

HOSPITALITY SECTOR

The case for recruiting and retaining older workers: a business imperative for the Hospitality sector

Knowledge Pack

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The document has been produced by Capita Consulting (part of Capita Business Services) in partnership with the Employers Network for Equality and Inclusion (formerly Employers Forum for Age and Belief) on behalf of the Department for Work and Pensions (DWP) as part of an Age Positive Initiative called Extending Working Lives. The content contains various resources for use in taking forward the older workers agenda. The DWP's contact in the future is Carolynne Arfield (carolynne.arfield@dwp.gsi.gov.uk) who is Employer Engagement Lead within the Redefining Retirement Division.

Please note this pack is for help and information only. It is not an authoritative statement of the law, and future changes in the law may make it gradually less accurate. The Department for Work and Pensions, Capita Business Services and Employers Network for Equality and Inclusion take no responsibility for how you use the information. You should always take professional advice on any specific legal or financial matter.

1. Introduction

1.1 Purpose of this Knowledge Pack

This document has been designed as a knowledge pack for Hospitality sector stakeholders to understand and explain the benefits of older (50+) worker recruitment and retention. The document presents the business rationale for continuing to promote and support ongoing activity on the older worker agenda.

The pack includes a range of materials (included in the Appendix), as well as links to further research and guidance – this information can be used to encourage and support member employers and others as they address the strategic nature and urgency of age and older worker related issues.

This document:

- Highlights forthcoming demographic changes and the impact that these will have on both customers and employment patterns in the Hospitality sector
- Identifies barriers to older worker participation in the Hospitality industry
- Demonstrates how an older workforce can help address sector challenges (e.g. around skills shortages and poor customer service) via research, case studies and employer stories
- Provides links to generic and sector specific good practice management guides/articles and information that can be adapted and disseminated to Hospitality sector employers.

Any of the material included within this pack can be freely used by sector bodies. It is hoped that the information provided will be incorporated into, and used to update, material relating to ageing workforce issues on websites and in reports, policy, guides, training materials and other products developed by trade bodies.

The information contained within the Pack was developed and collated during the Age Positive initiative Extending Working Lives in 2010/2011 and was up-to-date on publication. As time goes on, it is hoped that trade bodies will seek to up-date information and statistics to retain currency and relevance.

1.2 Target audience

The target audience for this document is professional and employer-led organisations, including trade associations and umbrella organisations in the Hospitality sector, and the sector skills council (People 1st). All have opportunities to influence and support individual employers to consider the issues outlined.

1.3 Acknowledgements

Both People 1st and the Institute of Hospitality have provided invaluable leadership and support of the programme and have agreed to support other sector stakeholders on this agenda in the future.



In addition, the following stakeholders were extremely helpful. They all published guidance and articles on their websites and in e-bulletins to alert their members to the changes in the default retirement age and actions they need to consider in managing an increasingly ageing workforce. Their efforts in promoting the older worker agenda are greatly appreciated.

- British Hospitality Association (BHA)
- Business in Sport and Leisure (BISL)
- Local Authority Catering Association (LACA)
- Association of British Travel Agents (ABTA)
- British Beer & Pub Association
- Caterer.com

2. The Hospitality Sector

2.1 Background

By 2020 almost a third of the UK workforce will be over the age of 50. The removal of the default retirement age (DRA) in 2011, together with implementation of the Equality Act 2010, and related Public Sector Equality duties all raise some critical questions for employers.

Furthermore, recent findings¹ from the Chartered Institute of Personnel Development (CIPD) and the Chartered Management Institute (CMI) reported that only 14% of managers across the UK workforce considered their organisations to be well-prepared to cope with an ageing workforce.

2.2 Legal and policy changes

Demographic change is reflected in the public policy arena.

- Pension ages are being raised for men and women to 66 years old by 2020
- From late 2012 the process will begin for employers to automatically enrol all eligible job holders into a qualifying workplace pension and to make contributions into it, although small businesses will have additional time to prepare.

Further legal and policy changes which impact on this agenda are outlined below.

2.2.1 Removal of the DRA

The removal of DRA has provided older workers with the right to remain in employment as long as they choose. In addition changing economic conditions and pension provisions are resulting in more people delaying retirement for financial reasons. Research by insurer Prudential found that around 38% of people who had planned to retire in 2011 are delaying retiring until at least the age of 70.

2.2.2 Right to flexible working

In addition, the Government is consulting (in 2011) on extending the right to request flexible working arrangements to all employees. Recent surveys have found that many older workers would chose to work flexibly towards the end of their careers rather than face a “cliff edge” retirement.

2.2.3 Employment tribunals

In 2010/2011, there was a rise in both the size of the payouts and the amount of claims accepted by employment tribunals in age discrimination cases. While the average award

¹ <http://www.cipd.co.uk/pressoffice/articles/CMI+CIPD+age+report.htm>

grew from £10,931 in 2009/10 to £30,289 in 2011, the number of cases accepted by tribunals rose by nearly one-third to reach 6,800, overtaking race discrimination cases.²

Compensation payments can thus be costly and it is therefore important for businesses to ensure age equality practices are embedded in their culture, policies and practices.

2.3 Demographic change

2.3.1 UK demographic changes

- By 2020 almost a third of the UK workforce will be over the age of 50
- 48% of the Hospitality workforce is under 29, compared with 18% of the UK economy as a whole.

Between 2011 and 2021, UK demographic change means³:

- The 55-59 age group will increase by almost one quarter
- The 40-44 and 45-49 age groups will decrease by 13%
- The 34-39 year old age group will rise by 12%
- The 30-34 age group will increase by 22%
- The 20-24 age group will fall by 10%
- The 15-19 age group will fall by 6%.

As a result:

- There will be a significant decline in the number of younger workers – the traditional age cohort recruited in the Hospitality sector
- There will be a decline in the number of workers aged 35-44 – the main ‘management’ cohort in hospitality
- There will be a large increase in the number of 50+ year olds – both as potential customers (‘grey’ market) and employees for the Hospitality sector.

Labour shortages in younger age groups will be exacerbated by immigration restrictions which may limit access to non-EU labour in key sectors, e.g. chefs in Indian/Chinese/Thai restaurants and increased competition for ‘young’ European labour as the sector expands internationally.

² Personnel Today, 12/09/11, *Tribunal awards: which discrimination cases attract the biggest payouts?*
<http://www.personneltoday.com/articles/2011/09/12/57940/tribunal-awards-which-discrimination-cases-attract-the-biggest.html>

³ Based on ONS Population data 2008

The projected decline in the number of 40-49 year olds⁴ is likely to present a major problem for employers as they are the group who will be the managers or senior managers in the future. Consequently, employers need to begin considering how best to retain their older workers to cope with this likely shortfall.

2.3.2 Age profile of the Hospitality sector

The table below provides a breakdown of the Hospitality workforce by age group and gender.

Age	Percentage (%)	Male (across all ages)	Female (across all ages)
16-24	33.5%	45.7%	54.3%
25-49	49.4%		
50-SPA	13.0%		
SPA ⁵	4.1%		

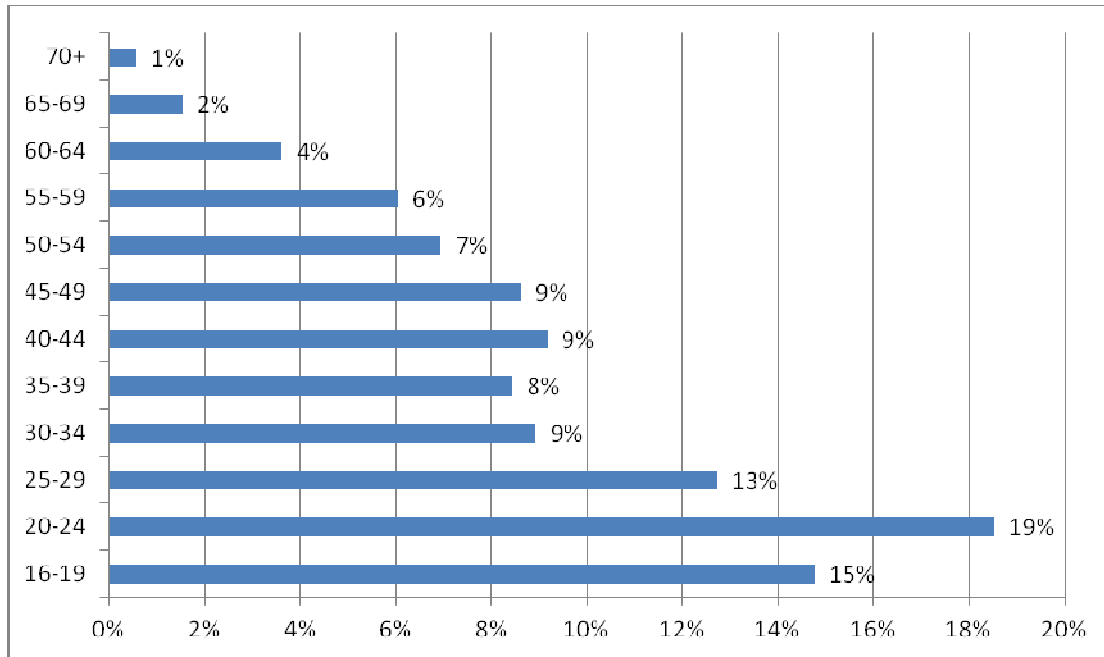
Source: ONS Labour Force Survey Quarter 1, 2010

The percentage of older workers in the Hospitality workforce drops significantly after the 25-49 age group.

