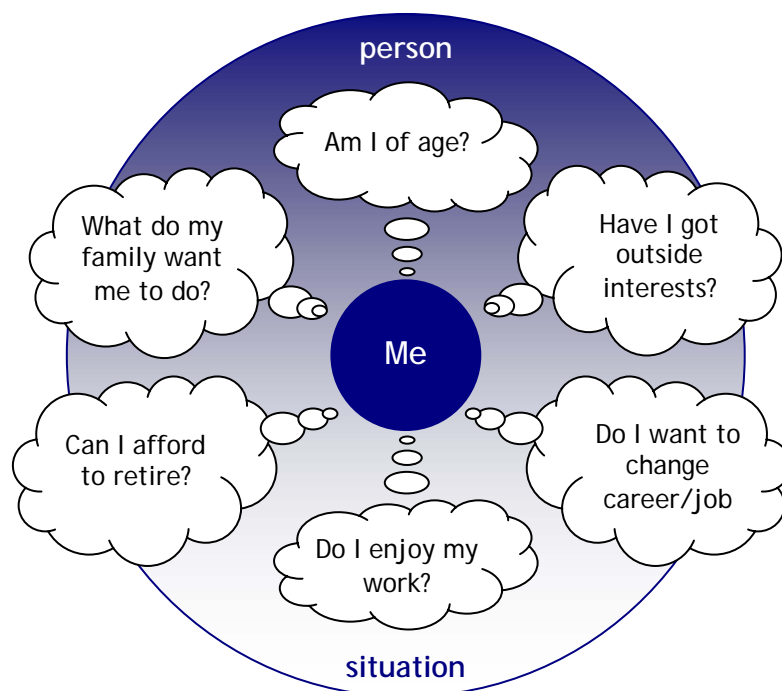
3.1 Do older employees think about later life planning?

Employees who are approaching retirement age will ultimately have to decide whether they want to continue working for their current employer or exit (to retirement or a different avenue of work). Asking our interviewees whether they had been thinking about, and planning for, their later life therefore seemed an appropriate question to establish some context. Responses were highly varied. Whilst some respondents had a clear plan mapped out for the future of their working life and beyond, we were somewhat surprised to find that others, particularly those in their early 50s, seemed to have done little in the way of forward planning. It was apparent that underlying their thinking was a self-questioning process framed by two important perspectives, as seen in Figure 3.1:

- the kind of person I am (age, health, family, interests)
- my particular situation and circumstances (finances and work).

These perspectives varied in importance and focus but the factors shaping them seemed to be key to considering options for later life working and retirement.

Figure 3.1: Thinking about later life: the questions



Source: IES, 2010

3.2 The older employee as an individual

It was interesting to note that the first reaction of interviewees when asked the question, *'What plans have you made or do you want to make for working in later life or retiring?'*, was often to make a reference to their age. Their responses seemed to be governed by perceptions of *'being the right age'* to think about the planning process. However, this was often compounded by confusion about what constituted *'the right age'*.

3.2.1 Age identification: What's in a number?

Our interviews revealed that their perceptions about age were diverse, and reminiscent of the different facets of what psychologists have called the age identification process (Kooij et al., 2008) (see Box 3.1).

Box 3.1: Age identification

- Chronological age: how old you actually are
- Subjective age: how old you feel
- Desired age: how old you would like to be
- Look age: how old you look
- On time age: how old your life stage/experience tells you that you are
- Social age: how old others think you are
- Attitudinal age: how old you behave
- Normative/cultural age: how old society tells you that you are

Source: adapted from Demakakos et al. (2006) and Kooij et al. (2008)

Not surprisingly, there were amongst our interviewees people who tended to have a straightforward, 'real time' view of their age, and in the following example this was combined with a positive, pragmatic outlook:

'Unlike some people I didn't fear reaching 30, I didn't fear reaching 50, I certainly don't fear reaching 60.'

On the other hand, there were those whose perceptions of ageing were framed in a more subjective way:

'I haven't considered the question (of retirement). I only know you can leave at 65 ... There's still a long way to go.' (59 year old)

'I just feel I've probably been thinking about it the last year or two because once you reach the big "five-0" you do start contemplating that each year seems to go by faster.'

There was also evidence of social and cultural influences at play as interviewees reflected, sometimes in an almost defensive manner, on the feelings aroused by being a particular age, both within themselves and in relating to others:

'As I've reached 50 and now over 50 it's very much in my mind, being older.'

'It's very difficult because yes, I'm 56 and a half, but I don't think of myself as being 56 and a half, and I don't look that age I have to say, when I'm talking to someone they can be 30 and I still think they're my age ...'

In some cases there seemed to be an implicit anxiety around a possible link between retirement and the ageing process, and a sense that there were valuable years to be enjoyed in the run-up to the traditional retirement age:

'It would be such a shame to die in service. We do deserve a life after work.'

'My wife reckons that working keeps you young and that when you retire you can if you're not careful age very quickly. I always used to pooh-pooh that but I think the older I get the more I do tend to believe that.'

Thus, even before considering the impact of wider cultural stereotypes, it is clear that the concept of *'being the right age'* to think about retirement is by no means uniform across individuals, but rather complex and unpredictable. These variations are likely to influence the planning process and, indeed, are key to people perceiving that they ought to plan in the first place.

3.2.2 The power of self-stereotypes

To borrow social psychology parlance, old age is the only 'outgroup' that inevitably becomes an 'ingroup' for people who survive long enough. In addition, ageism is conceptually somewhat more complicated than other '-isms' (sexism, racism) in that age classifications, as noted in the discussion above, are multifaceted and less rigid than, say, gender or ethnicity distinctions. In a sense, therefore, there are more possible openings for individuals to be – or at least feel – discriminated against because of their age at some point in their lives.

Ageist stereotyping is potentially the most common form of prejudice experienced by individuals given that 'old age' comes eventually to every living person.

What was particularly striking in our research was the prevalence of self-stereotyping amongst older employees.

Our initial literature review summarised the negative characteristics commonly associated with older workers, such as forgetfulness, absenteeism, resistance to change, and technophobia (Baldwin and Strebler, 2007). Although there is much research and anecdotal evidence to counteract the validity of these stereotypes (eg Dozois, 2006), they may nonetheless continue to be perpetuated in workplace settings (eg Millar, 2006; Fuller, 2007).

What was particularly striking in our employee interviews was the prevalence of *self-stereotyping* among older workers. Whereas in classic psychological theory individuals will tend to favour the 'ingroup' to which they belong (even if their perceptions of the outgroup are not wholly negative, but contain a mix of antipathy and ambivalence), it is apparent that this does not necessarily apply in the context of ageing. Rather, older people may be as negative towards their own age group – themselves included – as (in some cases) the young are towards the old.

According to Levy (2003), age-related self-stereotypes have identifiable characteristics: they originate and become internalised in childhood and are reinforced in adulthood; they can operate below the level of conscious awareness; they resurface in old age and become internally focused. In our study, we encountered many examples of negative self-stereotyping, where the sense (for some) of being a cultural misfit was evident in the shape of denial, intergenerational comparison and self-doubt.

'I hate admitting that I'm one of the oldest members of (organisation name) and I'm not telling you how old I am.'

'You've got all these youngsters behind you and it's very, very difficult admitting that you're getting older and perhaps can't cut the bread anymore.'

In particular, participants expressed anxiety and insecurity about how they were viewed by their colleagues, and there were hints that they had started to internalise what they believed to be others' perceptions of them, even without fully validating these assumptions.

'My memory is not as good as it was so ... I consider myself very reliable but I have to write everything down now and I feel in myself I'm getting older and you sometimes think "I wonder how other people see you". They probably think, "she's at it again". I mean, nobody has ever said anything or done anything but I sometimes think they must be saying "poor thing".'

'As I've reached 50 and now over 50 it's very much in my mind, being older, and I sometimes feel that it's probably just something within myself that your value sort of decreases because people tend to see you in a different light as you're older.'

Some interviewees displayed a degree of self-deprecating humour about the ageing process, but there were clear undertones of discontent.

'They all look after me, the younger ones. They support me and they laugh at me because I say I'm having a senior moment.'

'You sometimes get the impression – and it's not the first time – that "oh, she's old, granny material" or whatever. Even my own son comes out with, "oh Mum, you'll be in an old people's home soon," but I think when you get that vibe in your workplace it can affect your confidence and stuff.'

3.2.3 Health implications

Our research was not designed to explore health issues in depth, as the topic is so broad that it would warrant a study of its own. Nonetheless, health is obviously an important factor in making decisions about later life working and retirement. We saw in Chapter two that people with a major health problem usually retire

earlier (see Box 2.2); but what of other health issues? In this context it is worth noting that the degree to which individuals self-stereotype on the basis of their age may impact on their well-being. In research by Levy et al. (2002), positive self-perception of ageing was linked to increased longevity (7.5 years on average) over a 23-year study period. Closer analysis revealed that the advantage was not related to age, gender, socioeconomic status, loneliness, or functional health. However, the effect was partially mediated by the 'will to live'. These findings are reflective of advice published by Help the Aged (www.helptheaged.com), who state that '*a positive outlook boosts the immune system*' and '*living longer is linked to a determination to stay in control*'.

On this subject, we noted earlier that some of our interviewees appeared fearful that entering retirement would somehow catalyse the ageing process or even hasten mortality. People spoke as though it was conventional wisdom that retirement formed a 'cliff edge' of life:

'I've got no intention of working till I'm 65 and dying when I'm 66, I want to leave at the age of 60, maybe even 59 and enjoy life.'

'Having seen a lot of people who have retired from full-time work and died within the next few months ... you think, is it a good idea? Do you want to retire?'

There is little research directly addressing this issue, but such statistics as do exist generally fail to lend weight to these assumptions. A study by Tsai et al. (2005), for example, found that employees who retired at 60 had similar survival rates to those who retired at 65. Furthermore, those who retired at 55 were almost twice as likely to die in the first 10 years after retirement than those who stopped working at 60 or 65.

3.2.4 Planning around others

Choices about retirement or its alternatives are made at the interface of an individual's organisational and personal life in a way that may be unique to this situation. The needs and preferences of spouses/partners and families are brought to bear on work-related decisions. From the organisation's side, this is reflected in the fact that retirement planning workshops are often open to partners of pre-retirees as well as the individuals themselves. We saw in the previous chapter that partners' situations greatly influenced the likelihood of retiring or remaining in employment, and this was frequently evident in our discussions with over-50s employees:

'My wife is working so she's also going through similar questions, or maybe getting a different response with her employer, and we're both paying the mortgage, there's a lot of factors, you know, it's not just me in this.'

'I mean at the moment I'm thinking I will work until I'm 65, but my husband retired last year and so ... there could be, you know, there's a potential for there to be a bit of pressure in terms of giving up work.'

'My wife is currently training ... she's away at college at the moment, so about the time that I retire she'll be starting almost a new career, and then we'll be moving house and starting something completely different – an interesting time for the whole family.'

The picture could be more complicated where there was something of an age difference between partners:

'My husband has already retired ... my husband is 66 so I often think if I leave it too long, will he be too old to enjoy retirement together... Because if I left it until I was 65, he would be 81 so there are lots of other considerations as well as financial.'

A number of respondents additionally mentioned family responsibilities as playing a part in their decisions about their future working life and retirement. This factor may continue to gain in importance as people increasingly have children later in life. A good number of our interviewees were also grandparents who were keen to spend more time with their grandchildren, especially as a means of helping their own offspring manage their working lives.

'I think I do need the full-time salary because of my son ... we've been paying for his education and the commitment is huge, but I don't begrudge one penny of it. I probably need to go until I'm about 63, I think. I need to get his A Levels out of the way.'

'I've got two grandchildren ... When you work full-time you don't see as much of them as the other granny who doesn't work but I try to do my bit.'

3.2.5 Outside interests

There are clearly a good number of older workers for whom the appeal of retirement is so strong that they will not be persuaded to continue working under any circumstances. Within our study, as exemplified in the quotes below, interviewees frequently alluded to retirement as a 'new lease of life' to be eagerly anticipated. Individuals often spoke of looking forward to taking up, or devoting more time to, hobbies, sports and travelling after they retired, as well as spending time with spouses, families and grandchildren.

'To me I don't look at it as retiring as rather doing the things I haven't been able to do while I've been working, so it's a life shift really.'

'I will be really busy when I retire, there won't be enough hours in a day or days in a week. But I hope to start a new life when I retire, not sit there, and as some people

say sit there waiting for God, no I'm going to sit there, learn more, sail round the world, whatever, I don't know, new adventure.'

'I'm not one of those people who would be bored retiring. I've been scouting all my life. We have a local campsite and I work there. I'm a trustee for other things as well ... I want to go and travel more. See a bit more of this wide world.'

'I want to get my handicap better and I was already talking to colleagues this morning about forming a golf circle ... I want to take up water colours, I've been dabbling, but ... by the time I sit down and set it all up and think what I'm gonna paint I've got a job then I have to put it down so I am not progressing.'

However, many also spoke of their desire (some called it a need) to continue making a contribution to society in some form, for example through participating in voluntary work.

'I'd be bored at home. What would you do? In the winter especially. I'd be doing something, whether it's voluntary or for money. I might be driving old people to the hospital.'

'I could see myself working with a voluntary organisation but doing work that I want to do and if they don't like it I can move on to something else.'

'I'm retiring, it's what I want to do, but there is that feeling that you're not contributing anymore, you're being a bit sidelined, psychologically you have to find something purposeful to do, I think in the voluntary sector, something that you don't feel you're just not contributing in any way.'

Some individuals, particularly those with less clearly articulated ideas or plans for life post-retirement, appeared to harbour a nagging anxiety about the prospect of boredom, apathy or loss of purpose after finishing work. Their concerns seemed to run deeper than the more mundane question of how they would fill their time, touching on issues of motivation and identity:

'I think one of my big fears is though that I would retire and not be able to fill at least 10 months of the year.'

'You've been going to work for 40 years and suddenly next Friday there's a lovely buffet and a little presentation and everybody thinks you're a wonderful chap and then on Monday morning you sit there and think "well what the hell am I going to do now?".'

'(My wife's) viewing my retirement with a certain amount of trepidation. I think for the same reasons that I view retirement – that she doesn't want me to stand around doing nothing and looking after her all the time ... I will have no problem filling retirement but really I've not thought about the nitty-gritty of it and what I

will do. I mean some days you get up and you think wouldn't it be nice to be retired and then reality hits you – well what the hell would I do?'

3.3 The impact of financial circumstances

While older employees needed to perceive a need to plan for later life in the first place, the second and perhaps most significant driver was whether they could afford to retire. This was alluded to above in the context of having children in later life but after issues to do with one's age and family circumstances, finance was the next most commonly cited consideration as interviewees spoke about their plans for later life working and retirement.

'Well, clearly, planning for retirement is all about being as confident as you can that you are financially secure to, you know, undertake your aspirations, I guess.'

'I think the bottom line is what to do with the mortgage and whether I can afford to retire.'

Their comments highlighted several major issues along this theme, which are discussed in the sections below.

