



# Active Ageing

**Extending Good Practice on Age Management  
Policies and Practices in Small and Medium  
Sized Companies and Organisations**

## EXECUTIVE SUMMARY



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Edinburgh Napier  
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## Introduction

The *Social Experimentation for Active Ageing* (hereafter referred to as *Active Ageing*) project involved the identification of good age management practice, supporting and encouraging employers (SMEs) in Edinburgh, participating in this European funded project, involving 4 European regions, to introduce such practices in the areas of recruitment, retention and retirement.

This executive summary presents the key points of the Report on Pilot Social Experimentation in Edinburgh, produced as a part of the *Active Ageing* project, which was led jointly by the Edinburgh Chamber of Commerce and the Local Urban Development European Network - LUDEN. Figure 1 outlines the core management team, for Edinburgh, and confirms roles in terms of the local pilot.

Figure 1: Edinburgh Partnership Model



In a bid to present common pilot and evaluation findings, for the project, contributions from the Employment Research Institute at Edinburgh Napier University (responsible for undertaking initial baseline research and stakeholder interviews; developing and implementing the local pilot; development of the tools and methodology; data collection and data analysis; and reporting on measurable change) and Paul Guest (an independent consultant, contracted to undertake local evaluation) are brought together in a single report.

Report content, findings and conclusions are expected to prompt and promote discussion amongst local stakeholders, in particular those working to improve and enhance the social and economic status of older people in the labour market.

## 1. Structure: Aims and Context

The *Active Ageing* project, which brought together partners from Slovenia, the Czech Republic, England and Scotland (in addition to LUDEN, based in Brussels), aimed at improving existing policy, and practice, in relation to the social and economic inclusion of older people in the labour market (activation). Core objectives were to undertake small-scale social experimentation actions locally and to implement a series of transnational development workshops.

In Edinburgh, pilot activities centred round age management issues in, and into, the workplace, with local employers a primary target. Age management is defined as measures and interventions that “combat age barriers and/or promote age diversity” (Naegle and Walker, 2006) and which maintain “the capability and willingness of workers to remain in work beyond ages at which they previously retired” (TAEN, 2007).

The premise was that the pilot intervention would increase (indirectly) the participation of older people in paid employment by changing businesses attitudes and practices towards older workers.

As with each of the other local pilots, a core management team was established (see Figure 1 above) alongside a *Local Action Research Group*, the latter involving representatives of a range of organisations working with and for older people, and including Jobcentre Plus and NHS Lothian, amongst others.

Current demographic changes will see population profiles across the UK and Europe getting older (Lisenkova et al., 2010; McQuaid, 2007). These demographic trends confirm the need for a re-think in terms of later-life labour market attachment. Moreover, there is a long-standing debate on the best way to sustain older workers in employment, for longer, and to increase recruitment among older people particularly those who are unemployed or economically inactive.

In the UK, to increase the labour market participation of older people, changes have been proposed across a number of spheres, including: changes to pension schemes and the state pension age; changes in attitude and culture (combating age discrimination), the need to adapt work processes and workplaces to meet the needs of older workers and the need to offer flexible working and flexible retirement packages. Employers are increasingly required to consider age equality issues, a consequence of recent legislative changes (*Employment Equality (Age) Regulations 2006; Equality Act 2010; Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011*) but company policy regarding age is far less developed when compared to that dealing with race or disability (Bond and Hollywood, 2009). Legislative changes have not necessarily translated into a change in employer attitudes or practices (OPASG, 2009; Loretto and White, 2006a). It is in this context that employers have been called to consider the business case for age management (Bond et al., 2009).

Age management is not only concerned with age diversity. According to Naegele and Walker (2006) age management encompasses eight dimensions: job recruitment; learning, training and lifelong learning; career development; flexible working time practices; health protection/promotion and workplace design; redeployment; employment exit and the transition to retirement; and comprehensive approaches (to age management).

## **2. Process: Pilot and Evaluation Activity**

Development of the Edinburgh framework for pilot social experimentation was informed by: a baseline study (stage 1) providing an extensive review of existing literature and research; and stakeholder interviews (stage 2) providing additional, in-depth information and a local stakeholder perspective.

