

Workplaces & Older Employees
Extending Working Life,
Pensions & Retirement
Planning

**Orientations, Decision Making &
Challenges**

UNDERPINNING & ORIENTATIONS TO EXTENDING WORKING LIFE

- ◆ Challenge to perceptions of fairness & equity
- ◆ Resentment of *'no choice'*
 - ◆ Choice over configuration of work may offset this – to some degree
- ◆ Many aspire to reduced hours in later working life
- ◆ ~50% of the over 50s express an interest in working beyond their current pension age
- ◆ Shift in work / life balance preferences with age – but significant interest in remaining in paid employment

VARIABLES IMPACTING ON DECISIONS OVER WHEN & HOW TO RETIRE - 2

- ◆ Decisions over when & how to retire are unfamiliar
- ◆ Vague knowledge of 50+ working options & their implications
- ◆ Phased retirement unfamiliar to most
- ◆ People are not options seekers - but react to choices offered
- ◆ Need for a managed employer-led approach

Down-shifting

- ◆ Demand - beyond reduced hours is low
- ◆ Most want to stay in same job at same grade
- ◆ Worry over requesting down-shifts
- ◆ Belief that part-time & flexible options are limited

PENSION CHOICES

- ◆ Rise in SPA & move from DB to DC increases uncertainty – *feeds inertia rather than action*
- ◆ Few actively seek out information or engage with the detail of options
- ◆ Inherent complexity