3.3.1 Pensions: a technical minefield

Our interviewees often expressed confusion and frustration at the complexities of the pensions system. The quote below was the very antithesis of most people's outlook:

'I love numbers, I love maths, I love finance and I like preparing myself so I'm comfortably off.'

It was far more common for older employees to be feeling uncertain about the different pension options potentially open to them, and in need of clear guidance on the relevant legal and financial issues. This was particularly the case for individuals who were members of multiple pension schemes.

'It's this fear that they're going to leave at the wrong time and lose out, you know, because it is essential when you're 60 plus you're looking to affordability and being able to do things and having really clearly defined advice rather than having to worry about it, or gosh do I need to do another three months to be sure I'm going to get something type of thing, you know, not wave goodbye at the wrong time.'

'Increasingly we will find that colleagues are in place who have got more complex pensions, where you've had previous working experience elsewhere, you may have a private sector pension entitlement built up but what's going to be the best thing for you?'

'Speaking personally when I came here I already had a personal pension because I'd left the NHS prior to coming here, so I don't have a (organisation name) pension because that would have been then a third one, but just because I've got my own personal pension I'm disadvantaged because I don't get any employer contributions and I think that's wrong.'

3.3.2 Market vagaries

Our interviews were conducted around the time that the economic downturn was making headlines. The sense of unease created by the financial climate had clearly filtered into respondents' thoughts, both about their present job security and future pension arrangements. With the markets ever more volatile, older employees appeared to have lost something of their sense of control over their financial position, and were inclined to adopt a more 'one day at a time' outlook.

'You put a lot of money into a company to run your pension and there's always something in the news about pensions being mismanaged and people not getting paid out. We have no control over it.'

'No, it's far too early (to plan for retirement). One or two years before I retire. If you plan beyond a year or two I don't know how many more Lehman Brothers we're going to have. It's difficult to plan far ahead.'

'It really depends on what the finances are at the time and it looked quite positive till this financial climate. And of course that would have a bearing too on how the pension funds are. So I guess that's another reason why it's too early (to plan), pension funds being what they are you don't know quite what's going to happen.'

3.4 The impact of work and organisational life

There were a number of factors relating to working life that emerged from our discussions and were found to be substantially impacting on the planning process.

3.4.1 Engagement at work

'I enjoy getting up and coming to work. We have a good team. We have a laugh. We help each other, we get on so well together. We're all going out next week for a meal. I enjoy work.'

'Tired is the only word I can describe. I used to get up full of the joys of spring ... now it's a real effort to make that drive into work knowing that you're coming in and you almost don't know what's going to hit you as far as personal problems go with people on your team.'

The foregoing quotes highlight two opposing stances that the older worker may gravitate towards as they near retirement age: enthused and energetic on the one hand, weary and burnt out on the other; and naturally there will be many shades of grey in between. Where an individual lies on this 'scale' will depend on a number of factors, but may be related in particular to length of service or time in their current role.

In this context, work-related engagement may need to be considered as a relative concept, set against the attractiveness of alternative options. The pull factors associated with 'life outside work' were discussed more fully earlier on, the following quote serves to illustrate how older workers may factor in the extent of their current engagement with their job as they weigh up the relative merits of work and retirement.

'I guess if I was completely and totally sold on working with (organisation name) and delivering what I wanted to deliver here I might not leave at 60, but I want to catch a double figure bass, I want to go travelling round Europe, there are things I need to do.'

3.4.2 Career stage

Employees who have recently joined an organisation and are still in effect developing their career may be more engaged than those with extended tenure. The same might apply to people who have embarked upon a 'second career' following retirement from a previous job, or who have spent extended time out of the labour market. Such was the case for the following employee, who at the age of 51 had only been in full-time work for the past nine years:

'I feel as if I'm actually just in the very young stages of my career really and I can't see myself finishing work at the age of 60, because I'm still mentally, well not new but I'm enjoying it still.'

Likewise this interviewee, who had recently returned to full-time employment:

'My own view is that I'm only just really in the first throes of going back out to work, I suppose if I'd been in (organisation name) for 30 years or whatever then to me it would be "oh, I'm retiring soon," but I'm actually still very much enjoying what I'm doing.'

One of our managerial interviewees highlighted this issue in commenting on the results of her organisation's staff survey:

'It's not age, it's length of service with us where we've seen in our employee survey that motivation has dipped.'

3.4.3 Work colleagues and intergenerational issues

By and large, the message coming across from our case study organisations was that different 'generations' of employees interacted well together at both a professional and social level. This was most apparent in the call centre environment of the insurance firm we discuss in the next chapter. As we noted in the discussion on self-stereotyping, where tension did exist, it tended to be because older workers were making assumptions about how their younger colleagues perceived them. However, without consulting the colleagues in question, which was not possible within the scope of this study, we were unable to verify the accuracy of these claims.

One more tangible 'intergenerational issue' that surfaced in one case study (also discussed more fully in the next chapter) was the concern that the organisation's explicit efforts to bring in younger employees could be having an adverse impact, at the very least psychologically, on older workers. As one interviewee summarised:

'When there's so much focus on the younger, why isn't there as big an emphasis on the ageing workforce?'

A number of the older workers who were interviewed conveyed a sense of feeling somewhat sidelined as they watched new graduates come into the organisation and rapidly acquire senior positions. More than once, this situation was described as personally demotivating.

'They're fast tracking them, boom boom boom, it's almost like they're focusing entirely on them.'

'We're bringing inexperienced graduates in without the learning that goes with the degree, you know, learning is a package of skills and experience ... these are people as well with Masters in management qualifications, not sort of high powered technical qualifications in practice for specific things, I just don't get it.'

'There's got to be a much more positive reinforcement I think within the organisation of the skills, experience and expertise that people have acquired and actually celebrating that and recognising that.'

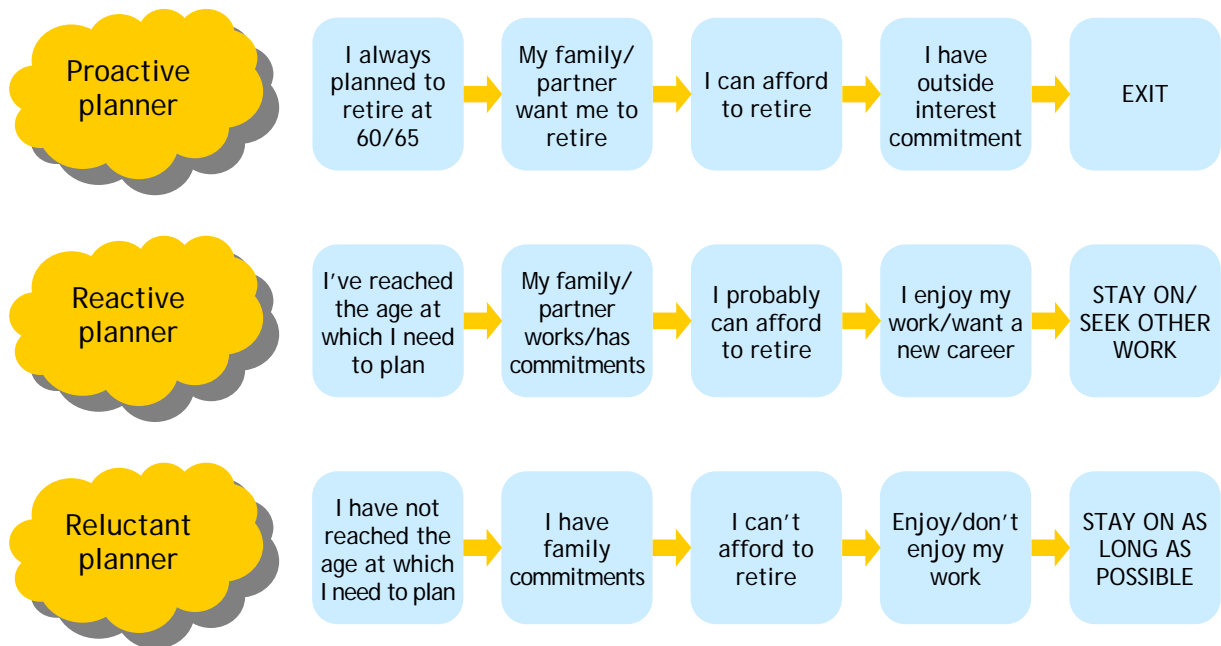
In addition, there were a small number of older staff within our interview sample who had recently completed extra qualifications themselves and felt that they might be eligible for similar fast-track development as is afforded to new graduates, but had not been given the opportunity.

'I'm not suggesting I want any kind of preferential treatment, but (graduate schemes are) never pitched at people like me, yet they paid for me to do (the qualification), you know, and nothing is done with the skills other than what I was doing before anyway.'

3.5 Later life planning trajectories

Upon reviewing the breadth of our interview data, we were able to see some clear differences in the way the factors discussed above acted as 'enablers' or 'blockers' in the process of planning for retirement. We thus distinguished three broad groups of decision makers who followed a common sequence of questions but along varying trajectories. These are displayed diagrammatically in Figure 3.2.¹

Figure 3.2: Planning in later life: different planning trajectories



Source: IES, 2010

Whilst these categories are not mutually exclusive and there is some overlap between them, on the whole the three groups are fairly distinct.² It should be noted that we have taken health considerations out of the equation. As mentioned previously, this is a major issue that we were unable to do justice to within the scope of this particular research. However, in the context of this model we might say that those whose ill health is a key factor in their retirement may never enter one of these planning trajectories, as the decision is effectively made for them, and potentially at an earlier stage than would otherwise be the case.

¹ Trajectories have been used to describe imagined pathways in later life. They show the model of ageing that people construct influences interpretations and responses to actual situations when they occur and preparatory actions that people take – for example in retirement planning (Furstenberg, 2002).

² These groups are reminiscent of the 'choosers', 'jugglers' and 'survivors' identified by McNair et al. (2004).

3.5.1 The proactive planners

Proactive planners are an enviable group with a long-standing vision for retirement. Generally self-aware and self-confident, most of the factors previously discussed represent enablers to their planning process. These individuals are the most likely to see retirement as a new lease of life; for them, ageing is a positive thing, bringing new opportunities and challenges. Their long-term view has prompted them to maintain a strong pension fund. Indeed, the capacity to be a proactive planner may hinge on the individual's financial and occupational status; in our study they were usually males, highly skilled, with long length of service and a good past career trajectory and/or second career.

The proactive planners:

- Positive attitude to ageing and living life to the full
- Financially secure
- Lots of outside interests/hobbies
- May want to retire gradually

'My current planning is to retire at 60, and all my sort of financial, personal financial planning is aimed towards that working all my life.'

'I haven't gone to any (retirement seminars) because my plan is a long-term plan, I'm 55 and I'd like to go when I'm 60.'

'Yes, I mean I wouldn't say kind of a master plan if you like, but obviously an organisation like this, you join it, and one of the reasons is the stability and there's a decent pension scheme, and I've added extra money into the scheme and planned my mortgage and everything else so that when I retire I can enjoy my life then after.'

We might surmise that the government would have us all become proactive and long-term planners and savers, yet this trajectory could be destined to disappear with the demise of defined benefit pension schemes.

3.5.2 The reactive planners

We call this group 'reactive' because while they show some similar characteristics to their proactive counterparts, their choices are determined more strongly by their current situation than in accordance with long-term planning. The decision trajectory of a reactive planner will incorporate a mix of enablers (family influences, motivation to leave work) and blockers (financial uncertainties, a reluctance to accept the reality of ageing).

'At my age now, which is 56, I'm beginning to think "well it's not that far off" because I've been here two minutes but it's eight years, so I'm beginning to think about retirement and panic ...'

'It is personal choice and circumstances. Some people at 60 think "that's fine, I have enough funds so I can go at 60". Other people think "no, I'm financially burdened and I have to stay on to 65. I'm not sure motivation comes into it. Either you want to go at 60 or you don't.'

'I don't know whether I'll need to carry on working at 65. When I get married I might not need to. He's working longer because he's younger.'

With the volatility of the financial markets and ever more varied family and lifestyle patterns, reactive planners are likely to increase in number and become the foremost group that employers will have to deal with now and in the future.

The reactive planners:

- Sense of retirement age 'creeping up on them'; aware of the need to start planning
- Family considerations, eg partner retiring, grandchildren being born
- Uncertainty regarding partner's retirement plans, joint finances etc.
- Concerns about sufficiency of pension
- Most feel ready to (but may not be able to) leave work - perhaps more push than pull factors
- Self-consciousness about age and potential slowing down, a few have experienced discrimination.

3.5.3 The reluctant planners

This third group might almost be called ‘non-planners’; they know they need to face the issue of retirement, but struggle to bring it into focus. They may consider that retirement is too far in the future to make concrete plans for it yet, perhaps with the view that ‘anything could happen’ between now and then; and they may feel daunted by, or resistant to, the idea of getting older. Their journey to retirement is characterised by blockers. When we interviewed these individuals, there was a sense of discomfort in their answers to questions about retirement planning, thinly veiled in self-deprecating humour:

‘I keep thinking that I’ll ring the pensions people, you know, and ask them where I stand with my contributions and things ... but you know it’s one of these things you say you’ll do and you never actually get round to doing it!’

‘It’s all very well for me to sit here and say they haven’t told me anything, but I guess it’s incumbent on me to be a bit proactive as well.’

‘I’m very unprepared for retirement you know! I’ll admit it, I’ve done nothing about it, I haven’t even drawn my pension, not my State pension. I haven’t even got a bus pass yet. My husband says to me, “why don’t you get a bus pass?” I don’t want to go on a bus, that’s why!’

Reluctant planners, for whom many of the blockers are psychological, will continue to exist whether we are in economic crisis or not. With their complex and multiple reasons for avoiding retirement decisions, they may prove the most difficult group to assist.

Meanwhile considering older employees’ views is only one – albeit important – part of the equation. These are formulated in a business environment where employers’ approaches and perceptions of the planning process to a large extent are still key to making it happen.

The reluctant planners

- Disengagement from retirement planning, feel it is too early, sense of it being 'on the to-do list'
- Slight sense of trepidation/denial about approaching retirement age, may identify with younger age groups
- Confusion/uncertainty about pension/finances
- Psychologically ill-prepared for finishing work
- Some experiences of discrimination

4 Later Life Planning in a Business Context

When we introduced the employer case studies earlier, we noted that they presented a series of vignettes illustrating approaches to managing older employees. In this chapter, we use their particular issues to highlight views about later life planning in a business context. However, we caution that these represent a snapshot of issues and indeed these employers had to grapple with several of these issues at any one time. Nonetheless, approaches and their perceived impact seemed to slightly differ depending on the current issues they were focussing on.

4.1 The business context

Approaches described by the HR managers in our case studies were designed to address the specific issues of the organisation or of the particular location or unit we were visiting.

- The call centre of the insurance company relied on the local labour market mainly supplied from a pool of older employees such as retired nurses and younger students. They were faced with job design and team working issues in order to accommodate different skill sets and age groups.
- The transport organisation wanted to ensure a supply of specialist and professional skills now and in the future. Their emphasis was on managing talent either retaining, retraining or recruiting people with highly specialised skills.
- The county council wished to rebalance its ageing workforce profile to better reflect the community it served. There had been particular emphasis on a talent pool and creating training initiatives for graduates and young apprentices.
- The defence organisation needed to redeploy staff after a restructure and downsizing exercise. Their approach was aimed at training and development to

ensure effective performance and motivation of the survivors as well as widening the community interests of the leavers.