⁴ Office for National Statistics (ONS) 2008 Population projections

⁵ State Pension Age (SPA)

Age breakdown of the Hospitality sector in England, Scotland and Wales⁶

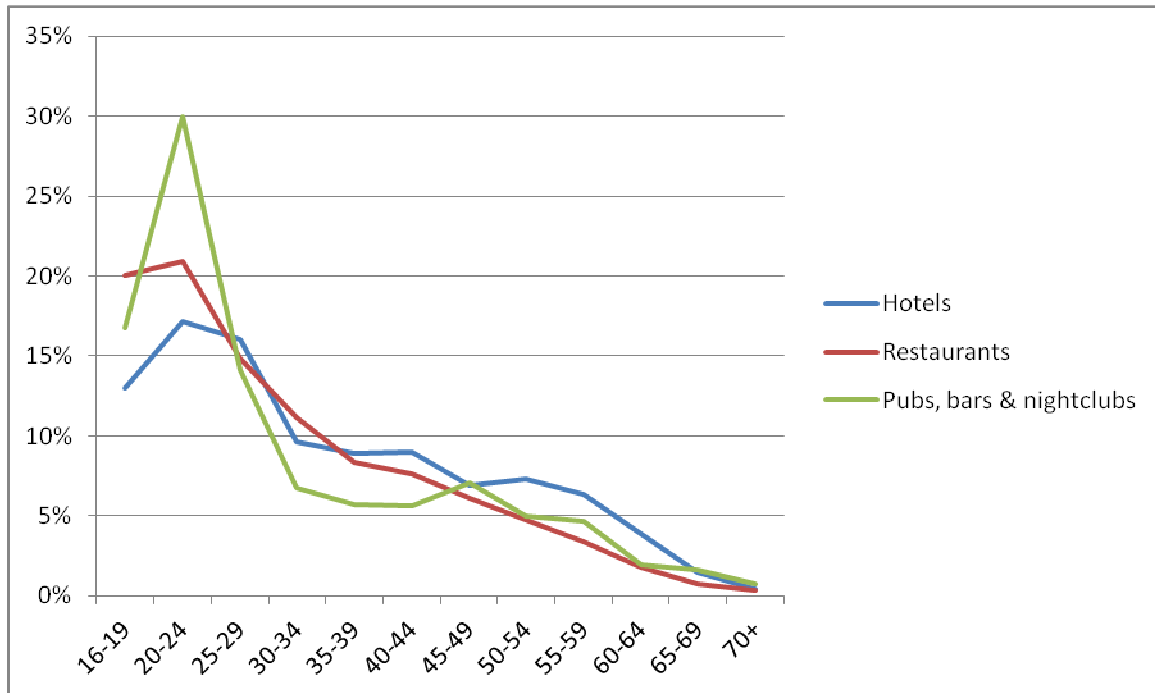


More detailed analysis indicates the sector loses employees over the age 29.

There are significant variations across the sector, which distorts the age profile of the sector as a whole, particularly in the restaurants and bars sub sectors (both large employers of young people).

⁶ Labour Force Survey 2010

Age breakdown of sub-sectors: hotels; restaurants; and pubs, bars & nightclubs⁷



Age breakdown of sub-sectors: self-catering accommodation, holiday parks and youth hostels; food and service management; and hospitality services⁸



⁷ Labour Force Survey 2010

⁸ Labour Force Survey 2010

2.4 The Hospitality context

In 2011, hospitality/travel industries account for⁹:

- 4.9% of the UK's economic output
- 1 in 14 UK jobs
- 2.1 million jobs across the UK (employing 7.2% of the total working population).

Furthermore, 48% of the sector workforce is under age 29.

2.5 Barriers to older workers in the Hospitality sector

Many employers in the Hospitality sector do not see increasing workforce age diversity through the employment of older workers as a priority, but some do recognise this is an issue which now deserves attention.

The sector's traditional employment model is predicated on immigrants (21% of the current workforce was born overseas¹⁰), high staff turnover (23%¹¹) and low wages (minimum wage). Hospitality employers have traditionally seen value in a transient workforce. Significantly, this may now be changing; in a recent survey, 47% of hospitality employers stated that they believed the sector was too reliant on transient workers¹². This is important as it should support the case for greater focus on retention of employees which will benefit all hospitality workers; it particularly helps arguments for older worker recruitment and retention.

Cost is a major influence on employment practice in hospitality. Hospitality employers operate on tight margins and need to keep labour costs as low as possible. The perception that increased costs are associated with retention/flexibility around older workers needs to be robustly challenged. McDonald's has been unique in modelling cost/benefits and has demonstrated any increased costs being offset by increased sales. This is critical in making the case for older workers in this sector.

The diverse nature of the sector¹³ is reflected in the age profiles of different hospitality sub-sectors. Some businesses (e.g. hotels, public sector catering and travel) already have an older, age diverse workforce and recognise the benefits of age diversity. For others (e.g. bars and restaurants), the employment of older workers requires a more significant change in culture and approach.

Many hospitality jobs are considered 'entry level' (particularly in the restaurant and bar sectors) and suited to young people (due to low skill/experience levels required/pay/unsocial hours/physical nature of the job). The age profile of the industry in these sectors in particular reflects this and it has a significant impact on the age profile of the Hospitality sector as a

⁹ Source: People 1st State of the Nation' 2011 (page 6)

¹⁰ Source: People 1st State of the Nation' 2011 (page 8)

¹¹ Source: People 1st 'State of the Nation' 2011 (page 8)

¹² Source: People 1st 'State of the Nation' 2011 (page 8)

¹³ According to People 1st there are 14 sub-sectors (Hotels, Restaurants, Pubs, Bars & Nightclubs, Food & Service Management, Hospitality Services, Membership Clubs, Travel Services, Tourist Services, Events, Gambling, Visitor Attractions, Youth/Backpacker hostels, Holiday Centres and Self-Catering accommodation).

whole. Nearly 40% of hospitality businesses are restaurants; while pubs, bars and nightclubs make up nearly a third of the remaining businesses¹⁴. The case for older workers in these sectors needs to be made more forcefully. The fact that sector stakeholders already recognise experience overseas (e.g. waiters in Europe are predominantly older) can be used to challenge assumptions over the suitability of older workers in these sectors, while acknowledging this view remains the dominant perception of the bar/restaurant sectors in the UK today.

It should also be recognised many older workers in the hotels, public sector catering and travel sectors operate 'behind the scenes', which means that the staff the public/customer sees may not reflect the age range of employees in the business.

The nature of the Hospitality industry, with few extremely large businesses (mainly Food Service Management companies, such as Compass), but an overwhelming majority of small businesses (half of businesses employ less than five people, 24% are sole traders¹⁵) means the sector is not known for progressive employment practices. The sector itself recognises this, acknowledging high staff turnover has traditionally meant employers have not seen value in engaging staff¹⁶ and that business performance has suffered as a result.

Furthermore, the number of small businesses means the sector can be difficult to influence¹⁷. Even the largest trade associations in the sector have memberships that represent a fraction of the industry, which limits the effectiveness of communication initiatives driven by these stakeholders. The British Hospitality Association suggests that national media, e.g. Daily Mail, represents the easiest way to communicate with smaller sector employers.

2.6 Activity on the age agenda within the sector

Some hospitality employers are beginning to respond to demographic change¹⁸ and recognise the need to employ and retain older workers. Key benefits they cite include improved customer service leading to increased sales/profit and attraction of an older customer base.

Large chain employers have adopted a positive approach to employing older workers (for example, McDonald's) and provide an important precedent for smaller businesses on the high street. Many of these businesses operate on a franchise basis and are effectively small businesses in their own right – if it works for them, employing older workers will work for other smaller, independent businesses. McDonald's features heavily in this document as it is currently one of the only companies to have conducted extensive research to quantify the financial benefits in terms of increased sales and customer service associated with older workers. It is hoped other hospitality employers will follow suit.

¹⁴ People 1st 'State of the Nation' 2011 (page 16)

¹⁵ People 1st 'State of the Nation' 2011 (page 7)

¹⁶ According to David Fairhurst, Chairman, People 1st's State of the Nation 2011.

¹⁷ The accommodation, food and travel sector in the UK employs 1,496,000 people in 187,455 different organisations. (Source LFS Q1 2010; ONS UK Business 2009) 97.5% of these businesses are small and employ less than 50 people.

¹⁸ 39% of hospitality businesses surveyed in 2011 People 1st employer survey had at least 1 employee over 50

Hospitality is a key sector with predicted employment growth¹⁹ - the sector needs to employ an additional 103,300 people to replace those leaving and to fill new jobs. 17% of employers report vacancies in 2011 and this presents a major opportunity to progress the older worker agenda.

During 2011 People 1st recognised older workers can help meet skills gaps in the industry. Improving retention and employment of older workers features heavily in the People 1st 'State of the Nation' Report 2011²⁰. Critically, older workers are recommended as an alternate labour pool that hospitality employers should be considering ('Implications for Employers', para 2, page 67). The subject of older worker recruitment and retention now features in People 1st's Sector Strategy 2020/30.

The Institute of Hospitality also recognises the opportunity offered by older workers and has campaigned extensively to raise awareness of older workers throughout 2011, generating significant response from its membership.

