Retaining and motivating an ageing workforce is becoming increasingly important to organisations, as changing demographics is making recruitment of younger employees more difficult. **Barry Johnson** and **Mandy Geal** explore the importance of learning and development in this process

Action on Age

A ge discrimination in the workplace is a real problem in this country, and not just for older workers themselves; government figures estimate that the annual cost of age discrimination to the UK economy is a staggering £31 billion. The pensions shortfall is already starting to give the government and companies a headache. One proposed solution is to defer retirement to 70 years of age. Next year, age discrimination legislation is to be introduced.

These economic and political issues are occurring in the climate of the long-known and long-ignored demographic time bomb of our falling birth rate. To give you a few figures: the UK fertility rate now stands at 1.7 children per woman, but to maintain a stable population the rate should be 2.1 children. The number of UK citizens aged between 16 and 29 has fallen by 14 per cent since 1991. In 1916 life expectancy was approximately 45 years for men and 49 for women, compared to a life expectancy for men of 76 years and for women of 81 years today – figures which continue to rise every year. The result of this is that by 2020, a quarter of the workforce will be over 50; in 1990 it was 20 per cent.

Ageism in society is now evident and clearly counter-productive. While you no doubt still hear people say, 'he/she is 50 and will only have 13 years at the most', an ageing workforce may have real benefits to an organisation. The average graduate spends in the region of two years in a job and it is now rare to keep people of ability in their mid-20s to mid-30s as long as seven years. The average 50-something, by contrast, stays in employment until retirement. The sickness absence records of the over 40s are also much better than those of people in their 20s and 30s, and that's before you've even considered the most valuable asset older workers can bring to your organisation – experience.

Many companies are still thinking that age discrimination legislation will have a relatively minor impact on recruiting. There is little recognition that it is fundamentally different from racial and sexual discrimination, in that it affects everyone: we all get older. The proposed legislation, and the extension of the retirement age, have not been related to the impact on the careers and training and development of older people.

One criticism of older workers is that they block the progression of others, as older people tend to occupy senior roles. There is also an assumption that people 'plateau' at some stage and then go downhill as they age. While this may be true of a minority of older workers, as Elliott Jaques[1] has established, a person's capability actually tends to increase with time.   →

Capability

Jaques established that cognitive power, that is, a person's ability to handle complexity, ambiguity and to form patterns of the world in which they live, increases with age. He also established that the level of work a person is *capable of* at any time in his or her career is determined by his or her cognitive power, and it can be measured by 'time span of discretion'. This can be determined by identifying the longest task for which one is held accountable; it is a series of steps creating time span levels – one day, three months, one year, two years, five years, 10 years and 20 years.

Therefore the CEO of a large international corporation may be capable of operating to a target 20 years into the future, while the most junior members of that organisation may only look forward a day (such stepped progression is markedly different between individuals; with some it is rapid and with others slow). In short, as we get older, we tend to be capable of handling tasks that have longer targeted completion times, and this directly relates to real levels in an organisation. We lose or reject much of the human potential in our companies by not making sufficient use of the cognitive power of older people.

There is no discernible deterioration in performance in the majority of different types of work, at least up until the age of 70. Critically, the factor that impacts most on level of performance is training – precisely what older workers are likely to be excluded from.

Options

All the approaches and ideas below are being pursued or contemplated by companies. There appear to be three distinct areas that have to be addressed and each impacts the others.

- What to do about the oldest group. These we call 'Seniors' (c60 to c70 years old) and 'Elders' (c70 to c80).
- What to do about the mid-range people. These are the 'Movers' (c40 to c50), who are motivating and motivated to pursue their careers, and the 'Settlers' (c50 to c60) who, in the main, are established.
- What to do about the rest of the staff, including those with high potential, who are likely to reach senior organisational positions.

Given that companies do not carry excess staff, it follows that keeping older workers can result in fewer younger staff. The result is that we can't just tack more years on to somebody's career. We need to rethink career streams and progression, of which training is a core component.

Where do we start?

Let's start with Seniors and Elders. Many people want to retire in their late 50s, although few have the financial resources, so most people soldier on. Currently, the average age of retirement is 57.5 and climbing. It is projected to be nearer to 66 in 10 years, with consequent organisational repercussions.

We have noted some flexible options that result in retaining Seniors with dignity. These options enable people to retire gradually as part of a career/life-planning concept, where they can contribute wisdom in a special way without inhibiting the younger workforce. We have called this 'WiseTrack' (see Figure 1). However, all options require development initiatives, which can involve extensive training.

It can be seen from Figure 1 that the key to the successful extension of employment of Seniors and Elders is training and development.

Figure 1

WiseTrack	
Wise Up	A technical/professional advisory role that takes advantage of the experience that has been gained over the years. It also cashes in on the ability of the older person to see the broader picture and handle ambiguity. The downside is that some of the senior technical/professional people have been blocked from attending courses in the latest technology, so they need the appropriate technical training. The spin-off, and surprise, is that they integrate the information into their skill set quickly and can relate applications across their function. Their movement across teams also spreads ideas and approaches more quickly. Becoming an adviser also requires advisory skills training. To effectively use these highly experienced older people we need to train managers and a culture shift is required.
Wise Voice	Taking a counsellor/consultant role with teams and individuals, or between people, or resolving conflict, and so on. Very few of these roles are necessary and it requires the people who do it being given counselling and consultancy skills training. This can result in a reduced use of external consultants. Consultants/counsellors should be encouraged to work in other companies to broaden their experience.
Wise About	A coaching and/or mentoring role. This is already common in many companies and has similarities to Wise Up and Wise Voice except it focuses on the individual's personal and technical development, and progression in the organisation.
Wise Hands	Taking secondments to help ease pressure points in the organisation.
Wind Down	Part-time working, job share. This will be aided in April 2006 when workers can take part of their pension from the company while working for it part-time.
Step Down	Lower 'responsible' job at lower grade.
Ease Down	Reduction in hours or responsibility.
Time Out	Phased sabbaticals.