- The retail organisation had introduced specific support for retired people to ensure that it maintained an important customer segment as well as a source of labour.

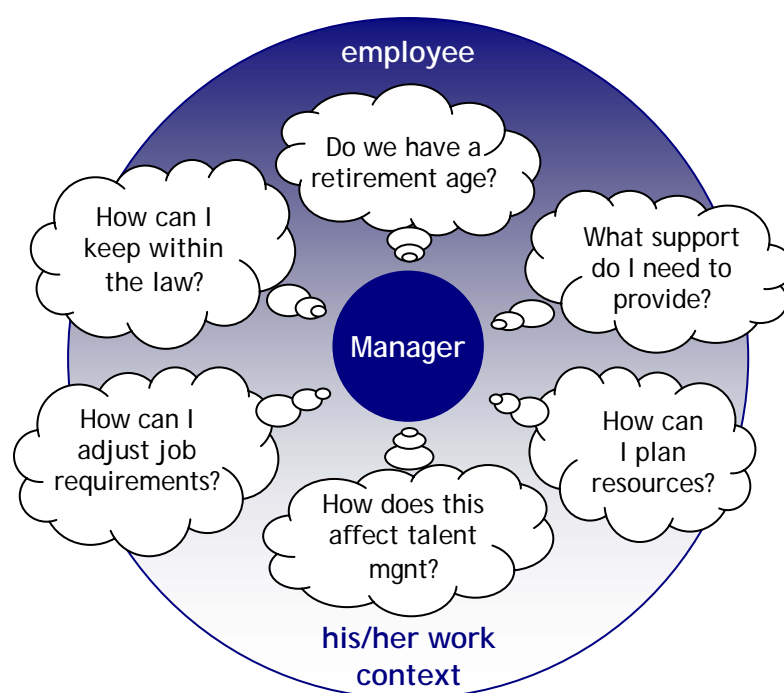
Line managers who obviously play a key role in supporting older employees' planning – are enabled or constrained by business needs and their organisation's approaches to managing older employees.

4.2 Managers' perspectives

We asked HR and line managers to discuss how they were giving support to older employees to create an employment environment conducive to helping their planning. Factors mentioned related to the individual in a business context, and managers sought to align management good practice and duty of care with business needs, with – perhaps not surprisingly – an emphasis on the latter. Their responses seemed to mirror older employees' views fairly closely, again framed by two similar perspectives:

- the employee (retirement age, legislation, pensions etc.)
- the work context (job design, talent management, training and development).

Figure 4.1: Thinking about later life: what's on managers' minds?



We remarked earlier that older employees' perspectives on ageing can be quite complex. By contrast, employers' perspectives on ageing were concerned with a need to comply with the age legislation and to adhere to contractual employment requirements. A third aspect was also apparent in that potential discrimination experiences were highlighted by managers and individuals alike. Addressing these concerns – or ensuring managers' compliance – was mainly the province of HR and pension staff.

4.3 What is the right retirement age?

According to the dictionary, retirement is a particular time in a person's life when they stop working, usually because they have reached the age at which they can get a pension. The concept of a 'retirement age' however is very much in a state of flux. There is currently a great deal of media coverage about the need to increase the age at which people can get a state pension, given the credit crunch and increased longevity. Unless managers had thought about the process in great depth (particularly if they were reaching retirement age themselves), they appeared somewhat confused about what constitutes a retirement age.

'The normal retirement age for the company is 65. The normal pension age for the defined benefit scheme is 60. The normal pension age for the DC (defined contribution) scheme is 60, but obviously it doesn't have any bearing, there's no actuarial factors, it's whatever your pot of money will buy at whatever age you are.'

A pension adviser in the insurance company

Perceptions of 'what makes a retirement age' tended to be influenced by a multitude of factors: the employment relationship, government policies and legislation, and employer practices. These were usefully detailed in the information guide of one of our case studies which we have used to summarise the variety of acronyms and age brackets which were banded about and confused our interviewees (see Box 4.1).

Box 4.1: Time to go?

- Normal retirement age (NRA) or Default retirement age (DRA) or Statutory retirement age (SRA): the age up to which employees are statutorily allowed to work before retirement (currently 65 as per Employment Equality (Age) Regulations 2006)
- Normal pension age (NPA): age employees can retire with full accrued benefits according to their pension scheme (was 60 but new schemes are adopting an NPA of 65)
- Minimum pension age (MPA): age at which members of a pension scheme can leave with reduced accrued benefits (typically now 55)

- State pension age (SPA): age at which national insurance pension is payable (currently [2009] 60 for women and 65 for men, increasing gradually to 68 for all by 2024)

Source: IES, adapted from the Defence case study, 2009

This state of confusion is a finding which has been echoed in other research. For example, evidence emerging from the large scale longitudinal survey of English Longitudinal Study of Ageing (ELSA) argues that widespread confusion about retirement age and pension age still exists. ELSA findings also confirm that the knowledge that SPA is increasing for women is limited – and amongst women themselves (Banks et al., 2008). While we could speculate before that the retirement age would be clearer when current increases have bedded down, the continuous debate towards the need to increase the retirement age further and sooner will ensure that confusion remains for the foreseeable future as hinted by the comments of one of the managers interviewed.

'(The pension system is) a mess as far as I can see at the moment, and that's not helpful for people to be thinking now what they're planning because they will hear things on the news, and I hear things on the news, people are going to have to be working until they're 68, whoops it's 70, whoops what does stepping down mean, what's that going to mean, am I going to get a pension?'

A manager in the county council

4.4 Impact of the age legislation

As already mentioned, the impact of the age legislation introduced in 2006 for our case studies had been the increase of the retirement age from 60 to 65.

'... between 60 and 65, they have the right to remain fully employed and carry on doing their job.'

An HR line manager in the transport organisation

To comply with the legislation, employers with a default mandatory retirement age of 65 now need to formally inform their employees that they are approaching retirement age six months prior to the date of their 65th birthday. Receiving a letter from HR was the most typical method for these employers to give their older staff formal notification that they were approaching retirement age.

'(Company retirement age is 65). Six months prior to turning 65, employees will get a letter telling them their due date for retirement.'

A pension administrator in the insurance firm

So while some older employees, particularly the reluctant planners, were sometimes leaving planning till late, they were sharply reminded of the need to plan by the

formal letter from HR. Indeed some were somewhat fearful of the time when they would receive the letter. As we discuss further in the next chapter, there was a sense that retirement was something that was done to you.

'I haven't got to the 58/59 bit, but at that point then you start to get hit with correspondence and so you're made very much aware that you are of that vintage.'

An HR manager in the defence organisation

Similarly, the process was perceived to be rather impersonal and overly formal by some:

'I suppose that it appears a little bit impersonal sometimes ... for instance just yesterday I get a slip through to say my allocated car is due renewal in September and do I want – this is from HR – do I want to renew it? Well you'd think well actually no I'm going to retire sort of thing ...'

Lack of communication between departments could give rise to what was perceived as a somewhat thoughtless process.

'I have got a colleague ... who in one day got a letter from (name of organisation) saying congratulations well done you have just completed 40 years. Five days later got an email saying when do you want to retire?'

On occasions some of the managers interviewed had to be reminded that, since 2006, people had the right not to be retired before 65 unless their employer could present a legally justifiable reason for doing so. This suggests that 60 was still being perceived as the baseline age for retirement. The following quote from a manager who was asked *'what was her organisation retirement age?'* reflects this level of uncertainty.

'It's 60, although there is an opportunity ... I had a gentleman who wanted to extend his working life and did do. Do they ask for year on year or just say yes? Is it five years? At 60 they can ask for five years. Then it's up to us as well as them. They can then apply to stay on for longer, but the decision is taken at the management's discretion.'

A manager in the transport organisation

4.5 Perceptions of age discrimination

We noted previously that ageing self-stereotypes can have a powerful influence on older employees (see previous chapter discussion). In the business context, this can be compounded by a feeling (or experience) of being discriminated against in a kind of double whammy! While employers in our study were concerned with keeping on the right side of anti-discrimination legislation, there was a widespread belief that older employees could be disadvantaged if managers were thus inclined.

Indeed, Barnes et al. (2009) in their recent research argued that for some employers, 'older workers to be recruited must be notably better than average to stand a chance'. It was interesting to juxtapose the views of the managers we interviewed with the comments made by older employees about their experiences. For example, an employer's emphasis on recruiting younger staff to rebalance their staff profile could unintentionally signal to older employees that they were not valued despite widely held views of some managers that they could do more to attract older workers (see Box 4.2).

Box 4.2: An HR manager view

'I think we could attract, you know, more interest from older workers and I mean I do think that in Britain, same as any other country, older people do struggle I know in securing employment from 45 onwards and I mean you shouldn't be on the scrapheap at that age.'

But unintended impact of employers' approach to rebalancing their age profile

'Recruitment is very focused on new blood, fresh ideas, young people and what it does - I think it discourages people who are older for applying certainly on the external side. I think that we have people who are discouraged ... there is this perception once you get beyond a certain age if you are going to leave an organisation that you have perhaps worked in for 20 or 30 years and go and take another job it is probably going to be collecting the trolleys at Asda and that is all you are good for.'

Similarly, there was a belief that managers could still implicitly, if not explicitly, discriminate against older employees. The experience of a manager looking for a second career (before joining his current employer) evidenced this belief (Box 4.3).

Box 4.3: A line manager's belief

'I know that we've got this legislation that means in terms of age discrimination, but you know it's not rocket science if people want to find a reason not to shortlist and make an appointment, they can usually find a justifiable rationale for doing so.'

Reflected in the experience of an older employee looking for a second career

'... these jobs had my name written on them, my experience, my qualifications just said apply and get the job. In fact the first one I was actually approached by one of the largest adhesive companies in the world to go and work for them in the same capacity. But when they saw I was no spring chicken ... I performed extremely well at the interview, I know that, I was congratulated on the way I performed ... I had a gruelling interview in fact in front of it was either five or six European managers in various capacities, but then I did not get the job. And I just know it was because of my age. I applied latterly for another job, and this time I did not put my date of birth on the CV and got the interview. Didn't get the job.'

However, this pattern of perceived indirect discrimination seemed to follow through to promotion opportunities. While our interviewees generally did not report any specific cases of discrimination, one interviewee recounted her difficulty in being promoted (see Box 4.4, below).

Box 4.4: Age gets in the way of promotion

'The jobs that I've managed to get have been by default the last couple of years, like the job I'm in at the moment was on promotion and I was third choice and I really believe it was because of my age that I didn't get there. Before this job I went for a job in (name of organisation) so I know I've got real grounds for the way that I'm feeling. I was competing against a gorgeous young lady single girl, her whole manner is one of negativity, maybe in the interview she didn't show that, but she wouldn't have taken the job if she was offered it. My attitude was very positive, I had all the high qualifications than this girl, more experience than this girl but they still offered her the job, she turned it down so I got the job in the end but I thought why would they have gone for this young lady who was very pretty, I could only assume that it was an age thing.'

A female employee in her early fifties

We were not able within the scope of our research to validate these assertions, some of which had been experienced in previous employment. Nonetheless, ample research evidence exists to support these perceptions (see Chapter 2). Added to the confusion about the retirement age and age stereotyping, these experiences may have a real impact on the culture and working environment experienced by older employees.

4.6 Working in a call centre: job design and team working issues

For the HR manager of the insurance firm, recruiting different age groups was not an issue as: *'our view as an organisation is that there is no evidence that capability declines with age.'* For managers in its call centre, however, priorities were first and foremost about delivering targets as well as ensuring that different generations worked well together. Thus, one of the managers was concerned about the impact that a mixed aged team had on his target delivery and potentially on older employees.

'... the speeds you would expect someone to learn at 20 and the speed you would expect somebody to carry out those daily tasks at the age of 20 is very different from someone that's 50, 55 and 60. I don't think we make any allowances for kind of speed, targets to workers. If you have someone at 55 or 60 that's thinking I can't do 40 a day like them. They might feel forced into leaving when they can't financially manage. Simply because they can't work at the same pace and learn at the same speed as someone who is 40 years younger than them.'

Another manager however had found a creative way to 'fit the job to the older employee' thus ensuring she got the best for both the individual and her team. This was evidenced by her proactive approach to find a suitable job for an older employee who found it stressful to work on the phones but had plenty of other skills to offer.

'You need to take into account that people are older ... you get different things from an older person. I took her off the phones it was just stressing her out. It wasn't working. When we put her on the phone the overall stats crashed. But I managed to get her somewhere within the business. She was very good, thorough and passionate about people's attendance, she was never off sick. She dealt with people nicely. She'd take the calls and do all the admin side of it. And she was far happier. It was a case of moving her and being able to accommodate that.'

The same manager showed a refreshing common sense approach to managing her team which seemed to work well. She described how she would get the best from mixing the generations to keep staff motivated and engaged to ensure they successfully deliver.

'When you're arranging the seating plan of the team it's important to make sure the younger ones are not separate. I keep a mix and it keeps the atmosphere and morale of the team at a good level. You may find the more mature people are quieter than the younger ones. It keeps the young ones focussed. If I want a good job doing I'd probably ask one of the more experienced guys because they take more pride and care in their work. I do think it's beneficial to have a good mix of age groups in the team. It keeps the more mature people on their toes because the young ones are a bit cheeky. And the younger ones get a clip round the ear ... I think it works quite well.'

By contrast, other managers held more negative views. The following quote from a rather reluctant manager exemplified how older employees could be perceived as having special needs rather than strengths that could be exploited.

'It's more of a concern to me the people who stay than the people who go. If they stay there's all the knock on stuff that goes along with it, they're more susceptible to health issues which may take them off sick. If it doesn't it might require us to make adjustments to their workstation or hours of work. You do have different considerations in the workplace if you have older people.'

4.7 Flexible approaches to talent management needed

Talent management is the process of integrating new recruits, developing and retaining current staff and attracting highly skilled people to work for the organisation. There was a sense that dealing with older age groups brought fresh

challenges to align the needs to the business while remaining flexible to accommodate a variety of age groups and circumstances.

'People don't tend to talk about age much and you certainly don't use it illegally if you're trying to run competitions and yet ... if I'm looking at the talent pools ... I have to look at the age distribution of those people because it forms part of the succession planning process that drives what I'm doing. So you've got on the one hand a big focus on it, on the other hand, don't talk about age ... I think there's a contradiction there if you're trying to do something positive about an ageing workforce.'

An HR manager

The above quote epitomises the quandary some of our case studies were experiencing when considering their talent management strategy – particularly if they were looking for highly specialised recruits (the transport organisation), rebalancing its age profile (the county council) or downsizing and redeploying staff (the defence organisation).

4.7.1 The transport organisation: seeking specialists

Resourcing was highlighted as an issue for the transport organisation which relied on highly skilled professional staff. HR staff were obviously concerned about their ageing profile given their needs for highly specialised skills. The (fairly) new age legislation had been perceived to have compounded the issue. Some interviewees were of the opinion that not knowing whether and when employees will retire can make resourcing and skill planning more complex.