People are prone to make poor choices

Lump sum biases

Live for today

Pay-off the mortgage

Pay-off debts

Status quo bias

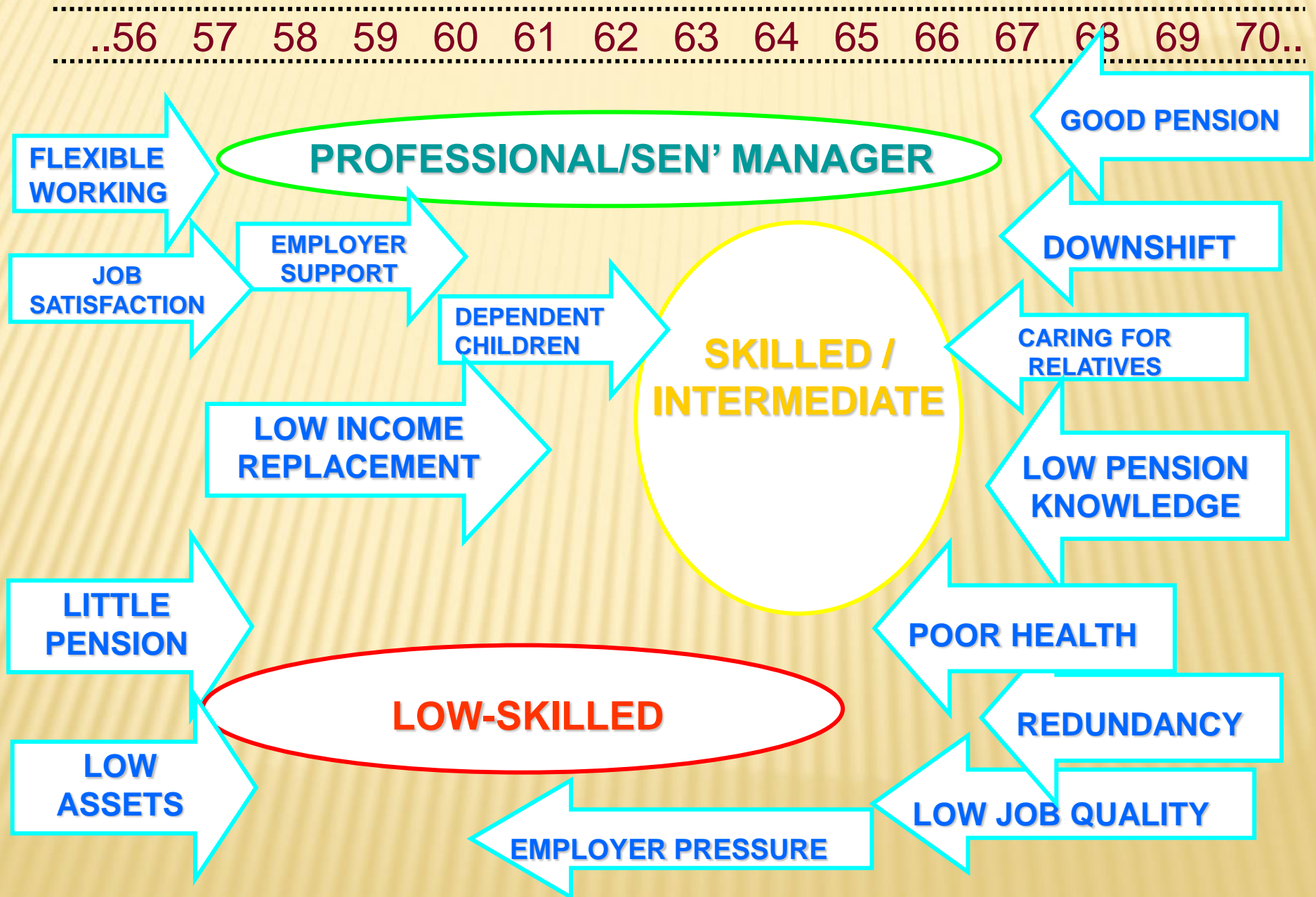
Default options

Unrealistic optimism

I've got a government pension so I'll be OK

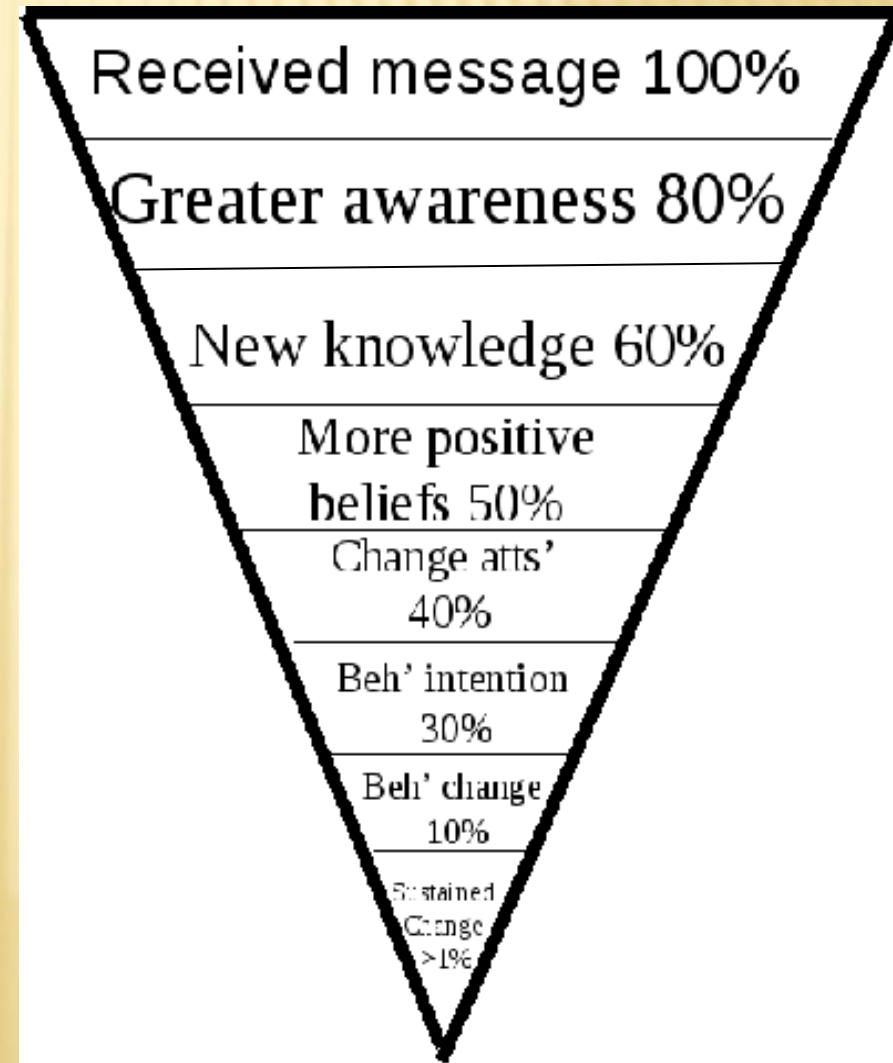
I own my own home – equity release

INFLUENCES ON RETIREMENT BY SES



CONCLUSIONS

- ◆ **Need for a formalised managed employer-led approach to later working life options & choices - e.g. as a component of annual review process from age 50**
- ◆ **Communication**
 - ◆ **Pensions - limited value in education initiatives**
 - ◆ **Take account of extant mental models**
 - ◆ **Pilot test employee sense-making**
- ◆ **Configuration of pension options**
 - ◆ **Work with known decision biases**
 - ◆ **Consider the use of default options**
 - ◆ **Pilot test impact of options on choices**



WHAT SUPPORT DO OLDER WORKERS NEED TO STAY IN WORK

Key focus - maintaining the fit between the individual and the job

- ◆ **Design of Work** - changes that benefit older staff can reduce risks to younger staff e.g. manual handling systems
- ◆ **Job role** - *build on the strengths* e.g. migrate older staff to *mentoring & coaching roles*
- ◆ **Hours and patterns of work** e.g. increase opportunities for part-time work; reduce exposure to shift work & long hours
- ◆ **Managed approach to occ' health & rehabilitation** – see Black 2011
- ◆ **Lifestyle health – workplace interventions** - unlikely to have a large impact on retention

IMPLICATIONS FOR PHYSICAL, PSYCHOLOGICAL & EMOTIONAL HEALTH, WELL-BEING AND PERFORMANCE?