Can there be problems?

This sort of change needs clear policies and planning. Some managers will cling to the power of position; this has the down-side of blocking promotion. Individual contributors do not present so large a problem.

The attitude from some will be 'they are pushing me out of the door', which could lead to industrial relations issues. While tribunals may recognise the good intent, they will require well-written policies and procedures with safeguards for the individual. Some managers will refuse to move over, as is their right, and companies will be happy that some people are staying in position.

The middle group

The age of the whole company population is advancing, and it will be essential to address the issues of movement opportunities for Movers

and Settlers. The key to this is re-training. The question is, re-training to do what? One solution would be to just let the market take care of the problem, but it would be far more productive to re-evaluate career paths and the training for those careers.

Many companies have career streams for individual contributors and managers in each profession/craft. We have observed that some career streams do not start with graduates and apprentices, but with mature experienced people. Examples are quality, training and project management where company and functional experience is a key factor. In some industrial sectors, such as welding and plumbing for example, apprenticeships are being undertaken by people aged 30 to 50.

Career change for Movers

What has evolved naturally in some functions could become a matter of policy in the future. For example, only people who have reached a particular level in their organisation will transfer to staff functions. Career streams could be separated into those that are directly in the line to customers and those that serve the company; for example, production, sales, marketing, logistics, and so on are in the delivery line to the customer, while HR, learning and development, finance, health and safety are staff functions. The Movers who want a career change could have the opportunity to transfer into staff functions. Fundamentally, it is about giving people new opportunities and unblocking advancement options.

A situation may arise where companies do not have graduate entry into these staff functions, which would reduce the number of younger people entering them and directly tackle the demographic problem. Competencies needed for support and staff functions are similar to those obtained in the mainstream, and maturity and company experience is of great value in the staff functions. Observation has demonstrated, for example, that ex-line people in HR are more acceptable to the line because of their experience, and experienced line managers pick up the professional staff elements faster than graduates. Training is clearly required, but institutes such as the CIPD have begun giving consideration to prior experience.

These opportunities are available to people on the basis of experience and not age. Companies are not going to move people into these roles unless they have the necessary experience and proven skills. The law says that organisations cannot discriminate on age, so companies will choose instead to stop recruiting externally into these career streams, reducing the costs of recruitment.

Progression and transfer

If this change in career streams creates a focus on the way people advance, and in turn a climate for recruiting at the most junior level possible, then it promises cost savings. It also creates structured training to support progression through the organisation.

So what are the implications for the managers? Managers are responsible for developing their staff, which includes actively seeking sideways moves and promotions. This can be helped by internal recruitment agencies and processes such as Organisation and Management Review (OMR). Company constraints like head count freezes or blocks on external recruitment can also act as a driver to internal moves and promotions. This produces an upward flow in the organisation, giving a morale boost that aids retention.

> 'As we get older, we tend to be capable of handling tasks that have longer targeted completion times'

OMR is a process carried out by executives and managers. They review their next line in order to identify moves for them, their successors and successors' successors and the development needed to achieve these moves. The OMR process makes named executives and managers responsible for the development and training of the identified people. The managers have an objective to develop and move identified people in a given time period and have the named successors ready to move into the vacated positions. It can also be used to identify people who are suitable for a career change.

Companies that practise the internal recruitment idea have 'job search' facilities with information that is updated weekly, allowing job-seekers to see what is available. Internal recruitment departments send an e-mail to all people qualified for a particular job when a suitable role becomes available. Also, anybody can ask to be put on file for a move with internal recruitment. Just like external recruitment, the applicants' managers are not informed, and all candidate information circulated is confidential.

Some managers want to hang on to their best people; however, this tends to be counter-productive, as people vote with their feet. Some managers may be set promotion/transfer targets, while development-minded managers are inundated with people wanting to join them so they can select the best. Whatever, managers need skills in their department and this creates a training driver.

Conclusion

The fact is that the working population is ageing. While many myths abound about the older worker, attributes and competencies are not tied to age. With an older workforce it will be necessary to challenge the current cultural norms that mitigate training and employment – career streams need to be re-evaluated and re-structured to retain a wider age band of staff.

Training is the key to ensuring people have the skills, knowledge and attitudes required to enable the organisation, and it is instrumental in helping the older employees contribute to the organisation without blocking promotion.

The demographic shift, age legislation and the pensions crisis are driving organisations to change. In the next five years we are likely to experience changes in the more sophisticated companies, driven by the age agenda and resulting in joined-up people policies. Key to the success of these will be the initiatives of training departments. ⏀

References

1. Elliott Jaques 'Development of Intellectual Capability', *Journal of Applied Behavioural Science* Vol. 22, No. 4, 1986.

2. B Newton, J Hurstfield, L Millar and P Bates, *Training a Mixed Age Workforce: Practical Tips and Guidance*, Institute of Employment Studies, 2005.

Other reading

Elliott Jaques and Kathryn Cason*, Human Capability: Study of Individual Potential and Its Application*, Gower, 1994.

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