For Stages 3, 4 and 5, a total of six employers, from different sectors, were recruited to the intervention group (including one employer from Glasgow) through existing contacts at the Edinburgh Chamber of Commerce and the City of Edinburgh Council.

In Stage 3, semi-structured interviews gathered baseline information on existing age management policies and practices. Attitudes were measured using Taylor and Walker (1998) Likert Scales, Metcalf and Meadows (2006, 2010) job suitability questions, and by questions based on a stated preference.

The Edinburgh intervention (Stage 4) consisted of: age management brochures and tailored age management feedback (brochures) produced for, and distributed to, companies and organisations participating in the pilot intervention group; followed by a dedicated age management workshop which included presentations on demographic change and changes in legislation, and age management good practice (good practice examples were presented) to which all pilot intervention companies and organisations were invited.

Second wave (follow-up) interviews (Stage 5) were held with four, of the original six, pilot intervention companies and organisations. Stage 3 and 5 interviews were transcribed and analysed using thematic matrices, with the exception of data from the Likert scale and that based on stated preference.

The control group (Stage 6) is a key element of any social experimentation exercise, for which a total of six employers were recruited in similar sectors to those in the intervention group. Data collection was identical to Stage 3.

The following core objectives directed the evaluation of the local pilot action (Stage 7): [a] to reflect on perceived or measurable change (distance travelled) within the employer intervention group and [b] to report on perceived and/or confirmed successes, and all or any difficulties encountered, during pilot implementation in Edinburgh. Data gathered in Stages 3 and 5 was key to developing the pilot intervention and its analysis (measurable change) and informed local evaluation activities (reflection on measurable change, report on intervention successes). Figure 2, below, presents the key stages for the local pilot action in Edinburgh.

Figure 2: Key Stages of the Local Pilot Action



### 3. Outcomes

To determine the effect of the pilot intervention, we measured a number of outcomes both before and after the intervention (first and second wave interviews).

Most of the management staff in the intervention group and around half of the control group saw little, or were unaware of any, variation in the number of older workers within the past five to ten years; while the majority in the intervention group did not expect a potential impact of such trends in the workforce. All managers were aware of the 2006 Employment Equality (Age) Regulations and the abolition of the default retirement age (DRA).

Responses in relation to the abolition of the DRA, were generally balanced with some positive effects mentioned (better performance management), alongside a number of reservations: difficulty in measuring declining performance; annual appraisal becoming less about encouraging and developing employees; possible de-motivating impact on younger people; and new legislation resulting in older workers being forced to leave in an undignified manner.

Very few managers had sought specific guidance or support on age management other than for legal advice. Following pilot intervention, in all but one case, managers would consider participating in age management courses, in the future, or seeking guidance in this area.

Most recruitment procedures met legislative requirements. Two of the four pilot intervention companies and organisations, participating in second wave interviews, confirmed that that they had changed, or intended to change, certain aspects of their recruitment practices: broader-reaching advertising campaigns and making a positive effort to change the perception that certain jobs are suitable, or unsuitable, for certain age groups.

The majority of employers confirmed that they would look sympathetically at requests for part-time and flexible working; yet those working conditions were somewhat limited for management and supervisory roles, which could be a barrier to older workers applying or continuing in those roles. This did not change following the pilot intervention. Routes to employee progression and promotion, whilst generally open to all employees, are somewhat more restricted in small and medium sized companies and, where progression leads to a managerial role, such opportunities are generally full-time.

Most organisations had annual appraisals or performance management systems in place, although regularity and consistency varied. The second wave of interviews with pilot intervention companies and organisations reported little change: although one employer had plans to make existing procedures more consistent and systematic; another would now consider asking *all* employees about their future plans.

Whilst performance management was seen as necessary, more so since the abolition of the DRA, all participating organisations thought that managing retirement was about communication and the building of a relationship with employees. Where problems arise, dealing immediately with such problems and maintaining regular follow-up was stressed as key. In many cases, annual appraisals were seen more as a development tool, than a tool for dealing with inadequate performance. All participating companies confirmed a need to embed managing the performance of older workers into existing performance management or job capability policies.