Overall, the industry is well placed to capture skilled older people as other sectors contract. It presents an attractive opportunity for older workers keen to take up flexible working arrangements (28% of the sector's workforce already works part time²¹), while the work ethic and skills that older workers can bring provide a neat match to skills shortages (i.e. customer service) in the sector. Developing strategies to attract these workers should be a sector priority from 2011 onwards.

¹⁹ According to People 1st 'State of the Nation' 2011

²⁰ See pages 5, 41, 43 and 67

²¹ People 1st State of the Nation 2011 (page 7)

3. What the Sector needs to do

There remains insufficient recognition of the benefits of employing older workers throughout the sector and more activity is required on this agenda. In particular recognition needs to be paid to demographic change.

3.1 Implications of demographic change for hospitality employers

An ageing population and workforce means hospitality employers must consider the implications for both workforce planning and service users.

In consultation with sector stakeholders the following checklist has been developed covering a range of issues an ageing workforce highlights.

- **RESOURCE PLANNING:** A need for forward planning on populating key cohorts in the future – traditional (younger) labour pools may no longer be available
- **INCREASING SECTOR ATTRACTIVENESS:** The need to enhance the attractiveness of the sector (e.g. by promoting opportunities to work flexibly) to younger, middle-aged and older workers. Competition for younger and middle-aged workers will increase; older workers will provide a solution to skills shortages
- **AGE PROFILING:** Application of age profiling techniques so that employers can be prepared and able to adjust their recruitment strategy accordingly
- **TRAINING:** More re-training and up-skilling of workers, particularly those cohorts who, in the past, may not have always been the focus of training
- **APPRENTICES:** A recognition from the sector that there is a need for investment in apprentices who may not be eligible for government funding
- **WAYS OF WORKING:** The need for the sector to embrace new ways of working – in particular, encouraging greater use of a variety of flexible working options including flexible retirement, in order to retain skilled employees
- **PERFORMANCE MANAGEMENT:** The need to introduce or improve performance management / appraisal processes in order to more effectively manage the ageing workforce, especially in the light of the removal of the default retirement age
- **MENTORING:** The need to be more proactive in the development of mentoring and knowledge sharing
- **JOB DESIGN:** Consideration of how roles and tasks may need to be redesigned (adjusted) to reflect the possible decline in physical capacity of large cohorts of older workers
- **HEALTH & WELLBEING:** Greater investment in employee well-being and healthy living to support longer working life
- **INCLUSIVE WORK PRACTICES:** Activity to combat and overcome assumptions and prejudice regarding the capabilities of older workers.

3.2 Implications of failing to address these issues

If the sector fails to address the issues relating to an ageing workforce:

- Older customers may not feel 'welcome' in some establishments
- Labour and skills shortages will put pressure on employer costs – e.g. wage inflation
- Hospitality employers will find it increasingly difficult to recruit, especially as the economic recovery develops
- SMEs may suffer disproportionately as smaller (often family-run) businesses fail to attract and retain sufficient workers (with the potential for larger companies to 'poach' key staff)
- A shortage of talent and experience could mean some businesses struggle to compete
- Failure to adapt to new ways of working and up-to-date people management techniques could result in the sector continuing to lose out compared with other sectors in attracting and retaining talent
- Poor knowledge transfer could leave employers struggling to deliver
- Increased risk of discrimination claims and associated costs.

3.3 How older workers can help address sector skills shortages

The hospitality workplace has unique characteristics:

- Seasonal work
- Part time/flexible working options
- Customer facing
- Demand for high levels of customer service/Importance of brand
- Retention challenges

These unique characteristics support the recruitment of older workers who may be looking for flexible working arrangements and have good inter-personal skills.

3.3.1 Value of older workers

Research evidence²² identifies the value and benefits of employing older workers, in particular the fact that older workers generally:

- Have lower levels of turnover significantly reducing recruitment costs
- Are strong in people skills and customer service, based on years of life experience

²² An update of the literature on age and employment, Health & Safety Executive 2011

- Have a broad range of skills and experience, offering opportunities to mentor new recruits
- Have lower levels of short term sickness and fewer accidents
- Are just as flexible as younger workers and may contribute useful ideas based on their life experience
- Are good at managing and coping with stress.

3.3.2 Skills gaps in hospitality match older worker attributes

Demographic data demonstrates the 50+ age group is a growing source of available labour. Further analysis shows skills within the 50+ age group may match skills gaps in the hospitality labour force.

According to the National Employer Survey (2009), 26% of hospitality establishments have a skills gap in their current workforce (the average is 19% across all industries).

The most common skills gap quoted²³ include:

- Customer handling skills
- Technical, practical or job specific skills
- Team working skills
- Oral communication skills
- Problem solving skills
- Management skills
- Written communication skills
- Numeracy skills
- Literacy skills
- General IT user skills.

For sector employers, key challenges include:

- A shortage of skilled chefs
- Poor management and leadership
- Poor customer service skills.

University of Stirling research²⁴ (June 2009), which looked at older workers in hospitality, identified the following key strengths and experience they bring to their employers:

²³ People 1st State of the Nation Report 2010 (page 72)

²⁴ www.ioe.stir.ac.uk/research/projects/olderworkers/index.php

- Understanding 'for-profit' customer service work
- Social skills for interacting with customers and co-workers
- A strong work ethic (reliability, thoroughness, staying as long as it takes to do the job)
- Commitment
- Coping strategies under pressure of work
- Self-directedness in learning
- Enjoyment of work
- A wide range of previously acquired occupational skills
- Problem solving ability
- Willingness to take responsibility
- Keenness to mentor and support other employees
- High standards imposed by older workers on themselves and their fellow workers.

While stereotyping at any age is unhelpful, there is a clear correlation between skills shortages in the sector and the skills older workers may offer.

The capacity of older workers to mentor younger workers is of particular interest to sector stakeholders, who believe older workers will support younger workers providing a steadying influence as they acquire customer handling skills and adapt to the world of work; this should, they believe, support staff retention.

3.4 Evidencing financial benefits from age diversity

McDonald's has delivered conclusive proof of the business case for employing older workers. In recent research, conducted by the Centre for Performance-Led HR (CPHR) at Lancaster University, data from between 300 - 400 McDonald's restaurants was analysed.

Key metrics including complaints, guest count, sales, food cost, profitability and customer service feedback, along with results from the McDonald's annual employee survey, were considered.

Four key themes emerged:

- Effective engagement
- Fairness and respect
- Goal awareness
- Customer orientation.

Links were established between increased levels of customer orientation and effective engagement.

Results were cross-referenced with the age profile of the restaurants involved. This demonstrated a clear correlation between top performing restaurants and those with a broad and older age profile.

Anecdotal feedback about the higher quality of service, reduced employee turnover, positive guest comments and the calming, supportive and counselling role older employers provided to younger colleagues, supported these findings.

The implications of increased salary and payroll costs associated with longer service and retention were then calculated and showed that a predicted 11% increase in wage costs was offset by increased sales.

Other sector employers should be encouraged to adopt this/develop a similar methodology to prove cost benefits associated with employing older workers in order to challenge more sceptical sector employers.

3.4.1 Other advantages associated with older workers

A range of other advantages associated with older worker recruitment and retention have been identified including:

- Like students and younger people, older workers may be seeking flexible working arrangements and be happy to cover busy periods.

Survey data²⁵ implies that there is an opportunity to retain key older workers by offering flexible working.

- 32% of 50-64s in the Hospitality sector would like to work reduced hours
- Only 7% believe their employers would allow it
- Only 6% have approached their employer.

- Understanding customers, similar arguments apply to race, gender and other diversity issues. Older workers may better understand the needs of older customers. The grey leisure market is growing as baby boomers retire. Older workers may therefore help **attract customers** (customers are more likely to enter an establishment if they can see people 'like them' working there) and **improve customer service** by better understanding customer needs. Recent research in the sector found that of those businesses which say they typically have an older clientele (over 45), 18% employ staff over 50, compared to 10% of those with a younger clientele. 71% of those with both younger and older customers employ people over 50²⁶.

²⁵ LFS 2009, 4 Quarter Average

²⁶ Findings in People 1st Employer Survey 2011

Marston's, an independent pub and retailing business believe older staff can be directly linked with making older customers feel more comfortable in their establishments meaning they spend longer, increasing profits.

- Increased profitability (e.g. McDonald's)
- Increased productivity (e.g. McDonald's)
- Financial cost savings (reduced staff turnover, saving on recruitment and training costs)
- Reduced employee absence within age range (specific to interventions to retain older workers e.g. flexible working)
- Staff retention levels are improved (e.g. JD Wetherspoon – see later in document)
- Improved employee commitment (e.g. McDonald's – see below).

Employee Engagement (McDonald's)

McDonald's compared the average scores on their 2010 annual employee opinion survey for staff over 60 years of age against the average employee response:

- 93% of older workers feel proud to work for McDonald's (versus 84% average)
- 92% look forward to coming to work (versus 79% average)
- 91% feel motivated in their job (versus 84% average)
- 96% like the kind of work they do (versus 83% average)
- 91% would recommend working at McDonald's to a friend (versus 88% average).

- Improved Health & Safety
- Enhanced position in the market place as employer of choice/ethical organisation ('Brand' is important in the Hospitality sector)
- Product/Service innovations.

3.5 Barriers to older worker employment

There is a perception that older workers are not interested in working in lower paid/skilled jobs and working with younger people, do not have the physical strength to work in some hospitality environments and will 'put off' customers. There is no evidence to back up these claims.

Examples of arguments against/myths around older workers, with evidence based counter arguments for reference are summarised in the table below.