'The issue with the new retirement age is that even if we move the limit, people can still resign their function between 60 and 65 and it's up to them ... so this is the part we don't know, because before we knew that would be 60, but now we don't know whether people will leave at 60 or 65.'

Other managers did not necessarily share this view. They thought that people could leave at any age and displayed a pragmatic stance to resourcing issues.

'... (referring to 60 to 65 period) I'm aware if you like that they're in a time period where they could decide to retire but ... I've always felt that they are always in a time period where they could resign – for the organisation, for me as their line manager there's no difference between the two – they were working for me now they're not and whether they've resigned or retired is of no great consequence.'

'Is it any more difficult? I'm not sure it's any – in reality any more difficult than not knowing whether someone will resign tomorrow or not – we don't know that people will stay until they're 60.'

However, managers – attuned to the fact that it would take several years to train people – were seeking to recruit second career specialists. They were, however, having to think creatively about motivating people without the option of promoting them.

'I see us as a technical organisation – we hire people with technical skills, either they're kind of aircraft engineers, they're pilots, they've been from the military, they're commercial pilots ... If we are recruiting people who are second and third career do they want to move and develop their careers in the organisation – really have a lot to offer and we don't want them to leave but they don't necessarily want to progress ... one of the challenges is how do we value what they bring without having to promote them into a leadership position which they may not want to do.'

By all accounts, the organisation was a clear winner if it managed to involve older employees in the succession planning process as illustrated by the following quote.

'Most people are proud of what they're doing and they want the person that's going to take over from them to do as good a job as they felt they did so I think they want to be involved in that succession process. And if you make them involved then they are more likely I think to tell you about what their plans are because they want to make that succession work in most cases.'

4.7.2 Rebalancing an ageing profile in the county council: impact on culture

The county council had similarly identified its ageing profile as one of its priorities for talent management as illustrated by the following quote from an HR manager.

'One of the key issues for us in common with the rest of local government is that we have an ageing population. We have got large numbers of people that we forecast will retire in the next five to 10 years and in contrast to that, or I suppose one of the reasons for that is those people who are called baby boomers are starting to retire in increased numbers.'

The council strategy was to rebalance its age profile and 'grow their own' to ensure it developed the next generation into skilled staff, as the HR manager explained:

'One of the big strategies within the (strategy) plan to address is that we need to attract more young people into the organisation ... we haven't got our sort of share of the market ... and for workforce strategy reasons we want to attract more people and also in terms of our community leadership role, in terms of having a more diverse workforce both for us but also with our partners in (the region).'

This approach to talent management generated varied responses. As mentioned previously recruiting younger staff can sometimes act as a signal to older employees that they are not valued. This appeared to be the case in this organisation illustrated by one of the manager's comments when asked whether the culture of the organisation supports older employees.

'... it's sort of subliminal messages like that, that really has had an impact, the number of people I've heard who've made comments about that (younger recruits), I suppose the central message I'm giving is that there's got to be a much more positive reinforcement I think within the organisation of the skills, experience and expertise that people have acquired and actually celebrating and recognising that.'

On the other hand, another manager was fairly pragmatic, seemingly arguing that it might eventually bed down.

'Well maybe that's just a transition period, maybe that's what's necessary, for better or for worse to get us in a position where younger people are making decisions about staffing and I'm not suggesting that it's the right thing, but maybe that's the transition we're going through.'

HR was very much aware of the need, and were keen, to maintain a balance. To address both ends of the age spectrum, they were encouraging managers to forecast potential resourcing issues as highlighted by the following quote below.

'What we have been trying to encourage is for managers to risk assess their people in the same way as they risk assess other parts of the business like finance and IT for example. So to look at all posts are important but some posts if they become vacant can cause particular business issues and that might be a senior position or it might be somebody delivering a frontline service.'

On the other hand, another manager shared his creative experience of exploiting a mixed age group.

'... within our team as a whole (we) set up small learning groups ... they have their own dynamics and that's what keeps people interested and they are set up in a way where the expertise and the learning gained by someone who's got years of experience is seen as a huge asset alongside the fresh ideas of the younger members of staff.'

4.7.3 Streamlining in the defence organisation

In the defence organisation, closing units and restructuring were giving rise to conflicting and contrasting views about difficulties in retaining 'sought-after' skills while letting go of other staff who were less able to offer the kinds of skills and optimum performance needed in the leaner organisation.

'Quite a lot of the people who have applied for (early retirement) schemes in the past are people with energy, self-confidence, the sort of people we should keep but they see it as, as it is, as an opportunity to move on to do something different but with a nice sum of money to help to do that. So, this time round what we would quite like to do is ... say to the ... people – sorry I know you would like to go but we really are keen to keep you.'

On the other hand, managers had seized the opportunity to adopt a creative approach to ensure that people were prepared for an eventual departure by widening their horizon.

'In my last job I had to close down a branch of 18 of us and the group was gradually running down so that gave us a lot of opportunity to encourage people. Some of them had been here for a long time so you had to encourage them to think differently. What I did was to get them to shadow somebody else and work in a different office ... some went out for one day to work for a charity to give them experience of working outside. So it's really down to the line manager to be quite innovative.'

Generally, two emerging concerns were evidenced by managers' comments in how to motivate the survivors. On the one hand, the impact of streamlining and early release schemes in particular was to put pressure on managers' ability to motivate older employees.

'... if you're a line manager you can then pick up one of these people to come and work for you but he feels a little bit put out ... there can be an impact on performance, on motivation, on their drive... if you're talking about learning new technology, new packages of work, new ways of working, does that person come to you with the right sort of motivation or drive to do the job?'

On the other hand, a flexible approach to the talent management of older employees was needed. There was a sense that managers needed to be more innovative in considering other options rather than just vertical promotion. However, they tended to be perceived to be ill equipped to do so as another manager reported below.

'... I'm not sure that managers have been competent in motivating older employees who are not necessarily after high rising up the ranks. I've come across people who have been senior managers who have got no concept of anything other than vertical promotion so their advice is always geared towards how to get people promoted, they have no understanding of people who either aren't able to do that, or don't want to do it. I think this is going to be an increasing phenomenon as more people go beyond an age that they could physically go tomorrow but have no desire to.'

4.8 Training and development of older employees: it's all about understanding attitudes

Our previous research had shown that some employers believe older employees have, at best, ambivalent attitudes about training and, at worse, are somewhat reluctant to be trained. Indeed, there seems to be a widespread belief amongst practitioners that it is not access to training but failure of older employees to take up the training offered. In a CIPD survey of 100 HR professionals, over half indicated that they believed over-50s were less willing to learn than their younger colleagues (Millar, 2006). We were keen to explore these beliefs during our interviews. A number of paradoxes emerged from our findings which have led us to question conventional wisdom.¹

Myth: older employees cannot be trained

Older workers may suffer either from fear of an inability to learn new concepts and tasks, or over-confidence in their knowledge and experience, both making them reluctant to undergo further training (Newton et al., 2005). Clearly research evidence points to the need to identify self-perceptions and personal confidence as contingent factors in employees' responses to learning, either in their current job or with a change of direction. However, this can be easily remedied as illustrated by one of the line managers we interviewed in the call centre of the insurance company.

'Your area is coming up for changes – when I worked there they were dreading it. They'd think "I'm too old for this". I might take retirement because I don't think I can put up with the changes, the computer system, I'm not going to pick it up. It is fear of the unknown and as long as you are familiarising them with the systems and reassuring them and letting them know they're going to get enough training they can pick it up just as quick as the 20 year olds can.'

Myth: the age legislation has increased access to training for older employees

The age legislation has indeed led employers (including our case studies) to review their training and development practices to ensure equal access. But in the context of the business case and return on investment, as demonstrated by a line manager in the transport organisation, access has only been extended by five years.

'I guess something may have changed if he's 59 and a half (before). I couldn't as a business justify putting him on some type of training course of tens of thousands of pounds but now that barrier has been taken away and if someone says "I'd like to do

¹ This discussion first appeared in Strebler (2009), *Training Journal*

it, I am considering staying until 65" – fine ... we treat people no differently. Having said that if someone's aged 64 and a half from a business perspective it wouldn't make any sense whatsoever to put them on training course.'

While there may be a strong business case when the training involved is lengthy and costly, there is a risk that the default retirement age may increasingly be invoked by employers to justify training budget cuts for this group of employees.

Similarly, as suggested by one of the managers in the defence organisation, there may be a positive training culture in the organisation which in practice may not deliver its promise.

'We've always been non-discriminatory really. We've always offered training right up until people are within a short time of retirement. People have always been able to compete for jobs until certainly within two years of their retirement age. There's often, you know, disguised discrimination, if you want to call it that, but everything is open to just about everybody in the way of the training and everything.'

Myth: attending training courses is a priority for older employees

Research in the United States of the ageing workforce suggests that older employees may have different priorities and that training may not be at the forefront of their minds. An interesting gap emerged between the extent to which training programmes were offered by employers to support continuing employment and whether older employees find them helpful (Towers Perrin, 2007). Opportunity for training and development was offered by 44 per cent of employers surveyed while only by 19 per cent of employees rated these helpful. Older employees' favoured financial benefits such as pension credits for delayed retirement or collecting a partial pension.

In one of our case studies, an older member of staff in the county council described almost the reverse situation, where her intention to 'wind down' gradually from working life seemed difficult to reconcile with the organisation's philosophy of continuous development:

'The problem is you have this continuous development, I guess I know I've made a conscious decision I'm winding down and there is always this continuous development thing which you're not that concerned with because you know you've done what you wanted to do in your working life, you have different issues, I'm looking to my ambitions now outside the organisation, outside of work ... It is all geared for people building their CV, getting skills whereas perhaps you're quite happy to lose a few skills.'

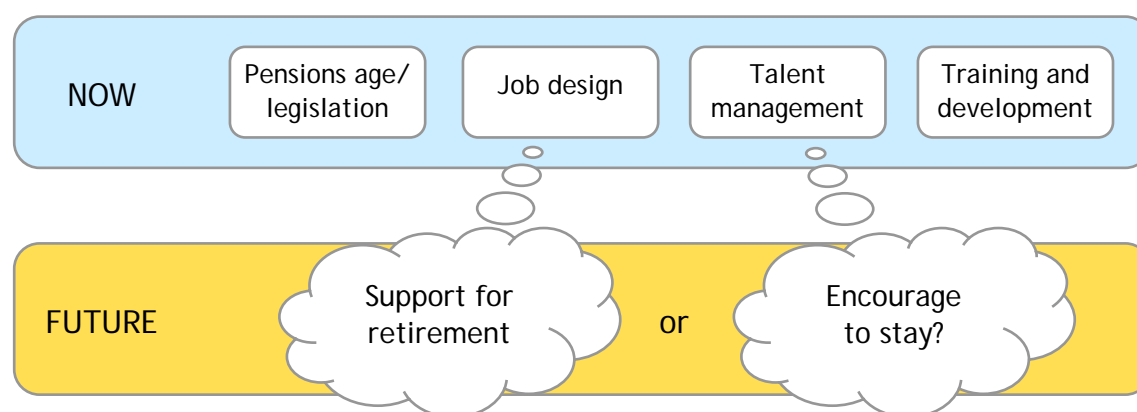
These examples highlighted by our case studies emphasise the ongoing need to change people's attitudes about older people so that employers can reap benefits

from the HR practices they put in place and older employees can remain committed to their organisation and motivated by their work. Again line managers have a key role to play in making this happen. In the next chapter we present examples of effective and less effective discussions, some of which are training and development orientated.

4.9 Employers' dilemma

Taken together our case studies visits unearthed an interesting dilemma: whether organisations want to support people for retirement or encourage them to stay as illustrated in Figure 4.2, below, with a summary of the factors that were at play. Similar to employee's ambivalent attitudes to planning discussed in the previous chapter; on the whole, the employers we have visited seem to be stuck into a reactive mode as far as encouraging people to stay is concerned. They knew the issues they were facing now but were somewhat reluctant to make the leap of faith to work together with older employees to find a solution in the future.

Figure 4.2: Employer dilemmas: what's on their minds?



Source: IES, 2010

4.9.1 Support for retirement

Support for retirement in all our case studies was delivered via the 'ubiquitous' retirement workshop. This may have taken different shapes and forms but it was still the most common.

'The Retired Staff Association (RSA) speak to people quite early, before they are about to leave and they can come along with their partners and you spend the whole day talking about different things, you have presentations ... what can you do with your money so you are getting the most out of it, so they talk about ISAs. There is also the softer things about planning your time and sports clubs and hobbies, obviously they talk about your pension and the financial side of those.'

An HR manager in the retail organisation

The retail organisation, however, had gone further to create a community of retirees as illustrated by the following quote from the same interviewee.

'Generally (the RSA) try to pull together a bit of a community between people that are retiring ... they have people come in who are in the RSA. The RSA organise events so you can go on days out and there is a budget that is allocated so you get discounted things that you can do and RSA members can take part ... we still try and make sure (name of the organisation) support you and keep that contact.'

While employers in our study were content to support older employees in their decision about retiring and in some cases going further to keep in touch once they retired; they seemed to be less keen on openly encouraging people to stay beyond the default retirement age of 65 which all of the employers in our case studies had retained.

4.9.2 Encouraging people to stay

The employers in our research tended to be reluctant or ambivalent about encouraging people to stay. In some cases, this appeared to be counterproductive as illustrated by the HR manager in the transport organisation which reported retaining key skills as an issue.

'I could see that one of the biggest issues ... was that she needed to be invited to stay on, the (organisation name)'s belief was that she needed to request to stay on and that unless she said she wished to stay she would automatically be going, that needs to stop, that absolutely needs to stop.'

There was also a sense that people – even from the proactive planner group which had made much preparation to retire – could nonetheless be persuaded to stay with the right incentive but this was not forthcoming. Again these interviewees possessed the highly specialised skills this organisation wished to retain.

'There doesn't seem to be, with my direct line manager or even with one or two above him, there doesn't seem to be, certainly at this sort of time in advance of my retirement, any sort of encouragement to do that (stay on).'

On the other hand, the employers in our case studies seemed to have retained the default retirement age as 'a safety net' so that they were able to let go of people. As one of the managers argued:

'I think all organisations have a tendency when people are coming up to retirement – even low performers get reasonable performance reports.'

Our observation was reinforced by the fact that given the legislation which (as it currently stands before the review of the default mandatory retirement age) does not require employers to give a reason for refusal; this seemed to make the process

somewhat easier. Indeed, most of the employers from our case studies were advising their managers not to give reasons for turning requests down.

Meanwhile the quote below illustrates that employers may have missed an opportunity to increase the motivation to perform. A manager remarked on the impact of an initiative to allow older employees to extend their employment.

'... the deal was if you continue to perform to a high level if you then need to extend, we did it in six month chunks, but the only way you could extend on was by your line manager saying that you're performing well, so the motivation levels actually went up ... probably the best they worked for years at that point!'