All employers confirmed that training was offered to all staff. During second wave interviews: one employer confirmed that plans to update training procedures were still in the pipeline; while another mentioned that they would like to introduce age awareness training across the organisation, at all levels.

The majority of employers had, prior to its abolition, a default retirement age of 65, but requests to work beyond that age were considered sympathetically. During second wave interviews, two of the four participating employers confirmed changes to their retirement procedures. Two-thirds of employees, in the intervention group, said that they would consider working after reaching State Pension Age, while the majority in the control group expected to work beyond this age; in both cases the desire was to work part-time. None of the employees interviewed felt that the abolition of the DRA would change or affect existing retirement plans.

Senior managers were asked whether changes, or planned changes, to policy and practice, were a direct result of the pilot intervention: in three out of four cases, this was confirmed as being the case.

Almost one-third of managers thought that there were some jobs in their company or organisation, which were not suited to older workers, due to insurance policy requirements or to the physical demands of the job. Among managers and employees, attitudes with regards to the capacity of, and interest in, training and new technologies among older workers generally became more positive in the second wave of interviews. Managers' attitudes in terms of both the motivation and productivity of older workers became slightly more positive. Whether this change is a direct result of the intervention is more difficult to ascertain.

Looking at the preferred age group when recruiting, there were rather limited positive changes: with two managers, out of four, favouring candidates aged 50+ slightly more during second wave interviews. As a whole, during second wave interviews, candidates aged 50+ were less favoured than those aged 25-35 but more favoured than those aged 20 or less.

## **Evaluation**

In terms of whether such confirmed and measurable changes can be directly attributed to the pilot intervention, this is only partly evident: in some cases, there are references to changes put in place as a direct result of participating in the local pilot. However, in other cases, observations are made whilst clearly acknowledging the potential impact of the recent abolition of the default retirement age in the UK.

In terms of the successes of the Edinburgh pilot intervention, feedback on the (generic and tailored) age management brochures was positive: 'interesting', 'well laid out', 'easy to understand' and with a number of 'practical suggestions' and 'useful prompts for future action'. Participants felt that each would benefit from including examples of 'best practice in SMEs' or 'best practice in Scotland'.

In terms of the usefulness of the Age Management Workshop: 100% confirmed relevance in terms of the broader themes (demographic changes, changes in legislation, and good practice in age management) and only slightly less (75%) for the case studies; 100% of respondents agreed that it was of use to their company or organisation; in all but one case the novelty of the information was confirmed; and a number of participants stated that it was both interesting and useful to meet with organisations from other sectors.

Looking more broadly, at the Edinburgh pilot (social experimentation) model, whilst a number of challenges were met (securing employer participation, confirming pilot and evaluation roles), pilot implementation was successful, as a whole, and led to a number of important conclusions and recommendations able to guide and inform similar pilot, or other, actions, in the future.

## **4. Conclusions and Recommendations**

According to participants, demographic trends and the ageing of the population had not yet affected the current workforce. Many employers confirmed the benefits of employing older workers, but at times their enthusiasm, energy and, in some cases, physical capability was questioned.

Good practice examples, in recruitment, retention and retirement, existed in all sectors consulted, although, equally, each confirmed room for future development and improvement. For example, employment advertising (because of its format or as a consequence of the selected routes) could be a barrier to the recruitment of older workers: a wider range of recruitment methods, and age-positive statements could be adopted, although advertising costs would be an influencing factor for SMEs. Also, a general lack of part-time management, or supervisory, positions might limit opportunities to extending working lives (e.g. for older workers wishing to reduce their hours but wanting to apply to, or continue in, such roles).

There were not, in most cases, pre-retirement policies (in place) or workshops (held) for employees. Most companies had operated with a DRA of 65, but requests to carry on working beyond the DRA were sympathetically considered.

Companies acknowledged that performance management for *all* employees will need to be the same (consistent and systematic, including questions about future plans for *all* employees) but thought that managing retirement was about communication and the building of a relationship with staff.

Broader awareness of the Age Regulations and of the abolition of the DRA was, in some cases, not supported by plans or action able to positively respond to these changes, perhaps a result of the legislation being only recently introduced. Reduced career and employment potential for young people and potentially 'undignified' retirement were mentioned as possible negative consequences of the abolition of the DRA.