Myth re older workers	Counter Arguments
Too expensive	Research ²⁷ suggests older workers have a grounded sense of their identity and what they value/see as important in life. Although income is important, most are motivated by: the need to get out of the house and interact with others; enthusiasm for a particular enterprise; and a deep rooted desire to be needed and valued
Ill-health absence	Older workers have less short term sickness absence. The small minority with long-term illness tend to leave the labour market altogether ²⁸
Unsuitable Environment	There is no evidence that older workers cannot operate effectively in restaurant and bar environments (waiters and bar staff in Europe are generally older)
Do not attract customers	Sales increase where staff are of diverse ages (e.g. McDonald's, Marstons)
Do not want to work with younger workers/teams	Evidence suggests older and younger workers learn from each other (see McDonald's' case studies in 'Employers' Stories' section below)

Barriers to older worker employment in the sector are cultural and must be challenged effectively.

²⁷ University of Stirling research 2009 - www.ioe.stir.ac.uk/research/projects/olderworkers/index.php

²⁸ An update of the literature on age and employment, HSE 2010

4. Good practice examples

A number of case studies (employers' stories) have been produced to demonstrate the value older workers are bringing to employers. Below are examples of how sector employers have used older workers to support their business strategy. If you wish to use the content for your own purposes, revise or reposition any of the information contained therein, it is recommended you contact the originating organisation to seek approval.

4.1 Employers' stories

4.1.1 RANK (Gaming/Entertainment Business)

The Rank Group is a leading European gaming and betting company, headquartered in Great Britain. Rank's businesses include a number of established brands in gaming and leisure, including: Mecca Bingo, Top Rank España, Grosvenor and G Casinos, Blue Square, Mecca Bingo.com and Mecca Mobile.

Rank's older employees demonstrate great customer service skills holding 36% of their top customer service awards (Gold WOW awards) despite only making up 22% of their employee population.

Ken Norton, a 67-year old Maintenance employee at Mecca Sunderland, received his award for saving the life of a customer who collapsed with a heart attack. His calm response and provision of appropriate medical treatment meant that the paramedics were able to transport her safely to hospital.

Steve Linder, the 55-year old Main Stage Caller at Mecca Knotty Ash, was awarded his for his tremendous efforts raising money for charity. This year he hosted a hugely successful Marie Curie "blooming tea party" and raised over £1,700 in the club; he also organised an abseiling event. He is currently through to the second round of nominations to be an Olympic torch carrier in 2012.

4.1.2 MARSTON'S (Independent Brewing and Pub Business)

Marston's PLC is a leading independent brewing and pub retailing business operating a vertically integrated business model. Marston's operate around 2,150 pubs and bars across England and Wales, comprising around 1,650 tenanted or leased pubs and around 500 managed pubs offering a welcoming environment and value for money. They operate five breweries (including: Banks, Marston's, Jennings, Ringwood and Wychwood).

Marston's say:

"Here at Marston's, making sure that our workforce draws from a wide age range is not some token nod to political correctness; it's about sound business practice. We employ over 10,000 staff in the pubs we manage directly and also operate many more pubs on a franchise or leased basis. The vast majority of these pubs operate outside of town centres and draw both their custom and their staff from the communities that they are located in. For these pubs to be successful we need to attract custom from the whole community and older

customers, many of whom have plenty of time to socialise and are willing and able to spend money if they believe they are getting great value, represent an extremely important customer grouping for us. Having a workforce that reflects our customer base can be a real advantage in making people feel comfortable and that their custom is both wanted and appreciated. For us it's about the individual and what they can bring to the customer experience which encourages people to return time and time again and age is no barrier to that."

Marston's oldest employee is 97, though the next oldest is a mere 78 – who says this is just a young persons' industry!?

4.1.3 JD WETHERSPOON (Pub Business)

JD Wetherspoon run over 800 free house pubs, throughout the UK and plan to expand to 1,000 in the next five years. They employ over 23,500 employees. Wetherspoon was the first pub company to serve food throughout the day and to open all of its pubs from 10am for breakfast. In 2001 it was recognised as the UK's fastest-growing company and the ninth fastest in Europe.

The company's customer base is very broad, a fact which it is keen to reflect in its workforce. Wetherspoon has taken the step of removing its retirement age, a move which ensures that it can retain valuable skills and experience and give staff the choice of working for longer.

Says Mandy Ferries, Head of Personnel and Training:

"Some people's perception of our industry is that it's a youth-oriented one, so while we were very good at employing students, we'd always struggled to attract applications from the older age bracket. Although we had a retirement age, in practice we never used it, so early in 2006 we made the decision to scrap it and have never looked back. We now receive thousands of job applications each month, from people of all different ages and often recruit trainee managers in their 50s or 60s."

The majority of frontline recruitment in the company is overseen by pub managers, and they have been trained to ensure that their recruitment practices do not discriminate on age. This includes the revision of all job specifications so that they are in line with good practice on age diversity and the re-writing of the company's interviewing skills course. Wetherspoon's job application forms do not ask for date of birth.

Wetherspoon has found it beneficial to attract diverse age ranges by offering flexible hours. This enables the employee to strike a balance between work and family or other commitments and the business to cover its core hours. For example, lunchtime is a particularly busy period for the company's outlets and it has found that some older workers - who might be looking to work for a few hours a week - are adaptable and happy to work at this time. Older staff are welcomed at all levels of the business, from part-time bar work to managerial posts. Feedback from pubs which employ older workers suggests they are particularly stable, with low absence, a strong work ethic and a commitment to the business. Training is also available at all levels and Wetherspoon have a number of older employees who have progressed to manager level. Turnover of pub managers at Wetherspoon is half that of the industry average.

"As pub managers in a very busy trade, we also have the time and flexibility to spend with our family. Being more experienced in life certainly helps with this job and gives you the confidence to tackle all problems." Anne, 52 and Paul, 54, pub managers at JD Wetherspoon

Mandy Ferries continues:

"Part of the success of the company is due to being innovative and progressive and this is reflected in our recruitment process. Employing a diverse workforce of men and women of all ages benefits individual pubs and the company as a whole. We actively encourage our pub managers to recruit staff primarily on personality and attitude, not making age an issue."

The business benefits of Wetherspoon's age diverse approach:

- Enables the company to reflect its broad customer base
- Helps to keep apace with demographic change
- Flexible hours help to attract staff to cover busy periods
- Staff retention levels are well above the industry norms.
- Frontline managers satisfied with stability and hard work offered by older workers
- More life experience particularly beneficial to pub manager role
- The company reports that staff retention levels are well above the industry norms
- Turnover of pub managers at Wetherspoon is half that of the industry average.

4.1.4 HILTON GROUP (Hotels)

Hilton Worldwide comprises ten brands operating in 84 countries and runs more than 3,750 hotels

"The employment of older workers forms part of the diversity principles within Hilton Worldwide, where we aim to:

- Have a workforce representative of our guest profile
- Support our local communities acknowledging that the workforce is ageing and therefore providing job opportunities accordingly.

Currently, within our hotels in the UK, we currently employ 168 team members over the age of 70. They are employed in a number of roles across our hotels from Concierge to Drivers to Food & Beverage Assistants and Maintenance Teams.

Hilton policy was not affected recently by the government changes relating to the abolition of the default retirement age, as we have always allowed our Team Members to continue working passed the age of 65 should they so wish, changing their roles or working hours to enable them to do so.

From our experience, these team members bring with them a wealth of both job specific and life experience that helps them relate to the needs of our guests, and often deliver exemplary service. They often have more free time available to them, and therefore are able to work more flexibly in order to help us to meet the demands of our guests.”

4.1.5 MCDONALD’S (Restaurant Business)

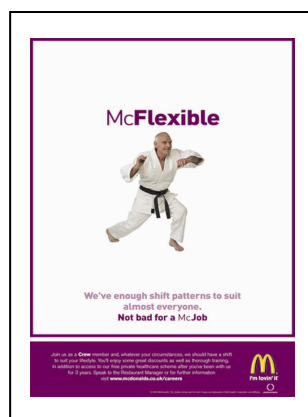
McDonald’s has 1200 restaurants across the UK and employs 85,000 employees (over 1,000 employees are over 60).

a) Flexible Working: Work/life balance across several generations

McDonald’s recognise that their 85,000 employees need to balance their home lives with their working lives. They offer a wide range of flexible working initiatives which are all designed to give employees the freedom to juggle their work with their personal commitments. This can relieve the pressure many people experience when trying to meet the demands of both a busy work and personal life. It also enables those people, who wouldn’t otherwise be able to be economically active due to other commitments, to lead working lives.

Family and Friends Contract: The Family and Friends Contract is a UK first, groundbreaking scheme, which allows family working in the same restaurant to share and cover each other’s shifts (with no prior notice required). It’s designed to help McDonald’s’ diverse range of employees juggle their work and personal lives. They have since extended the contract to include friends, widening the group of employees that can benefit from the scheme.

The scheme benefits numerous age groups. For example, students with last-minute deadlines, busy working women with children and not least, older employees with other commitments and employees with caring responsibilities. Many of McDonald’s’ older workers work alongside up to three generations of their family members. The scheme enables them to work as much or little as they wish, depending on their individual needs and situation, offering them greater flexibility without disrupting the business. Several older workers have told McDonald’s they appreciate the opportunity to alternate their hours at short notice, giving them a much greater opportunity to change their schedules at last minute than if they had been on a traditional contract of employment. This in turn allows them to fully maximise the benefits of spending time with their grand children (or indeed great-grandchildren), spouses and friends, many of whom may be retired.