With the widely predicted demise of the default retirement age, employers will have to find other ways to motivate older employees. More often than not, in our study, performance issues were left unspoken. This contributed to the difficult conversation we discuss more fully in the next chapter when older employees reached the stage at which they felt ready to talk to their managers about their plans.

5 The Process: Talking About Later Life Plans

Older employees, as we have seen, may adopt different approaches to later life planning – some being more proactive than others. Line managers can play an important role in helping them to consider their options. In order to do so, both parties need to talk about older employees' plans in the business context. But both enter into these discussions with a variety of needs and views about the process. In this chapter, we explore the extent to which later life planning was talked about in our case studies and the factors that enabled and hindered such conversations. We end by proposing a fit for purpose framework for holding these conversations together with potential outcomes.

5.1 Do people talk about later life planning?

To begin with, we asked interviewees *'have you had any conversations about your plans with anyone in your organisation?'*. The intention was to gauge the extent to which these discussions were a feature of organisational life for older employees. We were somewhat surprised by what seemed to be a general lack of such conversations happening in the participating organisations. The findings discussed here therefore may be more about hypothetical events than based on actual conversations. As one interviewee argued: *'If you've got a good relationship with your line manager or with the staff who work for you, it would be nice to think you could have a discussion about anything.'*

The gist of their (sometimes imagined) conversations appeared to be mostly targeted towards retirement rather than extended working life. Despite the optimism reflected in the foregoing quote, however, there was an overwhelming feeling that these conversations can be awkward and sometimes difficult. The mere thought of discussing later life in general evoked a sense of fear and foreboding for a sizeable number of older employees and managers alike. We were able to discern a number of themes underlying these feelings.

- Fear of unwittingly discriminating against older employees or of jeopardising one's position in the organisation.
- Stigma attached to retirement still associated with diminished capabilities.
- Extent of trust in the relationship between line managers and older employees.

As we noted older employees' later life planning tends to follow three broad planning trajectories. Consequently, the extent to which they are proactive, reactive or reluctant to approach later life planning shaped their responses to discussing their plans. We anticipated that these conversations would be facilitated or hindered by the extent to which there is a good fit between older individuals and their line managers' preferred operating mode. Fittingly, the approach taken by the latter also seemed to vary along a proactive – reluctant dimension.

5.1.1 The fear factor

One consequence of the age legislation has been to restrict access to chronological age to avoid discrimination. This seemed to fuel the climate of uncertainty we discussed previously in the business context, given that line managers are not necessarily aware of the age of the staff they manage.

Fear of unwittingly discriminating

For line managers this fear was mainly channelled through the risk of discriminating by raising the issue at an inappropriate time.

'(Age) is not on the staff reports and unless you ask a person, "Are you approaching retirement?" you wouldn't necessarily – because some people look very youthful. You wouldn't necessarily think of this person, "I must be talking to them about their plans".'

A line manager commenting on the difficulty of identifying older planners

Indeed, this fact was acknowledged by an HR manager who remarked:

'It could well be that the first time a line manager knows about it is when they have to sign the application form to say right I want to go on my retirement course now!'

On the other hand, the impact of the legislation was still being felt as highlighted by the quote below:

'... the managers sometimes feel in those conversations the weight of legislation on them, they feel they're constrained, not an enabler, and I think that is an absolutely real issue given that age legislation is so new (two years at the time of the research) to everybody, they are afraid to have the conversation.'

HR manager about reluctant line managers

The same HR manager encouraged her line managers to be proactive about having the conversation reassuring them that it was legal (see box opposite).

There were, however, other managers who espoused a more proactive approach – particularly when they were reminded of the need for later life planning during our interviews.

'I shall probably bring (retirement planning) up at my next one-to-ones with my team in case they are not thinking about it.'

A proactive line manager

'We have been advocating it's perfectly okay, you will not slip up and get sued, you are perfectly as a manager within your rights to say 'are you likely to be staying or are you thinking of going?'. If everybody's playing their cards to their chest nobody's having any conversation, that's poker!'

HR manager

Changing one's mind

Upon approaching 65, the formal letter from HR, in our case studies at least, seemed to shape a widespread belief that retirement is something that is 'done to you' rather than something you plan for or are in control of. Indeed, before receiving the letter there was a belief reported by some individuals, that you 'kept your head down' and 'didn't rock the boat' for fear of attracting the attention of your manager to your age. This was reflected in the response that: 'you had to have made your decision before you went to talk to your manager in case you changed your mind', a fairly widely-held view:

'I wouldn't want to have that conversation if actually it was all pie in the sky and it wasn't going to happen...I think I'd be upsetting the applecart for nothing.'

... and echoed by some of their managers ...

'Maybe they still don't know what they want to do when they're aged 60 and sometimes they don't feel comfortable with discussing that because they feel they may change their mind, so they're less likely to talk about it.'

A line manager seemingly talking about reluctant planners

5.1.2 The stigma of retirement

It was evident that retirement carried a certain amount of stigma in the participating organisations. It was common for some interviewees and their line managers to fear these conversations could be interpreted as a signal that older employees were diminished in some ways, reiterating the stereotypical view of a decline in the performance of older workers highlighted earlier by our review of the literature.

'It could be viewed as "do you want me to go?", there is always the element that some people may be worried about, a bit like you're being put on the "at risk" register.'

A line manager anticipating older employees' responses

'I actually think it's probably potentially quite an awkward conversation for many people, because it's got to be very delicately done because ... the inference is that you are suggesting that they're no longer fit for purpose and that's quite difficult ... you've got to tread very carefully.'

A line manager somewhat reluctant to approach the discussion

This concern was shared by the older employees themselves, as illustrated by the following quote from an older employee who feared this could give the wrong signal also reinforcing self-stereotypes.

'It's quite a difficult conversation to have with your manager because you've got a job to do at the end of the day and you don't want to let your manager think that you don't want to do a good job but at the same time, your circumstances change don't they.'

A reluctant older planner

5.1.3 Relationships with managers

Other aspects emerging from the interviews concerned the level of trust in the boss-subordinate relationship – often mitigated by the culture of the organisation, the management style of the line managers, and the planning style of older employees.

The quote in the box opposite is really the antithesis of most older interviewees' reactions to being asked whether they would feel comfortable talking to their managers.

Highlighted by the following quote from one interviewee in an administrative role anticipating her manager's response, the level of trust varied a great deal. While her reluctance to discuss her plans appears to be compounded by gender issues, it also vividly illustrates a transactional approach to staff management not necessarily conducive to supporting later life planning.

'Discussing it with her I'd have no problem because it's a bit like planting a seed, you might as well be aware that I've got retirement in my focus.'

A proactive older planner

'They (managers) are very task-oriented and find it a bit hard to get out of the box! And just the whole sort of more personal issues, I don't know, it's not sort of ... they're all men and perhaps it's not sort of macho, you talk about the work and stuff. I can anticipate the response – "oh yes, that's interesting – I haven't got time to talk about that now!"'

A reactive planner predicting her manager's response

On the other hand, while line managers may be approachable, the belief that age differences somehow interfere with the planning process was also evident. Despite a certain amount of empathy shown by a younger manager, an older employee still felt that this age gap would limit her manager's understanding.

'I am quite lucky that I have got a very receptive manager, she's very approachable but she is quite young, she's only just coming up to 30 so whilst she is approachable, you can talk to her about anything, you just don't know if she would quite understand ... You just tend to think that only people of a similar age would understand what you're saying.'

A reactive planner anticipating her younger manager's reaction

Other managers, who viewed later life planning as an entirely financial matter, seemed to be quite reluctant to add this responsibility to their role.

'I don't want to have any responsibility for assisting someone planning for their retirement. I'm not a financial person. I don't want the responsibility of advising somebody.'

A manager reluctant to consider the financial aspect of later life planning

While another, however, recognised he had not got the skills to provide expert advice but wished his organisation provided this type of support.

'We can't advise them, it's not in my job role. I would like to see the business making more of a conscious effort and taking over that with the department that should be doing it. They have to be regulated in order to advise people. We should be having the information to make those decisions.'

A reactive manager wishing to be supported by experts

Nonetheless, as highlighted by the following quotes, trust was recognised to be a two-way process also dependent upon the individual level of readiness to be involved in these conversations.

'It can be – it can be quite a tricky situation. Every individual's different – some pick that up quite quickly that that's all you're interested in (about planning).'

A manager acknowledging individual differences

'... you get to know as much as individuals will allow you to know about them. If you get a very private person then ... you have to maybe handle it a bit different to overall general members of staff.'

A manager commenting on the need to respect people's privacy

Meanwhile, older employees recognised their responsibility in taking part in the process.

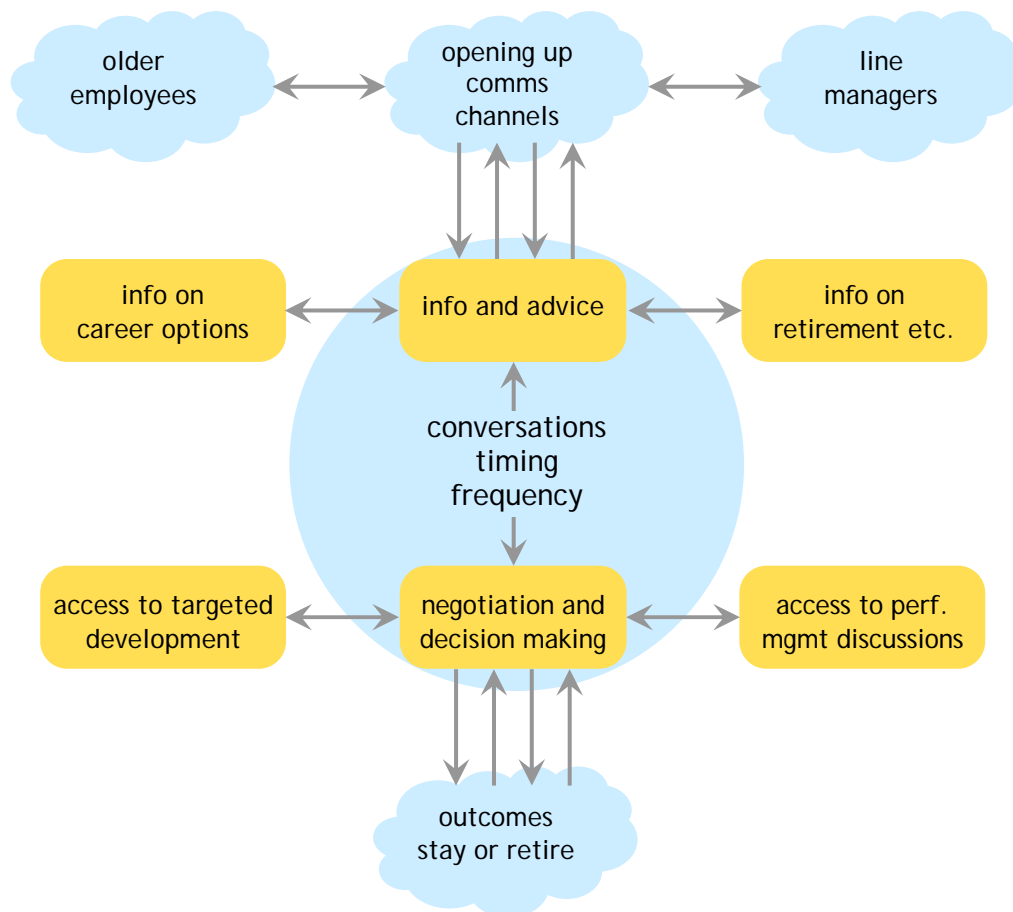
'It's all very well for me to sit here and say they haven't told me anything, but I guess it's incumbent upon me to be a bit more proactive as well.'

A reluctant planner recognising the need to initiate the process

5.2 Holding win-win conversations: what do the parties need?

Whatever decisions older employees are contemplating, they reach a stage where some kind of dialogues are needed to gather more information and finally negotiate and agree what their later life in the current organisation or elsewhere will look like. Our findings showed this to follow the traditional stages of the planning process requiring different types of conversations along the journey as pictured in Figure 5.1.

Figure 5.1: Win-win conversations: the process



Source: IES, 2010

Underpinning this process, and indeed the success or otherwise of the outcome, are older employees' attitudes as well as their planning styles and trajectories, facilitated or hindered by their line managers' skills and willingness to support later life planning.

These stages are not necessarily mutually exclusive and always distinct, but our interviews suggest that discussions needed to be targeted to two different aspects of the planning process:

- Gathering information and advice, if needed, on various aspects such as more in-depth financial support and career options.
- Access to good people management discussions to help choose options, prepare for negotiation and make a decision.

In order to further home in on actual conversations, we asked our interviewees to: *'remember a time when they had an effective or ineffective conversation about later life planning.'* In this way, we were able to collect some real examples of conversations. These provide a vivid backdrop to some of the issues discussed as shown in the later boxes. We anticipated that comparing and contrasting these experiences might generate learning points for handling these effectively.

5.2.1 Information gathering and advice

Gathering information and advice may start with the line manager opening up the lines of communication but generally involved others such as pension and financial experts. The emphasis given on each element of the process may depend to some extent on whether the employees entered the dialogue with a wish to retire or stay, often as a result of the individual's planning trajectories.

If I want to retire: pension information and advice

We saw proactive planners were characterised by their interest in the financial aspect of their later life planning. Yet it was far more common for older employees to be feeling uncertain about the different pension options potentially open to them, and in need of clear guidance on the relevant legal and financial issues. These conversations tended to be held with pension staff but examples of good conversations were scarce in our study. Notwithstanding the real complexities of delivering pension advice, it was interesting that only two such events were recounted by our interviewees.

What older employees get

Fantastic advice sometimes

We have a fantastic pensions advisor - a fantastic guy and once a year he'll give you a chat ... so you can ask any questions about the pension scheme particularly since it changed ... the advice he is able to give is knowledge, the transference of that knowledge is superb and of course he can't advise us what to do with our money - nobody can but he can say what the abilities of the pension scheme are - only you can decide.

A procedural approach most of the time

Our pensions section told me what I was asking for, what my pension would be at 60 and it's not until you come away that you start thinking about things and say 'oh, I wish I had asked that' and when I asked about 'what is it when you retire at 60, 61, 62' - 'oh, we can't go into that', and I said 'just let me know the sliding scale' it was 'no, you'll have to ask for a pensions calculation' which will take months, I was put off.

What they would like

If we rewind to the problem related to line managers' lack of financial skills, this could be resolved quite easily as an older employee argued: *'I think actually it shouldn't be about giving them (managers) the knowledge to sit down and talk about retirement, I think they should have the knowledge of where to send the employee to go to get the information because it's better that they go and get it from the experts and ask questions themselves.'*

On the other hand, the following quote suggests employers provided useful information when a business need arose, as in this example, the closure of a final salary scheme. An older employee wondered why similar advice was no longer available.

'When they changed from final salary pension there was quite a lot of activity from the pensions team and they were doing roadshows and people were fairly well informed. I don't think I've seen any activity other than getting an annual statement. Every year I think I must make an appointment to speak to somebody and another year goes by. I know it is about let's spoon feed people with this information but maybe that's what is needed.'