Support in the development of age management policy and practice had most often been sought from legal bodies (law firms), to ensure legislative and regulatory requirements were met. Existing examples of good practice in age management, from larger organisations such as Asda or B&Q, were difficult to relate to, at times, within participating SMEs (the target for the Edinburgh pilot).

In implementing the Edinburgh pilot, there were also a number of lessons learned: the time required for securing employer participation was more than expected; participating managers were subject to ever-changing priorities which made their participation in the project at times challenging; the level, and benefit, of control group participation was a challenge in working with the employer target group; the embedded nature of local evaluation, in the pilot, required increased partnership working, in Edinburgh, a key consideration for any future pilot and evaluation activity.

Initial concerns about the multi-sectoral nature of the age management workshop were eventually proved unfounded with participants confirming the added-value of exchanging knowledge, experience and practice beyond the boundaries of an individual sector. Many of the participating managers acknowledged the value of participating in age management training, with changes in attitude confirmed as a direct consequence of their participation in the pilot; in some cases, managers confirmed their willingness to participate in similar training, in the future, a clear measure of the success of the pilot intervention in Edinburgh.

## **Recommendations**

- the majority of good practice examples in age management are from large companies, making it difficult, at times, for SMEs to see the relevance or applicability of such examples: good practice examples of age management policies and practices, should therefore be produced with a particular focus on SMEs (Recommendation 1)
- age management issues can vary by sector e.g. some sectors may have a reputation for being youth-orientated, others require a mature outlook in order to better respond to the needs of their client group: good practice examples, as recommended above, should therefore be produced with a particular focus on different sectors (Recommendation 2)
- opportunities to flexible-working (e.g. part-time working) are crucial if older workers are to both remain in, and (re)enter, paid employment beyond a certain age: whilst legislation ensures that those with caring responsibilities can benefit from flexible working opportunities, further consideration should be given to extending that right, making it more beneficial to employers and employees, in order to extend working lives (Recommendation 3)
- the lengthy, and often costly, process of dismissing an employee on grounds of health, has the potential to discourage employers, in particular SMEs, from hiring older workers (with older people often perceived to have poorer health whether this is the case or not): a review of the legal process, so that it protects employees, and supports employers, would be beneficial (Recommendation 4)



- a number of good practice guides, relevant to age management, already exist: avenues should be explored, in the future, to ensure such guides and examples of good practice are more readily accessible and available to employers (Recommendation 5).
- significant potential exists for the conclusions and lessons learned from the Edinburgh pilot to be more widely disseminated to employers and employment-related stakeholders: members of the core management group should make use of existing stakeholder networks and publicity channels to promote the outcomes and conclusions of the local pilot (Recommendation 6)
- age-positive awareness campaigns within wider society, and specific campaigns targeted at Scottish employers, should be considered, with a view to tackling the prejudices and misconceptions that exist around older workers, changing the perspective on later-life employment that has clearly become obsolete (Recommendation 7)
- particularly for actions involving employers, greater lead-in time is required to ensure participation of the required number of employers, and the subsequent, random attribution of employers to both intervention and control groups (Recommendation 8)
- considering the nature of small and medium-sized companies and organisations, the restricted resources available, and the often-changing priorities that managers face, there is clear added-value to recruiting a number of “reserve” employers, reducing the significance of employer withdrawal (Recommendation 9)
- the benefits of participation for control group participants should be fully considered alongside the depth and timing of control group consultation; this with a view to enabling the widest possible data comparison whilst avoiding any contamination across the control and intervention groups (Recommendation 10)
- where time and access are a concern (as was the case in the Edinburgh pilot), the value, range and depth of evaluation intervention should be agreed from the outset, possibly considering a range of different evaluation actors and actions e.g. outcome evaluation; process evaluation (Recommendation 11)
- the timing of any future pilot should be considered alongside planned changes to policy or legislation, in particular those having a direct effect on the social experimentation target group (Recommendation 12)



## EUROPEAN COMMISSION

DG Employment, Social Affairs and Equal Opportunities

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