Fred Turner, 69, works two days a week at McDonald’s and dedicates two evenings a week to his main passion in life, Judo. Fred became the face of a campaign for McDonald’s to celebrate our older workers contribution to the business and encourage more to apply to McDonald’s. He is featured in the recruitment poster to the right.

b) Promotion of Diversity

One of McDonald's long-standing and greatest strengths is its diversity. They have 85,000 UK employees who represent one of the most diverse, multi-ethnic workforces in the UK, out of which more than 1,000 employees are over 60.

McDonald's' vision is evident across their 1200 UK restaurants where employees range in age from 16-86 years of age and originate from over 100 differing countries. They take pride in their increasingly diverse team and fully support the elimination of the default retirement age (at 65). McDonald's welcome employees of all ages and offer them the opportunity to work on flexible schedules/part time, to best suit their needs.

Raising Awareness and breaking down stereotypes: In 2009, McDonald's initiated a national campaign celebrating older workers and recognising the business benefit that they provide to the organisation. The campaign was intended to raise awareness and encourage older workers to apply for vacancies. As part of this, Lancaster University provided McDonald's with research which examined the performance of more than 400 McDonald's restaurants across the UK. The research showed that there are considerable business benefits from employing those over the age of 60:

'In surveys, customer satisfaction levels were on average 20 percent higher in outlets that employed workers over the age of 60, compared to restaurants where no one aged over 60 is employed.'

A survey of Business Managers at McDonald's revealed the reasons behind the customer satisfaction boost delivered by later life workers:

- Over 66% said later life workers empathised with and connected well with customers
- Over 50% cited later life workers' ability to go the extra mile to deliver the best possible customer service.

c) Recruitment

McDonald's recruitment policy is called 'Hire the smile' they recruit for qualities, not qualifications. Although McDonald's provide 10,000 people per annum with their first time jobs, they recruit across all age groups. Many people are unaware that one in three of McDonald's restaurants employ staff over 60 and they employ over 1000 employees over the age of 60. McDonald's actively encourage older workers to apply to work at their restaurants, and ran an awareness campaign McDonald's in 2009 and a new employer brand campaign in November 2010. McDonald's have had a number of campaigns which target older workers over the past four years, Fred Turner was featured in their 2009 awareness campaign as well as being the face of a recruitment campaign launched in 2006, where they used older workers on advertising materials and in press.



McDonald's advertise 'our Jobs' and targeted older worker jobsites and portals, such as promoting jobs for mature workers on Google with sponsored links. They also advertise on websites which have large numbers of older readers, such as the Telegraph and 50connect.co.uk. The campaigns directly resulted in a significant increase (year on year) in the number of older workers applying and subsequently being hired for vacancies at McDonald's. In 2009, McDonald's saw a significant increase in their recruitment of older workers compared to 2008. McDonald's hired a total of 746 individuals over the age of 41 in 2009 (an increase of 152% on 2008). Likewise, they saw hires increase for the age group 51-60, which increased by 280% from 2008, and hires for employees over 61 increased by 233%. In 2010, these significant increases were maintained and in addition, a further 25% increase was seen in hires of employees aged 61-90 years.

4.2 Employees' stories

4.2.1 Crew members

Fred Turner was the face of McDonald's 2009 'Later Life Worker Awareness' Campaign. He is now 69 years old and our flexible working policies allow Fred to devote himself to his main passion in life, Judo coaching, two nights a week whilst working two days per week for McDonald's. Having worked at McDonald's since 2005, Fred credits his colleagues with keeping him young. He was voted Olympic Champion Crew Member of the month in his restaurant, a recognition scheme which could see him being selected to serve the world at one of McDonald's restaurants at the Olympic Park in 2012. He is very excited about this opportunity, saying that he can help keep the young ones in check and enjoy watching the Judo!



(Fred Turner, Judo fanatic, 69)

Brian Holden (aged 82) is a Customer Care Assistant at McDonald's. He is an inspiration for our later life workers, our younger workers and our customers, who love to interact with him. After taking voluntary redundancy in 1992 at the age of 63, Brian Holden contemplated early retirement. However, believing he still had lots to offer a prospective employer, Brian opted instead to take on a part-time role at his local McDonald's. 18 years on Brian's still going strong and he has no intention of stopping anytime soon. During his free time, Brian loves to take day trips across the UK, something he says he wouldn't be able to do without the flexibility provided by his job at McDonald's. "When you get to my age you want to make the most of your time. That's why I love to travel around the UK when I'm not at work," says Brian. "One of the best things about McDonald's is the flexibility. I can pick my shifts to suit my travel plans, which, for me, is just perfect."

Having worked with young people for many years as a lab technician at a local college, Brian relishes the young and vibrant atmosphere at McDonald's. In his role as customer care assistant, Brian oversees the dining area and loves the constant interaction with customers. In fact, for Brian, one of the most satisfying aspects of the job is the opportunity it offers him to meet so many different people. Whether young or old, Brian loves getting to know the restaurant's regular customers. Brian says, "I find some of the older customers respond really well to me, they often seek me out for a quick chat – I guess they enjoy being served by someone a similar age. But I get on well with younger customers too. I've had plenty of experience of dealing with young people in my previous job, so I feel I can relate well to all our customers, no matter what their age. "Obviously, I'm quite a bit older than everyone else who works in the restaurant, but we all get on really well. It's fair to say, throughout my time at McDonald's there has always been a fantastic team spirit. With 18 years McDonald's experience under my belt and whole lot more life and work experience, I like to think I'm something of an example to some of the younger staff. After all, I've seen quite a lot of life, so it's great to be able to call on that experience to help out my colleagues."

Stella Fleming, 74, was made redundant from her old job at the age of 65. Stella quickly discovered that few employers were willing to take on someone of her age. Stella decided to apply for McDonald's and was delighted to be given the chance to join the team, taking over from another mature worker who had decided to retire at the young age of 72. Stella is a grandmother of six and was initially worried she would struggle to keep up with the fast pace in the restaurant. She needn't have worried- Stella has worked 30 hours a week for almost ten years, starting early in the mornings, which allows her to spend the afternoons with her grandchildren. Stella has no plans of retiring soon, saying "I have made some good friends at the restaurant and I wouldn't know what to do with myself without this job!"

Bill Dudley, 86, is McDonald's oldest worker in Britain at the moment. Bill says age is not an issue and that he is fighting fit for his six hour shifts, which he does two days a week. Despite having suffered angina and having a peacemaker and a new knee fitted, he would not want to retire quite yet. He feels sitting at home is boring and proudly says that many of the customers in the restaurant where he works as a customer care assistant think he is in his 60's due to his energy and enthusiasm. They don't believe it when they hear he is 86! He says the thing he values most about the job is the feeling of belonging to a family, the

flexibility and the chance to stay young by being active. His manager says he is very popular with the customers.



(Bill Dudley, war veteran and granddad, is McDonald's oldest worker at 86)

Appendix A: Resources and additional material

Research

- University of Stirling Research
www.ioe.stir.ac.uk/research/projects/olderworkers/index.php
- An update of the literature on age and employment, HSE 2010
<http://www.hse.gov.uk/research/rrhtm/rr832.htm>
- Additional information on the labour market is available at
<http://www2.warwick.ac.uk/fac/soc/ier/ngrf/lmifuturetrends/>

Generic guides and top tip documents

Through its Age Positive initiative, the **Department for Work and Pensions** (DWP) has published three key publications for employers, which can be found at:

- Workforce management without a fixed retirement age
<http://www.dwp.gov.uk/docs/workforce-mgt-without-fixed-retirement-age.pdf>
- Answers to employer questions on older workers and retirement
<http://www.dwp.gov.uk/docs/answers-to-employer-questions.pdf>
- Managing without a fixed retirement age: Good practice case studies
<http://www.dwp.gov.uk/docs/good-practice-managing-without-fixed-retirement-age.pdf>

All of the publications can also be found via www.dwp.gov.uk/age-positive

Sector specific guides

LACA, BISL, BHA and IOH have produced sector specific guides to age covering:

- Age Facts
- Recruitment
- Training
- Performance Management
- Managing without a retirement age

The factsheets included in the Appendix to this document have been used by the above organisations to produce guides.

Articles

- En Passant: **Is going 'grey' a solution to industry retention issues?** (April, 2011)
- En Passant: **Is The Industry Waking Up To Our Ageing Workforce?** (October 2011)
- Hospitality Magazine: **What is the point of talking about older workers?** (March 2011, Issue 21, pages 33-35)
- Hospitality Magazine: **The Age Diversity Debate** (June 2011, Issue 22, pages 32-35)
- Hospitality Magazine **'Experienced, Fit and Able'** (Sept 2011, Issue 23, pages 32-34)

Appendix B: Additional information

This Appendix provides information, data and case studies for use by sector bodies in developing material relating to ageing workforce issues for inclusion on websites, in reports, guides, training materials and other products. The factsheets are there to be adapted by sector bodies and modified to include their own details and information prior to issue, as required.

The factsheets included are:

Factsheet 1 – Age: what you need to know

Factsheet 2 – Recruiting older workers:

Factsheet 3 – Training older workers

Factsheet 4 – Performance management and older workers

Factsheet 5 – Managing without a retirement age

FACTSHEET 1 – AGE: WHAT YOU NEED TO KNOW

- ◆ By 2020 almost a third of the workforce will be over the age of 50
- ◆ 48% of the hospitality workforce is under 29, compared with 18% of the economy as a whole.