While the quote below suggests organisations could do more to promote pension advice, another had found the information she needed quite unexpectedly as in the boxed 'Brief encounters' episode. Altogether these comments suggest that the advice does not necessarily have to be formal.

Brief encounters

I was standing at the bus stop one day and I got into a conversation and I said 'I'll be glad when I don't have to do this anymore, I can't wait to retire' and he said 'well I'm into the retirement pension section' yap yap yap. I learned an awful lot from him, standing at the bus stop subsequently, we would get the same bus and we'd chat more and I thought that really people should be able to know as much information as I found out just from a chat.

'It's an understanding of what the pension is, I need more education in what it is so you can promote it. It's not promoted enough. My personal experience is a lot of people don't understand and you need to start at an early age.'

By contrast, a pension adviser aptly described the uncertainty underlying the decision process and the options to consider.

'So people have choices, and very often where there are choices they find it difficult to make a choice, and trying to get the understanding through to them, these are your choices, and not being able to say in your case it means this and in your case it means that because you don't know what's going to happen to salary increases in the future for that individual, what inflation is going to be, so you're having to talk general, but people are having to make an individual choice.'

However, the need for user-friendly but expert financial advice was strongly expressed by many (see next chapter). It was also clear, however, that older employees could be more proactive about finding the information for themselves – if only they had a strong motive for doing so as reflected below – featuring the kind of information that is now widely available on good pension websites.

'You can – and there's a website – there's a website that allows us live to actually calculate our pensions if we go early or if we go late – just instantly – password protected – today I've had a bad day at work, I'd better go in a year – how much will I get?'

If I want to stay on? What are my options?

Whilst in many ways a perspective on 'retirement' makes obvious sense, as retirement will eventually come to almost all those who live long enough, we were aware of a corresponding lack of attention and focus on the alternative option of staying in work past retirement age. 'Staying on' may involve processes and boundary shifts that require just as much thought and planning as retirement, yet the information needed to make these decisions is not necessarily widely available. Given the employers' dilemma noted previously in whether to encourage people to stay, it was not surprising that we encountered relatively few examples of older employees asking for their options to stay on. The process was somewhat shrouded in secrecy.

Posing the question was perhaps more frequent for reactive planners who wanted to explore their options for staying on – particularly if they were unsure whether they could afford to retire. By contrast reluctant planners felt fearful of even asking the question. The proactive planners had no qualms about approaching their organisation to begin the negotiation process. The box below illustrates two contrasting views. While other factors may be at play such as the demands of the

role and the level of skills needed – one approach is definitely more positive than the other.

Fear of rejection from a reluctant planner	A clear proposal by a proactive planner
<p>I would like to work a condensed fortnight, so just have one day every fortnight off, something like that, but I'm reluctant to ask the question ... I think the answer will be "no" ... a lot depends on how easy it is to cover the role when you're not there How comfortable would my managers be knowing that one day every fortnight I wouldn't be contactable? It's not that sort of I'm frightened, we have a really good relationship, perhaps I should go and ask her. But ... are you setting a precedent ... if you do it for me then if some of the other team ask are you then setting a precedent?</p>	<p>It was my instigation, I went to my line manager and said this is what I'd like to do. I said I'd like to carry on anytime, I said I don't intend to retire at 60, I'd like to work four days a week Clearly I was aware of the fact that my immediate line manager who was a senior manager had to go higher up the tree to get confirmation of the proposal, that took some time. He did that within a very reasonable timescale. He met the Head of the (organisation) and got their agreement at management committee level and it came back in the end that they said yes.</p>

The proposal from the proactive planner above appears clear, yet the agreement process is far less so – a fitting illustration of the lack of transparency surrounding the option to stay on. We alluded to the fact in the previous chapter of a potential missed opportunity for organisations. The importance of this exploratory stage for people with skills the organisation wishes to retain is obvious. According to the line manager below the process could easily be turned into a potentially win-win outcome for both the business and the individual.

'To be able to have that discussion is great because it gives the organisation potentially more flexibility. Obviously the organisation might decide it doesn't need that flexibility but if people are willing to say "actually rather than you hire someone else you've been looking to downsize a bit anyway – what if I did two and a half days a week from here on ... you could see whether you really need another full time person – would that suit you, would that suit me" – if it suits both parties fantastic – fantastic – I would have no objections to that at all.'

A manager wishing older employees were more proactive

5.2.2 Preparing for negotiation and decision

Before reaching the decision stage, there are other types of conversations – typically occurring in parallel within other HR processes such as performance management – which provide valuable insights. Indeed, we contend that the final stage of the process requires older employees to have access to the following discussions in order to make informed decisions:

- regular and effective feedback about their performance
- access to discussions about training and development and targeted solutions, if appropriate.

Given these discussions form an integral part of recommended good line management practices, we might have expected these to be readily available to older employees. The examples of actual conversations produced by interviewees highlighted an interesting – somewhat predictable – difference between the views of managers and the experiences of older employees.

Performance issues: managers' experiences

Despite an apparent lack of conversation overall, examples of real conversations recounted by managers were often about unspoken performance issues. Not surprisingly – as we remember negative events more readily – these situations reflected difficult conversations – some of which had been handled quite badly as shown in the box below.

Turning around a difficult performance issue

The performance reports looked okay but when I was talking to his line managers over the last few years the thought of him staying sent them white ... I had to be honest with him but it wasn't pleasant but then you can't avoid it. We had to do it over two or three meetings, he got very emotional but he had to understand. I felt I couldn't hand on heart support his wish to stay - but really I'd been left without the evidence to be able to show that to him. There were two or three very difficult and very emotional meetings, it was tough, very tough, it took a lot of time and talk before he realised maybe he didn't really want to be here and probably what was behind his lack of performance the last couple of years because he was winding down as well.

Making it worse

I was a very young manager, it was a man who was 62 years old - older than my father. He had reserved rights to stay working until 65 if he got an adequate report every year. He was frankly disruptive so I had the conversation that said sorry I am not going to mark you as adequate and the implication of that is that you will have to go ... I always remember this because he laughed at me ... I allowed that conversation to surprise the individual ... I had been discussing with his direct line manager his poor performance but not discussed enough with him ways he should improve. So I let it be too much of a surprise for him hence his laughter and then anger. Clearly I should have started rather sooner. It might have produced the same outcome but it might have produced improvements in performance.

Common themes exist across the situations above. In both cases, conversations were held to deal with incidents of poor performance which had historically been left to fester. These two managers had obviously inherited the performance issue and were not the direct line manager of the older employee. It seemed to be the

first time older employees were confronted with these issues and evidence to demonstrate poor performance was lacking. The first manager addressed the issue over several conversations and managed to turn the situation around whereas the second manager let it surprise the individual using what seemed a more challenging approach. The second manager recounted this example as a difficult but salutary learning event which had happened in his early career.

Nonetheless, the fear about holding performance conversations is not reserved to older employees or indeed their younger or older managers. There is ample evidence to show that managers of any age find discussing poor performance difficult (Strebler, 2004). In the case of older employees, the concern that performance management is indeed inadequately delivered is widely reported by employers as a reason for retaining the default mandatory retirement age of 65 (EFA, 2007).

While few managers shared positive experiences of good conversations about performance, there were plenty of suggestions about effectively dealing with performance issues as illustrated by the following manager:

'... you've got to talk to them about it, find out what the issue is – "okay we can't resolve that but this is the performance we expect of you" and then eventually you go down the same routes and then maybe it becomes formal, maybe it doesn't – if they're able to change their mindset to start delivering the performance the job requires or not – but that's the same as any other performance management issue.'

Performance discussions: older employees' experiences

So conventional wisdom – as illustrated by the last manager's quote – suggests that performance issues need to be talked about and addressed early. It was interesting to compare and contrast these views with the experiences recounted by the older employees interviewed.

The following quote shows a failure of meaningful conversations about performance which may be explained to some extent by this interviewee's plan to retire.

'We don't see each other that frequently, so those sort of types of discussions, apart from the annual appraisal and a brief interim appraisal where it's sort of, "are you still planning to retire in October?", "yes", sort of thing, there's really not much more discussion than that.'

Yet the experience of another employee (negative experience below) suggests this may have been a regular occurrence with a number of interviewees in our case studies. The positive episode, however, reiterates that older employees can benefit from being proactive and clear about their needs.

Getting what you need: a proactive approach to discussions

I think because my career's been social work it's quite important to have meaningful supervision, one to one sessions, and the one to one sessions are usually - and I've been in a position as manager myself with staff - it's partly about work, partly about personal, partly about other issues, partly about their development. So one to one isn't just about tell me what you've done, bang finish, so I've been brought up in a career that's always looked at me holistically, so whether my manager likes it or not I use her in that way.

A reactive attitude leads to a demotivating outcome

The same sort of things is said year on year ... obviously your aspirations, if you've got true aspirations, they won't change. So they are recorded year on year, and to be honest with you, I'm not sure that they are taken into account in the way that the managers manage, actually as you go up that chain in the organisation. There's other priorities and imperatives that seem to go in advance of personal aspirations. I don't say they don't have to take those into account ... but ... I think that the performance appraisal thing will be taken as a second or third level of priority to make those sort of decisions.

And the consequences for older employees are ...

So older employees may not have access to good performance management discussions, yet these would help them decide whether their applications for potentially extending their working life may be successful (in organisations with a default mandatory retirement age of 65 at least). Besides, it would also ensure that older employees are managed effectively throughout their working life. While some managers may lack effective people management skills, there is also – in some managers as in older employees – a strong desire to ‘*not rock the boat*’ unnecessarily as illustrated by the following quote.

‘I don't think it's a cynical thing – I think it's people trying to be kind to people that work for them ... trying not – for them not to leave the organisation on a bad note – that almost the last conversation with you was a damning performance report and the next week they're retiring sort of thing – I think it's a natural – it's a human tendency to want to, as people come towards the end – you maybe don't "lighten" up on them ... oh okay – he's 59, another year to go – we don't need to make such a big thing of it.’

These wishes have to be weighed up – as shown by the quotes below – against the fact that the consequences of this ‘*laissez faire*’ attitude may actually have a worse impact on older employees. Managers may need to address it after all at the eleventh hour – not a good thing to have to do ...

‘We had a number of people across the (organisation) that perhaps had not been performing very well for the last year or so but that hadn't been explained to them as it would have been...if they'd had 10 years to go – who then said “I'd quite like to stay on” – and now where does that leave you? – you're now in a position of

perhaps a relatively poor performer wanting to stay on with the (organisation) where you thought “oh we thought you were going next year” and now you’ve got to have that conversation with them and it’s twice as hard because they’re in a position of thinking their performance is fine.’

... and it may affect the older employee’s view of their abilities and that of their family – at the risk of damaging that individual’s self-esteem, and ending up on a distressing note for both parties.

‘... they’re going to come and say “I’d like to stay” – they’ve thought about that a lot and invested quite a lot of emotional energy and thinking about it and discussing it with their wife and ... you say “actually no thank you” – that’s bad for their ego, they then don’t want to go and tell their family because it might be the first question their family is going to ask is “well why not?”’

Training and development discussions

To complete the later life planning process and particularly when they are contemplating an extended working life, older employees need to have access to conversations about their future, both in their organisation and possibly elsewhere. Again, a good number of older employees reported it lacking.

‘The conversation about maybe my future – it’s virtually non-existent – it’s really talking about how you performed in the last 12 months and my manager talking about work for the next 12 months and that’s it.’

We discussed in the previous chapter a number of – more likely than not – mistaken assumptions held in organisations about older employees’ attitudes towards training, namely the widely held belief that they are reluctant to be trained. The foregoing quote showed that perhaps conversations that could identify training needs and targeted options were not widely available. Nonetheless, we were able to find a few examples of effective conversations (see table below).

Engaging older employees

Last year I didn’t get through (development centre) so I wanted to ... have another go. My boss could have said, forget it you are just wasting your time, what’s the point? You have only got another year to go until you hit 60, there is no point. Are you going to be more widely deployable? Well probably not but it is the line management being supportive, saying - go and give it another go. Make sure you do x, y and z and try to do some training. Now not every line manager would do that, my previous line

Developing by default?

I was identified for this fast tracking, they identified 30% of staff who had potential and they were to have a special programme, be offered project work and have a coach. I was identified for this and I thought this was so funny that I had come here to downshift towards retirement and they fast track me. I did do a project last year as a result of this which was very satisfying and they offered all the people who had been identified, a life coach. So I had a life coach who was a

manager certainly wouldn't have. So it is that engagement thing. In the department the right line manager is there for you and there is that support to do developmental activities even at the later stage in a career which is great.

member of staff, worked for social services and she came along. We talked about what I wanted to do and what I thought my strengths and weaknesses were and had a couple of nice chats but I didn't make any firm decisions about that. I thought it was very amusing.

We featured in the previous chapter approaches to talent management adopted by our case studies and identified a need for introducing more flexible approaches to cater for older employees' needs and circumstances. The following box highlights positive responses to talent management – again an older employee illustrating the need to be clear about communicating expectations compared with a manager's response to an older employee's wish to maintain a good work/life balance prior to retiring.

Older employee's flexible response to talent management

But there is an expectation that managers when they're looking at setting objectives there are all the development needs in that so there is an onus on the individuals to say, 'well actually I'm flagging up now, I might be 50 but I want to at the moment be working 'til I'm 70, so I am, please put me on the talent management pool because I want to carry on, and I want to be going further and I want to be doing something different', or saying 'no, I actually want to be easing off', so there's onus on the individuals to have those conversations as well.'

Manager's flexible approach

... a member of my staff said, 'yes I am interested in that and I want interesting work, but no I don't want to go any higher in the organisation ... so that could be ... 'what does that mean for you having interesting work, still feeling valued and contributing but not feeling that you're not being valued because you're not putting yourself forward for this super-duper rising star, flying high activity' ... 'how can we look at the breadth of your role ... what particular areas are you interested in and how can we make sure that's incorporated into your action planning for next year, do you have any development needs around that?'

Talent management of older employees is not only about progression; it needs to be addressed flexibly considering downward as well as upward moves but as interviewees commented most managers are not equipped to deal with this as shown below ...

'One of the provisions (name of organisation) could think about perhaps to encourage people to stay in work longer, is to look at role deployment without it being seen as a taboo. Because you're rubbish at that you need to do that now.'

... but using a mentoring approach to developing younger staff might be an appropriate alternative ...

'Those inspectors that are approaching retirement will mentor the apprentices that are coming in and passing on their knowledge and experience. I think that sort of model that we will look at more in terms of people who are approaching retirement perhaps mentoring other people and passing on their knowledge and experience would be a good model for us to look at.'

5.3 Making it happen

When asked *'what sort of conversation you would need?'* one older employee held a clear view of the process when describing a hypothetical situation (see box opposite).

So what does our own research highlight about facilitating the process? At the core of Figure 5.1, several factors are suggested which emerged as essential to the effectiveness of the process and facilitation of the dialogues:

- a variety of conversations with different people, initiated by both parties, and
- choosing the right time to have these discussions while maintaining the option for a continuous dialogue if appropriate.