- ▶ **Evidence of job performance shows no significant cognitive or physical capacity decline under 70yrs**
 - Work rarely tests the limits of physical or cognitive capacity.
 - Skill and experience effects offset decline for most
 - Older employees benefit from longer recovery periods following high levels of physical exertion
- ▶ **Sickness absence**
 - Higher rates of days-lost than younger workers
 - Comparable number of absences – but of longer duration
- ▶ **Higher rates of headline ill-health conditions**
 - musculoskeletal disorders
 - cardiovascular problems
 - type 2 diabetes

IMPLICATIONS OF MULTI-GENERATIONAL WORKING?

- ◆ **More inter-generational similarity than difference**
- ◆ **Evidence of generational differences in approaches to work - *which may be a source of tension if not effectively managed***
 - ◆ **Younger generations tend to put more stress on work-life balance & the pursuit of individual career goals**
 - ◆ **Older generations tend to have more organisational loyalty & prefer a more collegial style of working**
- ◆ **There can be tension over promotion opportunities**
 - ◆ **Older people can feel they are being written off**
 - ◆ **Younger people can see older colleagues as blocking opportunities**

WHAT CONSTITUTES EMPLOYER GOOD PRACTICE FOR MANAGING AN AGEING WORKFORCE?

Principal domains

Recruitment & retention

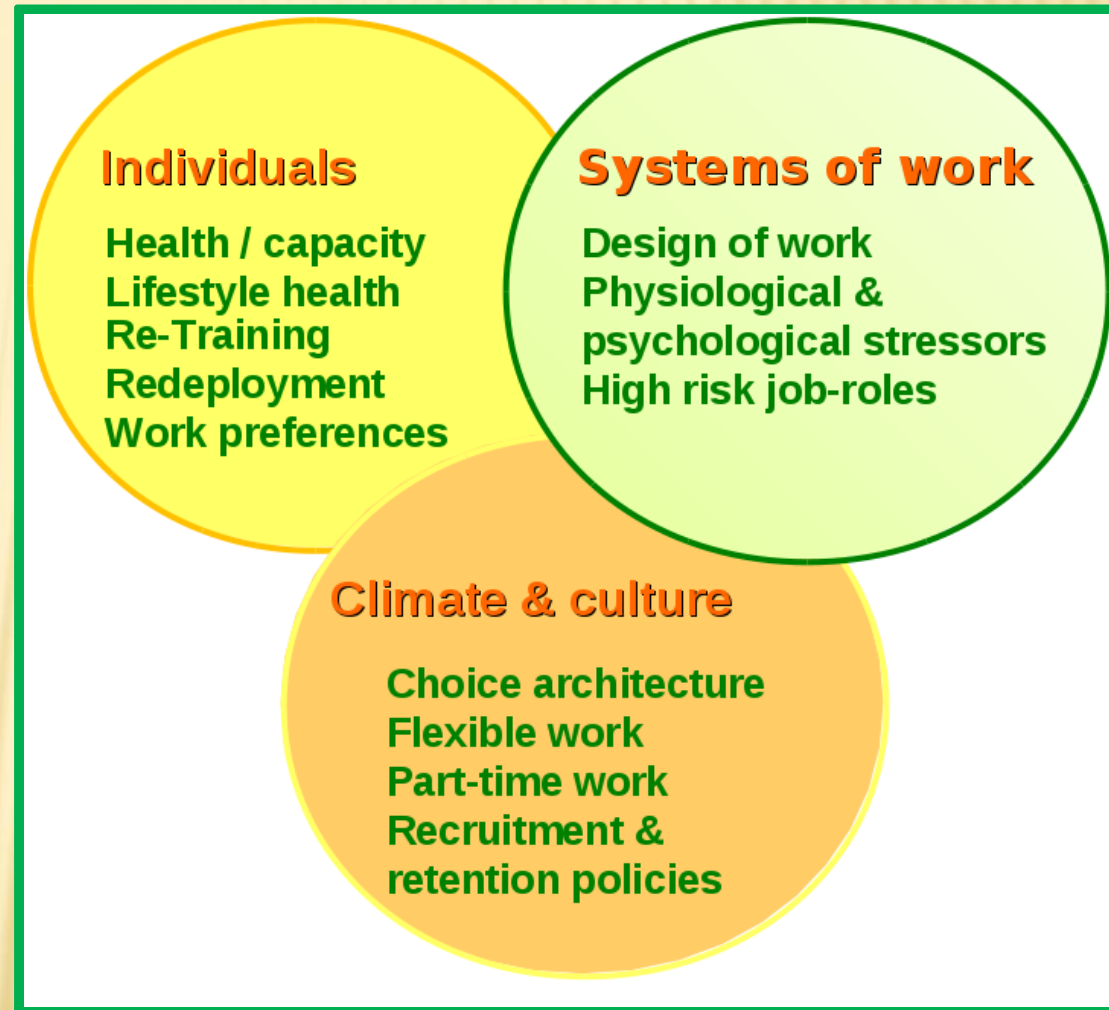
Occupational health

Education, training & personal development