Age and gender profile of the Hospitality sector

Age	Percentage (%)	Male (across all ages)	Female (across all ages)
16-24	33.5%	45.7%	54.3%
25-49	49.4%		
50-SPA	13.0%		
SPA ²⁹	4.1%		

Source: ONS LabourForce Survey Quarter 1, 2010

In addition to the above, 91% of the current workforce, across all ages, works full-time.

Between 2011 and 2021, UK-wide demographic change means³⁰:

- The 55-59 age group will increase by almost one quarter
- The 40-44 and 45-49 age groups will decrease by 13%
- The 35-39 year old age group will rise by 12%
- The 30-34 year old age group will increase by 22%
- The 20-24 year old age group will fall by 10%
- The 15-19 year old age group will fall by 6%.

As a result of the UK-wide demographic changes outlined above:

- There will be a significant decline in the number of younger workers – the traditional age cohort recruited in the Hospitality sector
- There will be a decline in the number of workers aged 35-44 – the main ‘management’ cohort in hospitality
- There will be a large increase in the number of 50-60+ year olds – both as potential customers (‘grey’ market) and employees for the Hospitality sector.

²⁹ State Pension Age (SPA)

³⁰ Source: ONS Labour Force Survey, 2010

Labour shortages in younger age groups will be exacerbated by immigration restrictions which may limit access to non-EU labour in key sectors, e.g. chefs in Indian/Chinese/Thai restaurants and increased competition for 'young' European labour as the sector expands internationally.

Implications for hospitality employers:

- You need to forward plan on populating key cohorts in the future – traditional labour pools may no longer be available
- You need to review ways to enhance the attractiveness of your business/the sector to younger, middle aged and older workers – competition for younger and middle aged workers will increase, older workers will provide a solution to skills shortages
- You need to monitor the age profile of your workforce so that you can be prepared and are able to adjust recruitment accordingly
- You need to undertake more retraining and up-skilling of workers - particularly those cohorts who in the past may not have always been the focus of training
- You need to consider taking on apprentices who may not be eligible for government funding
- You need to embrace new ways of working – in particular encouraging greater use of a variety of flexible working options including flexible retirement in order to retain skilled employees
- Performance discussions and management need to be improved (introduced) in order to more effectively manage the ageing workforce – especially in the light of the removal of the default retirement age
- You need to be more proactive in the development of mentoring and knowledge sharing
- You need to consider how roles and tasks may need to be adjusted for workers experiencing a decline in their physical capacity whatever their age
- More support for employee well-being and healthy living is needed to maximise performance over a longer working life
- You need to challenge assumptions and prejudice regarding the capabilities of older workers.

Failure to address these issues will mean:

- Older customers may not feel 'welcome' in some establishments
- Labour and skills shortages will put pressure on costs – wage inflation
- You will find it increasingly difficult to recruit

- Smaller businesses will suffer disproportionately as smaller or family run businesses fail to attract and retain sufficient workers (potential by larger companies to 'poach' key staff)
- A shortage of talent and experience could mean you struggle to compete
- Failure to adapt to new ways of working and up-to-date people management techniques could result in you (and the sector) continuing to lose out compared with others in attracting and retaining talent
- Poor knowledge transfer could leave you struggling to deliver
- There will be an increased risk of discrimination claims and associated costs.

For advice and support on older workers see <stakeholder to insert their own web link>

FACTSHEET 2 – RECRUITING OLDER WORKERS

Did you know...?

- Appropriately recruited older workers make a good fit with business needs, given the customer focus, low profitability and localised nature of much hospitality sector employment
- Older workers can flourish within a less hierarchical structure that demands both more team work and personal autonomy

Source: Sustaining the Employability of Older Workers in the Hospitality Sector: Personal Learning Strategies and Cultures of Learning (University of Stirling June 2009)

The workforce is ageing³¹. Between 2011 and 2021, demographic change means³²:

- The 55-59 age group will increase by almost one quarter
- The 40-44 and 45-49 age groups will decrease by 13%
- The 34-39 year old age group will rise by 12%
- The 30-34 year old group will increase by 22%
- The 20-24 year old age group will fall by 10%
- The 15-19 age group will fall by 6%

Demographic change will impact on the number of older customers in hospitality establishments (the 'grey market').

Older workers bring important skills to the hospitality workforce including³³:

- An understanding of the business process in for-profit customer service work
- Social skills for interacting with customers and co-workers
- Work ethic (reliability, thoroughness, staying as long as it takes to do the job, being off work less with minor ailments)
- Self-directedness in learning
- Commitment
- Enjoyment of the work
- A wide range of previously acquired occupational skills (accountancy, plumbing etc)
- Problem solving ability
- Willingness to take responsibility
- Keenness to mentor and support other employees

³¹ The number of people between 50 and 64 in employment had increased from 56.5% in 1992, to 64.9% by the end of 2010. For those over 65 and still working, it has jumped from 5.5% to 9% (Source TUC: July 2011).

³² ONS population data 2008

³³ Based on findings in University of Stirling research (June 2009) which looked at older workers in hospitality

- High standards imposed by older workers on themselves and their fellow workers
- Coping strategies under pressure of work.

When recruiting older workers hospitality employers need to consider the typical barriers faced by older job seekers:

Typical Barriers faced by Older Job Seekers

Some older jobseekers may not be experienced in modern recruitment practices or in selling their skills. They may be interested in part-time or flexible working to balance with caring responsibilities. To get the best person for the job employers may need to address be aware of these factors.

Recruitment Good Practice

Recruitment is expensive, in time and money. It may be more cost effective to focus on keeping staff and considering re-training and development for existing employees.

When you are recruiting, you want to get the best possible candidates for the job, whatever their age. To do that, check that your recruitment process focuses on the requirements of the job, not the age of applicants.

Job advertising

- Think about where you advertise. Use a wide range of media to reach different age groups and avoid age bias.
- Avoid words or phrases that could imply age preferences. For example: mature person, school leaver, first job, energetic graduate or young dynamic company.
- If asking for experience, describe the type of experience that is required to do the job rather than the number of years of experience
- Qualifications have changed over time. Only ask for them if they are essential for the job. If you do have to ask for qualifications, make it clear in advertising that you will consider equivalent qualifications so you don't exclude people of different age groups
- Focus on the competencies required to do the job.
- Few jobs have to be done full time. Think flexibly about work patterns to help attract the best range of applicants
- Check that any statements you include in adverts about your equality policy, reference your commitment to age-neutral policies

Application forms

- You can ask for age and date of birth to assess how effectively you are attracting candidates of all ages. Keep this separate from the application to ensure the recruitment process is not influenced by age and is judged on merit alone.

Interviews

- Ensure that staff responsible for selecting and interviewing candidates, don't discriminate because of a person's age. Recruitment decisions based solely on age

may be discriminatory and businesses could be found liable in court and required to pay compensation

- If possible, involve managers who represent different age groups when interviewing candidates
- Use criteria to assess candidate skills and their ability or potential to do the job, and to ensure you don't make assumptions based on age. Agree questions beforehand based on the person specification and job profile
- Ensure there are no assumptions about future capability or length of service: age is not a good indicator of potential return on investment
- Review interview results to check that no age bias, deliberate or unintentional, has influenced selection decisions.

Recruitment agencies

- Ensure your recruitment agencies comply with age legislation. Be clear about your commitment to an age-diverse workforce. Remember, if they discriminate you may be liable.

Some exemptions to age discrimination

Exemptions are extremely rare but there are a limited number of occasions when it is legal to set an age limit for recruitment:

- The job cannot legally be done by a person under or over a certain age (e.g. serving alcohol)
- There is a 'genuine occupational requirement' (GOR). In practice this is unusual apart from, for example acting in certain roles in the theatre.

Making assumptions about physical ability, e.g. handling crates or barrels in a pub, or waiting on tables in a restaurant, or environment/customers, e.g. working in a nightclub, is not a GOR.

For guidance and support on older workers see <stakeholder to insert their own web link>

FACTSHEET 3 – TRAINING OLDER WORKERS

As the workforce and customers age it will become more important to attract and retain older workers.

In the absence of the default retirement age (DRA), performance management and ongoing training will become critical in ensuring your workforce remains engaged, productive and meets your business needs.

In most jobs these days, where older workers receive the same level of training as younger workers, older worker productivity does not usually decline until at least age 70³⁴.

Some employers are much less likely to provide training to older workers if they are assumed to be within two to three years of possible retirement; yet the risk of an employee leaving the company after receiving training is the same across all age groups. Research³⁵ shows that younger workers have a higher turnover rate than older workers³⁶ and most training returns an investment within a year, so age is not a good indicator of return on training investment³⁷.

With an age diverse workforce, you can also make the most of the range of skills and experience brought by people of different ages. Many employers draw on the skills and experience of their older workers to help bring on other staff.

Training Good Practice

- Don't use minimum or maximum age restrictions for training
- Make sure older employees know that training and development is relevant to them and encourage them to take up opportunities. Older workers are not always aware of the opportunities that are open to them or assume they are for younger workers
- Use regular discussions to talk to individuals about their training and promotion options. This will help both you and the individual to plan ahead and keep meeting both business and individual needs
- Monitor take-up of training by employee age to ensure all staff are benefiting from available opportunities. Talk to people who don't attend or refuse training to find out why
- Monitor outcomes from promotion exercises to ensure age bias has not occurred. Remember it is unlawful to rule someone out for promotions on the grounds of age unless it can be objectively justified
- Don't assume older workers will not take-up training or a new post. Age is not a good indicator of return on investment and employers need to maximise the productive contribution of all its workers, regardless of age
- Encourage mentoring and sharing of skills within your business. Experienced older workers can support and train new recruits and less-experienced employees.