A variety of conversations

Despite the lack of conversations we referred to previously, when asked *'what type of conversation would you like to have?'*: interviewees' responses clearly showed that these conversations needed to be adapted to their specific circumstances and context. Overall, they wished these to be informal and not binding as vividly described in the box opposite by an HR manager.

Similarly, the following quote emphasises the key role that line managers play in the process.

'Well obviously I think it starts off with the line manager. I mean the person involved may well have discussed it with colleagues already so – that will be completely down to them but I think it has to involve the line manager or whoever it is that's responsible for manpower planning in that area has to be involved at some point and then obviously HR as it progresses towards a more formal arrangement.'

An exploratory talk

'Probably the same as you're going through with me (the interviewer), what do you want to know, what are you doing at the moment, have you thought about it, do you need any help, if so we'll go and find some help together. It's just opening the door, we need to discuss it.'

Proactive employee's view
of the process

'...it's a periodic conversation, it's a conversation that isn't really egging you out the door and it isn't you saying well I'm not going to tell you, it's a grown up and it's an adult conversation. An annual check but not binding conversation - a positive enabling conversation.'

An HR manager

Again while the people involved are fairly clear in the case of conversations about later life planning towards retirement, it is far less obvious who needs to be involved in requests for staying on. The quote below suggests a need to find the right managerial level to take the decision, reinforcing the lack of transparency of the process.

'Somebody who's in a position to confirm one way or the other, you know, they've got the authority to say yes or no to whatever it is I was looking to want to do. A level of management to have that authority, which I think is probably not my immediate line manager. It's one or two managers up the chain or so.'

The timing paradox

We referred to the ubiquitous retirement workshop offered by our case studies in the previous chapter. Access to this workshop was usually reserved to employees from about two years to six months before retiring. Comments suggested a real dilemma in timing. It was felt that these were generally held too late to help financial planning, yet if access was any earlier, circumstances could change, in particular, the state of pension funds. There was also a sense that the need to control costs in the recession had affected their quality in some of our case studies (eg reducing their duration).

'(Re: conversation) No not yet, with my husband obviously but no not as yet, because it's five years hence and things could change ... I guess I'd probably let them know within a year of my intended departure ... I guess that would give them time to replace me and me time to get my mind around leaving.'

A fit for purpose approach

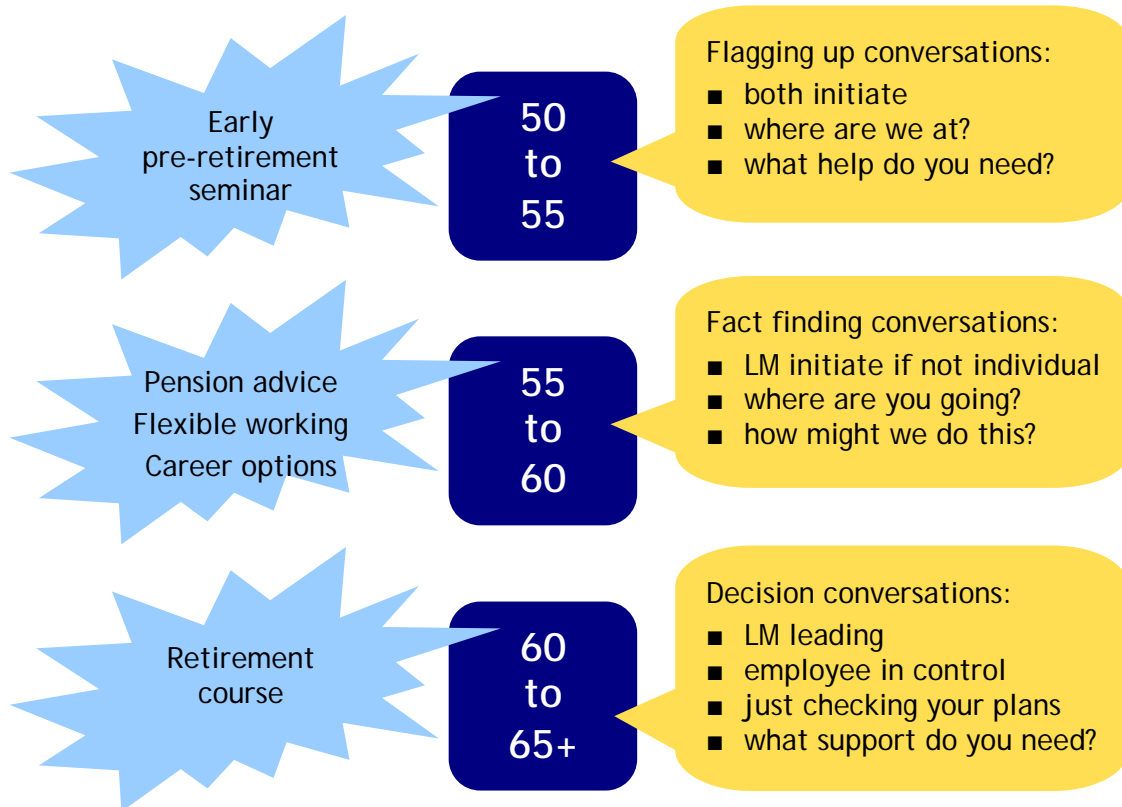
'I would like to see us move from looking at retirement to looking at more of life planning so that at earlier stages throughout your career you can have access to life planning guidance.'

The foregoing quote suggested a desire for a revised process. Upon reviewing comments made by interviewees, we were able to construct what seemed a fit for purpose process together with milestones, types of conversations and supporting external or internal input options shown in Figure 5.2. This process was aptly described by one of the HR managers below and a proactive manager in the preceding box.

'A two-way process: in this next 10, whatever it is, year period there's certain things that you need to manage as an individual and certain things I need to understand as a manager and we need conversations about them.'

A proactive manager

Figure 5.2: Later life planning: a fit for purpose approach to conversations



Source: IES, 2010

'I would have said there were sort of specific milestones that people need. If you were describing the conversation, there has to be a conversation at the very beginning that says do we both understand where we're going and I'll give you knowledge as the employee ... there's another couple of years gone by then it becomes a more dual conversation and then actually it could become a manager leading conversation, and that manager leading conversation happens annually, "where are you going, what do you want to do, how might we do this, I'm not by any means trying to shoo you or shake you out the door or any of that but I just need to understand".'

HR manager describing her view of how the process could be improved

Two important aspects are displayed in the picture. Firstly, the planning process begins earlier and secondly it is an ongoing process weaving different conversations into a series of dialogues between individuals (at different suggested age brackets) and their managers, supported by other mechanisms. By all accounts, this approach needs to be flexible to deliver its promise but it occurred to us from the comments made that it offered a useful framework to later life planning for managers and older employees alike.

Managers' skills

Of course, much rests on managers' skills and attitudes as well as a willingness to enter and facilitate these dialogues. Interviewees expressed some doubt as to whether managers had the right skills and experience.

Given the age profile in many organisations, the incidence of younger manager-older employee pairs are likely to increase as a manager aptly remarked: *'There are lots of young managers now managing older people because that's the way the demographics go.'* Earlier we noted the role of younger managers in handling difficult performance discussions. We are not suggesting, and have found no evidence in our study, that younger managers were generally less able to handle difficult situations.

Indeed, the quote below from a director commends the ability of younger managers to tackle difficult conversations about performance issues.

'A lot of my more junior managers are actually rather better at those difficult conversations than more senior people are. They are actually tougher. They have a clearer perspective on what the organisation needs. Some of them do it a bit clumsily. Quite a lot of them have the ability just to say look this is a piece of business, nothing personal, this is just you don't fit any longer or whatever ... I would have more confidence in some of my junior managers to have the difficult conversations than I might if I was talking about the senior people.'

Nonetheless, some do manage and develop older employees well and others not so well as one older manager pointed out:

'Some of them are very good at it (younger managers), others it's almost reverse management, if you're being managed by a younger person you're almost giving your wisdom to them and letting them work with your information to help manage you.'

The secret not surprisingly is to engage older employees and value their skills and experience:

'Them (younger managers) wanting to use your experience and skills to help them, respecting the fact that you've got the experience and trying to make full use of that, so that makes a lot of older workers who work for them actually feel wanted, feel valued and want to work for them.'

Although, another interviewee thought ...

'It's not only about age, it's a question of people being able to manage people who have different expectations ... whatever their age, somebody who is ambitious would not understand someone who is not...'

On the last point, it is interesting to note that there is some research evidence to show that older managers managed by younger managers tend to fare less well in promotion opportunities.¹

5.4 Realising win-win later life planning outcomes

Different potential scenarios emerge from discussions about later life planning. So in the event of a mismatch, agreeing the outcome requires a negotiation process where either the employee or his or her employer is in the driving seat. Our findings gave some pointers as to how negotiating parties may be able to realise win-win outcomes and how to support the transition process.

5.4.1 Matching outcomes

All things being equal, our discussion so far suggests several possible outcome scenarios:

- A **win-win position** where retirement or staying on is the preferred option for both the older employee and his/her employer.
- A **lose-win position** where the employee wants to stay but the employer does not want to retain the employee for whatever reason (obsolete skills, performance issues, etc.) – widely perceived by employers to be a potential win-lose situation if the default mandatory retirement age of 65 is removed.
- A **win-lose position** where the older employee wants to retire but the employer wants to retain his/her skills – turning into a potentially lose-win position if the employee is applying for an early release scheme where the decision is at the employer's discretion.

The key role of managers in supporting older employees to make a decision is well made in the following quotes illustrating two very different outcomes. Firstly, a win-win situation where a manager illustrated how his counselling skills helped an older employee finalise his decision to retire.

'I think he'd already decided to retire but there was almost a fear of retirement – once we'd talk about it, it became blindingly obvious to him that he wanted to retire ... I asked a lot of open questions and didn't constrict to five or 10 minutes in the end he actually made his own decision that he wanted to go.'

¹ Managers' potential and promotability ratings were lower when managers were younger than the older employees they managed (Shore et al., 2003)

The second conversation demonstrated how a win-lose scenario can be turned into a win-win position as well as re-emphasising the importance of trust in the relationship with managers we discussed earlier.

'The conversation was about saying you are really valuable to us; it would really help us if you could stay. He was pleased to be praised but his first decision was no, the environment around me now is becoming difficult, I don't need this hassle. Then a new man was posted in to be his boss, really good individual, they had worked together before, they respected one another and thank goodness he changed his decision. He felt that his team would work better and he would be more appreciated in the workplace and he decided to put off his retirement for a couple more years and that gets us over the difficult patch.'

5.4.2 Easing the transition

Whatever the outcome, it was evident from our discussions with managers that much could be gained from managers supporting the transition process. It ensured that older employees felt valued which we have seen maintain their level of motivation to perform and ensure they left the organisation in the best possible way. It involves employees being engaged as shown by the following quote from a manager who kept regular discussions. The boxed quote appears to represent an essential step to easing the transition to exit.

'... it won't be around "I want to know what day you're going" it will be around "what do you still want to achieve while you're here? Because it's a very project-based job – these are projects we're running – do you see yourself wanting to see those out? Once that's done – you seem to ..." – because I've read some of his previous reports – he seems to have indicated that once those are done he'll want to retire.'

'... it's just about being able to plan and then walk the walk if you like - don't treat them any differently because they've shared their plans with you - still involve them in everything the department's doing - don't start taking bits of their job away and giving them to other people - treat them exactly as you did the day before as a full-time, competent, hard working individual who happens to be in the period where they may want to retire.'

The success or otherwise of the planning process, its conversations and positive outcomes depend to a large extent on whether the needs of both the employers and employees both match and are being met. We discuss unmet needs and the implications of our research for the parties involved in the next chapter.

6 Next Steps

Our research sought to follow older employees in their later life planning journey in a business context. We encountered some individuals who were comfortable dealing with the uncertainty and complexity inherent in the process, but a greater number who were rather ambivalent about whether to plan in the first place and unsure about the process. This was true for the three parties involved in the process: the older employee, their manager and their employer. In this chapter we discuss key themes emerging from our findings and put forward a number of potential solutions.

6.1 Implications for employers: supporting later life planning

In order to get a sense of needs and priorities, we asked older employees: *'if there was one thing that your organisation could do to help you with your later life planning what would it be?'* In the previous chapter, we presented a number of scenarios about the outcomes of the later life planning process, positioned along a win-lose dimension. Unmet needs identified by older employees provided a number of pointers which could help both employees and employers reach mutually positive outcomes. On the whole, the key themes and suggestions emerging from the interviews could be broadly associated with the different planning trajectories we identified previously:

- For the reactive planners who were somewhat uncertain about the sufficiency of their pension: a widely expressed desire for user-friendly and accessible financial advice and support.
- For the proactive planners who always planned to retire but may want to do so gradually: a wish that employers would seriously consider implementing flexible working options.

- For the reluctant planners somewhat unwilling to consider later life planning: a desire to do away with the stigma still surrounding the retirement and ageing process.

While these needs could apply to all, and before considering detailed responses against these broad themes, the following quote aptly summarises the strong desire for older employees to see their employer adopt an overall supportive approach to later life planning.

'Well, I think I'd go for the pragmatics which is having a proper staff care package that is all about managing people into retirement and, you know, facing it totally, you know, full on, face on and making it part of the staff care policy package and appropriately informing people of what the options are, what their duties and responsibilities are, so everybody is absolutely crystal clear.'

6.1.1 Helpful and user-friendly support for financial and lifestyle planning

Our findings suggest that the provision of help and advice with pension and financial and lifestyle planning would be welcome by many – particularly the reactive planners. This support would be likely to have the greatest positive impact on later life planning while still being fairly easy to implement.

Our findings showed that:

- The financial circumstances of older employees are, not surprisingly, one of the main drivers which facilitate or hinder later life planning.
- Advice is shared between pension advisers and managers but thought to be the responsibility of the pension department.
- Most managers do not feel equipped to deliver this advice and indeed externally regulated expertise may be required.
- Good conversations about financial planning were scarce. Most interviewees were mystified by the jargon used and the lack of information available in plain English.
- Effective conversations tended to be informal and happened in an ad hoc way with those individuals who were able to empathise with older employees, often older colleagues who were experiencing the same issues.

Not surprisingly, therefore unmet needs reflected these concerns. The need was identified for:

- user-friendly, jargon-free and accessible information

- available throughout one's career rather than via the ubiquitous retirement workshop
- likely to take different shapes eg informal chats as well as a formal annual pension statements
- advice to be delivered by a combination of pension/financial advisers, line managers and colleagues
- to cover a variety of circumstances including more sophisticated financial planning; the complexities of multiple pensions; an understanding of the financial market as well as lifestyle and well-being issues.

Although all our case studies already offered retirement workshops, older employees wished for a more complete approach to financial planning. Nonetheless, a number of issues were anticipated by employers which mainly centred around the costs of providing expert financial advice and the resourcing and skill implications for pension departments. The research evidence about financial well-being we present in the box below indicates that the investment would be worthwhile.