³⁴ An update of the literature on age and employment Health & Safety Laboratory 2010

³⁵ Default Retirement Age: Employer qualitative research DWP 2010

³⁶ Labour Force Survey

³⁷ Practical tips and guidance on training a mixed-age workforce DWP 2006

Tips on meeting older workers' training needs

- ❑ Recognise the sheer diversity found in the older working population and the need to be responsive to older workers' needs and experience on an individual basis
- ❑ Prioritise on skill utilisation rather than skill acquisition - value experience and create a culture of collegiality and mutual respect that will facilitate the bringing forth and sharing of older workers' many resources
- ❑ Training and development interventions for older workers should, on the most part, concentrate on team building, skill utilisation within collaborative practices and encourage self-directed learning
- ❑ The 'revolving door' approach to training, where every employee attends standardised courses in order to comply with basic legislative requirements or company policy, may not always be appropriate to the needs of the more experienced worker, who may require a much more customised approach to learning based upon the recognition of their prior experience and work roles. In essence, this means taking a more learner-centred approach to training

Source: Sustaining the Employability of Older Workers in the Hospitality Sector: Personal Learning Strategies and Cultures of Learning (University of Stirling June 2009)

For guidance and support on older workers see <stakeholder to insert their own web link>

FACTSHEET 4 – PERFORMANCE MANAGEMENT & OLDER WORKERS

Did you know...?

With the law on compulsory retirement ages changing it's now down to employees to work out when and how they retire.

Employers will need to discuss options for working on with their older workers and provide the opportunity for retirement and performance discussions to naturally arise.

Why do employers need effective performance management?

Many managers find conducting employee performance management a challenge particularly when an employee's performance needs improvement. Small businesses are especially vulnerable to issues of poor performance because each employee makes up a large percentage of the business's workforce. In addition, poor performance issues can affect both operations and the morale of peers who have to pick up the slack.

Until recently, some businesses have relied on the default retirement age (DRA) as a way of addressing performance problems with some older employees. The removal of the DRA (in 2011) has renewed the focus on good workforce management and the need to deal with poor job performance. There is now considerable evidence that improving workforce management techniques is good for businesses both large and small.

Some employers believe that performance (or workforce) management is complex and burdensome, but performance management need not be an elaborate appraisal process – it is a documented conversation that focuses on competence, ability and potential without making assumptions.

Failure to conduct appraisals or performance manage can be unfair to all employees - regardless of tenure, age or job level. Workers may well feel that there isn't an opportunity to discuss their performance, improve working patterns or behaviour and advance in their careers. Employees may also be unaware of employer concerns - which could be resolved by simply talking things through before it escalates to a more severe problem.

Performance management for all employees at all ages and stages can really deliver as employees will respond to both positive comments as well as corrective measures. Remember, praise motivates a well performing employee and constructive feedback alerts a poor performer what they need to do to get back on track.

Review or appraisal discussions can provide both the employer and employee with an opportunity to talk about job satisfaction levels and performance. These conversations provide an opportunity for managers to set targets and provide direction, and ensure employees understand how they can contribute to business goals. Any development needs can be addressed, perhaps be training, shadowing, mentoring or project work.

It is important that this type of conversation is not seen as a one-off event, but is conducted on a regular basis. There needs to be an ongoing dialogue as things may change from both the management and the employee's perspective. Therefore whilst you may hold a formal annual appraisal meeting, ensuring you schedule regular 1-2-1 progress meetings, mean that a problem doesn't wait until the annual review and employees can be encouraged and motivated more frequently and informally to successfully complete their objectives.

When conducting appraisals, supervisors and managers need to be clear about the reasons for poor performance: is it simply laziness? This may be the initial assumption. Or is it actually a lack of supervision or unclear job duties? Is poor conduct a behavioural issue or perhaps a lack of clarity in the company's policies and expectations of professional behaviour? If there is diminishing performance, can deficiencies be addressed through adjustments, re-training, 'upskilling' or even redeploying skills and experience in another role within the organisation? Has there been a change in the employee's life or health that affects the ability to perform assigned duties? Does the change relate to a disability or being bullied? If so, be aware of applicable laws regarding discrimination (or harassment) and the need to make accommodations for disabilities in particular.

Under the Equality Act 2010, discrimination is unlawful if it is on grounds of a "protected characteristic" (race, sex, disability, age, sexual orientation, religion or belief, gender reassignment, marital status, civil partnership or pregnancy).

Managers and supervisors may want to consider both the disciplinary and fair dismissal route where the review process and discussions haven't resolved issues of performance. There are a number of organisations that can assist with this when employees fail to satisfactorily perform job duties. See the 'Further Resources' section below.

Basic Principles in dealing with under-performance

The basic principles of dealing with poor or under-performing employees are simple and apply regardless of the employee's age. First, determine:

- What is the problem?
- What needs to improve?

Discuss this informally with the employee and seek resolution together. If counselling discussions do not show the improvement required, have a meeting with the employee to commence a Performance Improvement Plan (PIP), documenting exactly what needs to be improved, what the improvement will look like, what if any support will be given and when the improvement is required. Provide a copy of this for the employee to sign and take away to work on.

If the improvement is still not apparent, commence the formal disciplinary process, which takes the employee from improvement note, to final written warning, to dismissal. Always ensure the process is fair, including a written invite to the meeting, giving employees time to prepare (at least 24 hours) and the right to be accompanied. Write to confirm the outcome afterwards (with the right of appeal).

The outcome should include the following (documented on the updated PIP if using one):

- An agreed timescale for improvement
- Identifying where new skills may need to be learnt
- Consideration if any other issues are causing the problem e.g. any health or disability issues, new or heightened caring responsibilities
- Whether advice needs to be taken on occupational health issues, and consideration of how these could affect performance
- Agreed changes or adaptations e.g. reduced hours, different shifts - possibly on a trial basis
- A clear understanding by employer and employee of what the next steps will be should the employee fail to improve their performance.

Then:

- Regularly review progress
- If progress cannot be sustained, refer back to the formal process.

Always:

- Keep records of all conversations and review meetings. Clearly state what will happen if there is no improvement (i.e. that you may have to consider the option of taking formal disciplinary action).

Ensure supervisors and managers know the principles of performance management, receive training in performance management and corrective action, and obtain support from higher level management.

Top Tips on Performance Management

- Schedule a regular conversation with all employees (be aware, reviewing the performance of a particular group of employees, e.g. only younger or only older workers could raise concerns about unlawful age discrimination)
- Tackle any issues about performance as they happen; don't raise issues with an employee that are months old and that will come as a surprise when it is time for an annual performance review
- Before meeting each staff member think about the requirements of their current job and whether the business's needs are being met. Compare this to the job description. Also ensure that the job description reflects the true requirements of the role and update if not. For instance, is the employee doing the work with due regard for health and safety? Is the employee effective in the job?

Ask yourself:

1. Will you need the employee to work differently in the future - what skills will you need the employee to have or develop for the future?
2. Do you know what the employee's aspirations and expectations are for the future? By building this into the conversation all workers are given an opportunity to say what their plans are. For instance, whether they are hoping to move up the career ladder or if they are thinking about making a lateral move or even leaving. Is the employee feeling de-

motivated, uninvolved, under-utilised, struggling with new technology or looking for a new challenge?

3. Does the employee understand what the job requires? Do they comply with specifications and meet deadlines?
4. Consider what needs to be done if you are not happy with the employee's work - what particular aspect is causing a problem – have you raised the issue with the employee? If not, now would be a good time to inform the employee of any concerns; regular review and feedback is important.
5. Are there any circumstances outside of the employee's control leading to poor performance?
6. Discuss with the employee what needs to be changed and think about how you can help the employee to work better in the future - perhaps the employee would benefit from some up-to-date training or coaching?
7. Consider whether there are any adjustments or alterations needed – checking against your own health and safety workplace assessments and any legislative requirements.
8. Consider if it might be possible to change the employee's working pattern – for instance reducing hours, moving them to a different role where you will be able to retain skill and experience. In such cases, ensure the employee is aware of the reasons for the change and that this is being done as an alternative to a disciplinary warning, wanting to retain them etc and ensure the employee signs their mutual agreement to the change.
9. Agree with the employee if there are actions or changes they need to take – provide the employee with a written PIP – and make sure that you take written notes of your meeting.

Talking about 'retirement' in an appraisal meeting

For both employers and older workers, performance appraisal meetings are an opportunity to open up discussion about on-going work options, retirement options, further skills development and, where retirement is raised, to plan the transfer of knowledge, skills and experience back into the business.

But you need to ensure:

- The performance of all workers is regularly reviewed (if you just review the performance of your older workers you could raise concerns about unlawful age discrimination)
- Managers do not make assumptions about an employee's retirement plans based on their age
- Discussions are built into the process to encourage workers to say where they see themselves in a year or two. This will give older employees an opportunity to open conversations around retirement planning (all appraisals should be structured to encourage open discussion throughout workers' careers to avoid unexpected announcements)
- Older employees are encouraged to say whether they want to carry on working as they are, or whether they are considering a need for a change, either in their work or towards retirement.

Worried about an employee being fit to work and your 'Duty of Care'?

Don't fall into the trap of assuming older workers aren't able to work, or that as an employer you have a greater 'duty of care' to someone because they are over 65. If you have any concerns about physical or cognitive ability – at any age - there is lots of guidance available. For information about managing any disability via reasonable adjustments, including the extent and limits of your responsibilities, refer to:

<http://www.businesslink.gov.uk/bdotg/action/layer?r.i=1084072938&r.l1=1073858787&r.l2=1073877851&r.l3=1084072933&r.s=sc&r.t=RESOURCES&topicId=1084072933>

and/or

<http://www.equalityhumanrights.com/advice-and-guidance/guidance-for-employers/the-duty-to-make-reasonable-adjustments-for-disabled-people/>

Conclusion

There is no legal requirement to carry out appraisals; however, if done properly, they can be a very effective way of motivating and retaining your employees and improving the ways in which they do their jobs.

Under difficult economic conditions, employers need all staff to contribute through good job performance to the business's bottom line. Employers can no longer rely on staff turnover or mandatory retirement ages to address poor performance.

The key to improving poor performance is often communication. Ensure that you:

- Provide timely, specific and constructive feedback to employees
- Establish why the shortfalls in performance exist
- Discuss and agree what support, development and assistance is required to help the employees improve their performance
- Encourage the employees by providing positive feedback on their performance when it is due.

Performance management and appraisal doesn't have to be a bureaucratic process; it can be a simple, regular conversation, where actions are agreed and recorded. Good communications skills are important. Where the performance management process leads to disciplinary action or dismissal, managers will want to regularly consult with and obtain support from higher level managers or experts in Human Resources.

Further Resources

- **ACAS** - Produces an advisory booklet on "How to manage performance" available at: <http://www.acas.org.uk/CHttpHandler.ashx?id=2714&p=0>
- **BusinessLink** – Information and support for new businesses. <http://www.businesslink.gov.uk>

For guidance and support on older workers see <stakeholder to insert their own web link>

FACTSHEET 5 – MANAGING WITHOUT A RETIREMENT AGE

The UK Government has removed the default retirement age (DRA) for all employers (2011), so that people have more choice when to stop working. This change means that:

- Employers are no longer able to issue any notifications for compulsory retirement using the DRA procedure
- Only people who were notified before 6 April 2011, and have reached 65 (or their employer's retirement age when this is higher) before 1 October can be compulsorily retired using the DRA. (These employees will be able to request to work beyond their notified retirement date in accordance with the DRA procedures and employers will be able to agree an indefinite extension or a fixed extension of up to six months).

Beyond these transitional arrangements, employers will not be able to compulsorily retire their employees unless the retirement can be objectively justified in their particular circumstances. Any such retirement would be open to challenge at tribunal.

There is no statutory upper age limit on the right to claim unfair dismissal or to receive redundancy payments.

Implications

- People will have more choice as to when they stop working. Workers will retire when they are ready to and enforced retirement will only be possible if it is objectively justified
- Using risk assessment as the measure as to whether yearly extensions are granted to staff already working beyond 65 will no longer be appropriate or legal
- You must avoid discriminating against all workers on the grounds of age
- This legislation will be applicable to all employers and all company sizes and sectors
- These changes do not affect an employee's pension age and entitlements, which may well be separate from the age at which they retire
- The removal of the DRA not only raises practical issues for employers in managing the older worker but also across the workforce more generally. It covers a wide range of areas such as succession and workforce planning, performance management and ensuring consistency and fairness in their policies and practices. It is important to remember too that the removal of the DRA will have implications for all employees in terms of career expectations and advancement
- Options for flexible working should be explored to support older workers that wish to continue working but perhaps wish to reduce hours or take on less responsibility
- Employers who fail to make the necessary changes and approaches to employee retirement may face claims of unfair dismissal and discrimination
- Performance Management Procedures must be applied fairly across the entire workforce
- Appraisal, competence and disciplinary procedures will need to be used by management for all employees regardless of age.

What do you need to do?

You need to:

1. Review proposed imminent retirements
2. Consider whether you are willing to run the risk of retaining a compulsory retirement age following the abolition of DRA. To do this you will need to identify:
 - a. a business need which is deemed acceptable by the courts (for example health and safety or succession planning); and
 - b. have strong and reliable evidence to demonstrate why the Employer Justified Retirement Age is a reasonable and proportionate way of meeting the identified business aim despite its discriminatory effect
3. Review any existing retirement policies
4. Plan for the future – Managing your workforce without a DRA?
 - Workforce Planning
 - Performance Management (Training & Development)
 - Flexible Working and Retirement.

Questions and Answers

Should I be worried?

No. Older workers make a huge contribution to the success of the hospitality industry. The hospitality sector needs to retain talented older workers.

Do I have to continue to provide insured benefits?

No. Group risk insured benefits (including income protection, sickness and accident insurance, as well as private medical insurance) will be exempt from the principle of equal treatment on the grounds of age so that it will remain possible for employers to cease to provide or offer these benefits once a worker has reached the age of 65 or the State Pension age for men, even if he or she decides to continue working beyond that age. The age at which group risk insured benefits can be withdrawn will increase in line with increases to State Pension Age.

Without fixed retirement ages won't older workers have to resign to finally leave?

Older workers can still plan to retire positively in the absence of a fixed retirement age. As they are coming up to the point when they plan to retire, they would have to give their employer notice that they intend to leave work. Many older workers will want to consider their options for working on or retiring as they approach an age from which a pension may be payable, whether that's the State Pension, an occupational pension or a privately arranged pension.

If I discuss retirement with an older worker can I leave myself open to a claim of age discrimination?

Not if properly handled. Employers may reasonably want to know about an employee's future aims and aspirations. The important thing is not to single out older workers. If you are going to ask older workers about their plans it is good practice to also ask other, younger workers, about their plans as well, perhaps as part of an annual appraisal meeting.

How do I get rid of poor performing older workers?

Many employers find that managing employee performance without fixed retirement ages is not a problem: they use fair dismissal procedures and performance discussions for all their workers.

Leaving someone to perform poorly in the years running up towards retirement and then letting them finally retire can be costly to the business. Line managers and supervisors need to be able to assess employees of all ages on their performance and ability, and take appropriate action.

If a worker is no longer able to do their current job, or an alternative job, then a change in their hours or responsibilities might help them to cope better and enable you to retain valuable skills and experience.

Where an employee develops a disability as defined by the Equality Act 2010, an employer may need to make reasonable adjustments to enable them to continue to do their job.

If performance can't be improved, use the same fair dismissal procedures as for workers of any age. Ignoring shortfalls in performance because it is assumed that an employee is near retirement may be discriminatory, particularly if the performance of younger workers is handled differently.

Generally employees know when they are no longer able to carry on and self-select to leave or 'retire'.

Good Age Practice

It is already unlawful to discriminate against workers because of age. Employers should ensure they have policies in place which prevent discrimination in:

- Recruitment and selection
- Pay
- Training and development
- Selection for promotion
- Discipline and grievances
- Bully and harassment.

Recruiting and Retaining Older Workers: what should you do?

Think about these simple, practical steps on managing age positively

Recruitment:

Avoid ageist language in adverts. Focus on job needs. Publicise your vacancies in ways most likely to attract responses from a range of age groups. Try to separate personal details such as date of birth when sifting applications. Don't make assumptions. Monitor the number of candidates of different age groups.

Training and Development:

Ensure promotion opportunities are available to all. Ask managers to encourage older and younger workers to take part in training. Monitor take-up. Make certain younger managers are confident about positively managing workers older than themselves.

Flexible Working:

Consider what forms of flexible or part-time working you can offer. Tell workers of all ages you are open to requests to work flexibly and how they can discuss their options.

Performance Management:

Have performance discussions with all your workers. Where performance does not meet the business needs consider whether training, or a change in hours, working pattern, or job, can help the individual cope better.

Fair Dismissal:

Ultimately where performance cannot be improved, ensure the same fair dismissal procedures are applied to workers of all ages

Redundancy:

Do not lose skills relevant to your business needs. Consider alternatives to redundancy. Use job-related criteria. Do not target specific age groups.

Retirement:

Make sure your workers know that you are open to discussions about working on and options for flexible or full retirement. Ensure line managers and supervisors understand how to support these discussions; and that employee benefits and pensions are reviewed and support employees after normal pension age.

Culture:

Challenge ageist attitudes; demonstrate there is no place for age discrimination in your workplace.

Conclusion

The abolition of the default retirement age means employers must revise and adapt their HR policies and actions in readiness for staff wishing to continue working beyond 65.

There may be some concerns regarding opportunities for the promotion of younger employees if older employees work longer. But such concerns usually arise from perceptions and not fact. Good performance management, workforce planning and ongoing conversations with staff throughout their working lives can resolve these concerns.

There may well be some challenges to the introduction of this fundamental change in employment legislation. For some it may require adjustments to be made and some extra costs in the short term, but these should be more than off-set by reducing retirement bureaucracy.

Employers should take a positive approach to this initiative and use the legislation to retain older staff who add extra value and customer service to their organisations.

Tell us your story

Hospitality employers may be nervous about managing without a retirement age. They needn't be. Many employers stopped using a retirement age years ago. If you have abolished retirement in your business, tell us your story. Why did you do it and how have you benefited?

More help needed?

For further information, please see <stakeholder to insert their own website>

Where can I find additional information?

- www.businesslink.gov.uk/agepositive
- <http://www.acas.org.uk/index.aspx?articleid=3203>

For guidance and support on older workers see < stakeholder to insert their own web link >