Financial information and support: employers need to be proactive

Older employees interviewed were also keen that organisations take the initiative in starting up conversations about pensions and retirement planning. In this context, findings from recent IES research about financial well-being gives further insights (Cox et al., 2009). The research, which sought feedback about financial education workshops, provided by one private and two public sector employers revealed that pension was the financial topic of most interest. The authors conclude their findings strengthen the case that individuals should be appropriately equipped with financial capability and competence. Employers may reap some benefits in providing these workshops for older employees particularly for those who are reactive later life planners whose financial well-being appeared the least well developed. The importance of financial well-being is set to rise given the inadequacy and complexity of pensions and the uncertainty of financial markets.

The ideas and suggestions made by our interviewees (see box below) imply that the investment could be less onerous than at first thought. One suggestion, variations of which arose in several of our interviews, was that employers might organise some sort of 'helpline', 'hot desk' or 'surgery' to provide on-the-spot, informal pensions advice to employees.

Financial and pension planning: older employees' suggestions and ideas

'If they had like drop in workshops, you know, at lunchtimes or some time, once a month you know ... about changes and how it could affect you ... and like a question and answer forum, like a surgery really.'

'I would like to see a hotline almost, not just a line but almost a hot desk where the people approaching retirement, let's say the last couple of years, two or three years within retirement, can get particular information and zoom into one desk for informed decisions.'

The advantages to employers would seem to outweigh the costs, given that there is likely to be an increased demand in future. It would support the later life planning process for both the individuals and their line managers; it could also add to the attractiveness of being an employer of choice for those employers seeking to recruit an older workforce.

6.1.2 Staying on: an exploration of flexible working options

Allied to financial advice, the second need and – to a large extent 'unmet' in several of our case studies – was strongly expressed as a desire to work flexibly. This was reflected in the opportunity to explore options for reduced hours, flexible patterns and partial retirement. We have noted previously that proactive planners whose skills the organisation may want to retain could be persuaded to stay on if they have access to flexible working options. One of the most attractive propositions for older employees, in terms of continuing to work past their retirement age, is undoubtedly the opportunity to gradually phase down their working hours and lighten their workload, without withdrawing altogether at a single point in time.

Our findings show the process of requesting flexible options is rather opaque and shrouded in secrecy. Reasons for being turned down are not usually given to older employees and indeed not so far legally required. This was found demotivating and detrimental to older employees' well-being. Making flexible working options more available to older employees would:

- present an opportunity to retain sought after skills for organisations failing to encourage proactive planners to stay
- help the engagement of long tenure employees who could be offered a new way of using their skills and developing others
- encourage older employees in their second or third careers to join an organisation
- allow employers to fit jobs to individuals and introduce flexible approaches to talent management and HR planning.

Suggestions to meet these needs included the following aspects:

- flexible options for older employees to be accessible and become part of the culture of an organisation
- to be aligned to the needs of both individuals and the business
- HR to encourage discussions about flexible options and communicate the process for individual requests
- managers to be equipped to consider and support a variety of options including upward, lateral, downward moves and career breaks if appropriate
- would ease individuals' transition between work and retirement.

It was apparent that the employers in our case studies had widely differing responses to flexible working for older employees, some more positive than others. As a result, many older employees – in organisations where it was not part of the culture – were reluctant to request to work flexibly for fear of being rejected. Employers in our study tended to be equally reluctant to advertise these options. Recent IES research evidence (see box) also highlights the fact that many employers have a long way to go to effectively implement flexible working, providing they widen access to their older workforce in the first instance.

Flexible working options: employers need to be more proactive

It is interesting to contrast our findings with recent IES research on employer practices in managing older employees (Barnes et al., 2009). The researchers found that most employers in the study had no experience of an employee asking to reduce their hours or change the nature of their jobs simply because they are older. This was interpreted as a lack of demand on the part of the workforce. Those who offered it did so informally or on a case-by-case basis and there was no monitoring. Age was not thought to be important in the decision but more the nature, costs and demands of a particular role. For some roles, it was inappropriate for operational reasons. However, reasons had to be appropriate in the eyes of some employers (eg caring responsibility). Employers' approach was reactive in response to individual needs and discretionary; no adverts were made for flexible working as well as no reasons for turning it down communicated.

There are undoubtedly operational issues for businesses to implement flexible working. Indeed, there will be a set of issues common to all employees irrespective of age which many HR and line managers will already be familiar with. However, other aspects (eg implications for pensions) will be more age-related. Amongst issues identified by our interviewees were:

- a need to adjust to different work patterns and let go of work altogether

- concerns about how such a move might affect their salary and pension entitlements
- downward job moves are often seen as negative rather than positive decisions for the job holder to downsize their jobs if remaining in the same organisation
- joining another organisation requires a process of adjustment for skilled individuals who downsize
- some older employees perceived options for flexible work to be unfairly distributed. Some had complete freedom to work from home, whereas others appeared more constrained.

We contend that while there may be legitimate business reasons for rejecting applications, these need to be explained and communicated to older employees. It may otherwise fuel resentment and be counterproductive to maintaining productivity. Flexible working options can be complex to implement and manage. A fuller discussion of these is therefore beyond the scope of this research. Nonetheless, some of the ideas given by our older interviewees would seem easy to implement as a first step (see box) and provide a much needed and productive alternative to exiting employees reaching the mandatory default retirement age.

Flexible working: some ideas and suggestions from older employees

The suggestion that employers might benefit from having a central 'pool' of potential volunteers who could be called upon to fill particular areas of need, was picked up by a number of interviewees. The same principle could be applied to those looking to downscale their paid hours and perhaps take on short-term project work, and it was felt that organisations could be more proactive in advertising part-time and project-based roles internally. Another suggestion was that staff could be given more scope to participate in voluntary work whilst still under their original contracts of employment.

While it was apparent that the default 'horizon' of the thinking and planning process was the act of retirement itself and the final exit from one's employing organisation, we have argued throughout that the process of staying on in an organisation requires as much – if not – more attention. Flexible working options seemed key to many older employees contemplating this option. The wider labour market picture supports a predicted increase in the demand for flexible working options, particularly part-time work.

6.1.3 Eradicating the stigma of retirement

Our research unearthed a certain amount of stigma attached to ageing and the process of retirement. This was mostly highlighted by the reluctant planners who

were on the whole disengaged, confused and psychologically ill-prepared to contemplate retirement and therefore tackle later life planning.

Our findings show that:

- Ageism is potentially the most common form of prejudice; it is exacerbated by older employees' self-stereotypes (eg feeling of inadequacy) which can in turn affect their health and shape their later life planning trajectories.
- Initiatives introduced by organisations such as rebalancing an age profile focussing on younger recruits can have unintended consequences signalling to older workers that they are not valued.
- There is widespread confusion about what constitutes a right age for retirement and perceptions of people's age is a complex and nuanced process – particularly in a transition period where state pension age is set to continually increase.
- There are limited discussions about retirement planning in organisations and often the line manager is the first port of call. Discussions do not happen as a result of fear and the stigma of retirement.
- The stigma experienced by older employees as well as the gender pay gap (greater in the age group 50 to 59) and fear of redundancies, all have the potential for increasing unfair discrimination cases.

Again suggestions and ideas conveyed by older interviewees may provide employers with easily implemented solutions. Indeed several interviewees had volunteered to be part of our research so that they could talk about their plans and some of their responses were typical of the quotes below (see box).

Eradicating the stigma of retirement: talking about it is legitimate

'... they are probably not discussions we openly encourage - so it could be something we could do something about.'

'Your email inviting me along or giving me the opportunity to sit here and ramble, it's making me think, which is what's needed.'

'... the beauty of this [interview with researcher] is it's made me think more about retiring, so now I shall go to the pensions team and ask them for more information.'

Several interviewees drew attention to the fact that unlike in the case of other minority sectors of the workforce, there was no recognised forum or platform for older employees to meet, share experiences, and convey their views back to the organisation. By all accounts, older interviewees would welcome an initiative of this nature (see box).

Innovative ways of addressing ageism: suggestions and ideas

'I think we've got a Black Workers' Forum, we've got a Rainbow Forum, we've got a Young Persons' Forum. A Disability Forum as well. So I think we should have an Older Workers' Forum and we should start to look at older workers in exactly the same way as we do all those other groups and actually inject the culture of this organisation in a way that is as transformational as hopefully it has been for black workers or gay and lesbian workers.'

'So you know, there's no reason right, they should have a proportional representation in any selective committees or any employee forums and things like that, have a proper voice, but I wouldn't go out and say everybody over the age of 60 could you please vote for a representative, that isn't how I would do that, but I think it's to make sure that they're fairly represented in any collective sorts of arenas or issues.'

'Maybe it sort of ties in with self-esteem really, maybe a course for over 50s. Like you have the assertive course, I certainly wouldn't need that I've brought up four children I'm assertive enough but maybe a course about the positive aspects about being over 50. Some sort of interactive course you could go on with lots of other people that increased the awareness of how you feel.'

'If you are uncertain if an ageist remark is inappropriate or not, try the substitution test: think about how someone from an ethnic group, a female employee or someone with a disability might feel if a similar statement were made to them.'

6.2 Implications for managers: making later life planning part of organisational life

Our findings show that a sizeable proportion of our older interviewees did not believe that managers had the skills and willingness to support later life planning. Managers in most settings play a key role in opening the lines of communication and they need help and support from their HR functions to do so. Good practice emerged from our discussion of the small number of effective conversations we gleaned from our older interviewees.

6.2.1 Be aware of good practice ...

We argue that most managers need to foster a culture in which talking about later life planning is a legitimate process. A number of good practice points emerged from our findings which suggest ways that later life planning conversations can be improved.

Talking about later life plans: good practice points for managers

- Keep talking: walk the talk
- Keep older employees engaged: do not take away their responsibilities
- Keep the door open: they may change their minds
- Keep managing performance in an appropriate way
- Continue to offer development: you may be able to keep their skills
- Involve them in succession: they can pass on their knowledge
- Offer support for transition (internal or external) so they exit on a positive note

6.2.2 ... And become an engaging manager

The key seemed to be in the extent to which managers could engage older employees in later life planning and maintaining their level of motivation in the years prior to them leaving the organisation. In the wider engagement debate, older employees are often portrayed as the most engaged group of employees. Our findings show this is not necessarily the case. Indeed a previous analysis of existing research demonstrated that engaged older employees favoured a common set of work features which are somewhat different from their younger counterparts (Strebler, 2006). While younger employees were more fired up by challenge and the social impact of working for their employers, older employees were more passionate about being involved in key decisions, were keener to be developed and welcomed feedback on their performance. Our current research showed that engaging older employees is complex and depends on their later life planning intentions. It has revealed, however, a striking lack of meaningful and motivating performance management discussions. While this is a common failing irrespective of age, our research highlighted an increased reluctance of line managers to discuss performance with older employees – particularly in tackling underperformance. Again, recent IES research may inform employers' approaches to ensuring their managers engage their staff including older employees (see box).

Motivating older employees to perform: engaging managers is the key

IES latest research into employee engagement is focused on the critical influence of the line manager relationship (Robinson and Hayday, 2009). Managers across seven organisations were identified as engaging managers from their engagement scores of their teams in the most recent employee surveys. A 360 degree approach was used to describe what makes them engaging. In total 25 engaging managers, 22 senior managers and 154 team members participated. While the study did not specifically

focus on older employees, its findings show a rather pertinent set of engagement behaviours reminiscent of those described by our older interviewees including:

- Effective communication - including effective listening as well as explaining - is an essential feature of engaging management as well as spending a considerable amount of time with others.
- A good general approach to managing performance with a focus on clarity of expectations, objectives, explanations and feedback. They have overcome an initial reluctance to tackle poor performance and difficult behaviour using an instant, methodical, consistent and phased approach to managing poor performance.
- A straightforward and honest approach when breaking bad news to staff while retaining a business focus.
- Interestingly the authors argue that engaging managers are made, not born; they have learned about engaging and disengaging behaviours by observing others.

That an age diverse and increasingly aged workforce is not an easy one to manage is an obvious conclusion to draw from our research. We believe that the engaging managers as depicted in the research above provide an apt reminder that these behaviours can be learned which should reassure most managers that the effort is worthwhile. Aside from behaviours, the need for a good general approach to performance management echoes our older interviewees' desire for a flexible but clear approach to managing their performance. Our findings about effective performance discussions revealed, however, that performance management systems may be somewhat blunt instruments to reflect the intentions of different later life planning trajectories unless they are operated by managers who have the confidence and the foresight to use these flexibly. Given extended working lives, we contend that HR departments and line managers will increasingly need to adapt and/or review their performance management approaches to check whether they are fit for purpose and reflect these different needs.

6.3 What can older employees do?

Finally, we began our research with a focus on the older employees in a business context and argued for a more proactive approach to later life planning. One in which older employees would be able to understand and chose options to secure their financial security and a mix of work and leisure that would enable them to enjoy their later life. The following elements would seem very pertinent to enable them to realise their wishes. One is about being clearer about their overall later life goal and the other is a shift in attitude and belief about retirement.

6.3.1 Devise realistic later life planning objectives ...

We will all have to work longer but later life planning can undoubtedly be an increasingly complex and potentially stressful process. Yet we encountered some older employees who seemed to be in control of 'their destiny'. The proactive later life planners were the architects of their later life. True their financial and occupational status would have facilitated their planning but the real and critical difference is that they have a long-standing vision of what their later life will be. They have been able to clear a path through conflicting objectives and unavoidable setbacks to make choices. We invite older employees to try our later life planning trajectories model and use our framework for holding later life planning conversations in their organisations. In particular, older employees need to:

- Decide what the focus of their later life in a business context will be (staying on or retiring) and proactively explore options with their employers; initiating dialogues if necessary.
- Concentrate on developing their financial well-being and spend time understanding and developing financial planning skills if necessary.
- Get a sense of empowerment by seeking feedback and initiate discussions about their performance and development needs with their managers.
- Examine their own self-stereotypes about ageing and contribute to the development of a culture supporting later life planning where this is a legitimate and positive process.
- Become savvier about their prospects both inside and outside their organisation.
- Negotiate if possible a gradual phasing out of work to avoid the cliff edge and make the exit process a positive one.

6.3.2 ... and believe there is life after work

Not surprisingly, the default 'horizon' of the thinking and planning process for our older interviewees was the act of retirement itself and the final exit from one's employing organisation. Many older individuals were somewhat anxious about their future, and weary about the cliff edge. We offer them this vivid interpretation depicted by one of our interviewees of what life may be like ...

Sure – life changes – I had a – got a friend ... he decided to leave at 60 and I said after I saw him about three months later I said 'how's retirement?' he said 'it's fantastic – it's the final chapter in life's book' and I said 'yeah but hopefully you've got a few more pages of that chapter' and that from a decision point of view is massive isn't it? And you suddenly realise – and I hadn't really considered that and he said 'yeah this is the last bit of the book' and I said 'well you can see it that way

or you can see that you're halfway through – like a book you've taken half the book to get into it and the last half of the book is a riveting read ...'

Finally, and as we write, there are many changes and challenges afoot brought about by uncertainties in the political, economic and social agenda. The widely predicted demise of the default retirement age, projected increase in state retirement age and forthcoming cuts in pensions will have a profound impact on older employees' financial security, aspirations and well-being. This will make later life planning ever more important and will be crucial to ensuring that both employees' and employers' needs are met.

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