Flexible working

Ergonomics & design of systems of work

Challenging ageism & prejudice



Good Practice

FLEXIBLE WORKING ARRANGEMENTS

Hours of work

Flexitime

Reduced / part-time hrs

Annualised hours

Compressed hours

Shorter shifts / longer rest periods
between shift changes

Phased retirement

Unpaid leave

Career breaks /sabbaticals

Seasonal work

Planned absence

Configuration of work

Job-sharing

Migrate to less
demanding roles

Mentoring / less
experienced staff

Mixed-age teams

Job-rotation

Home working

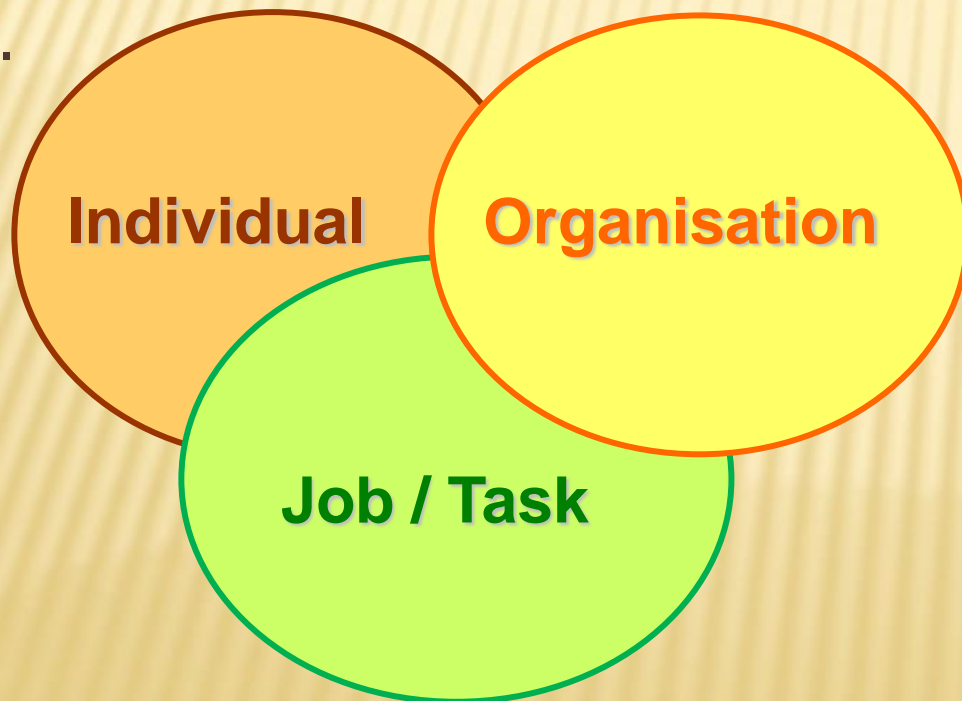
Involve employees in devising options
(all ages)

Survey employee views on options
(explore demographic differences)

Good Practice

ERGONOMICS & HUMAN FACTORS

- ▶ **Micro ergonomics** - e.g. alterations to work-station design; bespoke solutions for individuals
- ▶ **Macro ergonomics** - more fundamental design of systems of work, & associated technologies



Job design

Promote employee control & autonomy over work

Reduce physical loads

Set appropriate work rate standards, production targets & workloads

Equipment Design

Dexterity & ease of use

Inclusive design

Rehabilitative adaptations

Physical Environment

Lighting, noise & thermal environment

Good Practice

Occupational health

- ❑ Managed approach to treatment/rehabilitation to work e.g. case managers
- ❑ Regular health monitoring e.g. for 40+
- ❑ Limit exposure to heavy & high stress work.
- ❑ Regular individual workability assessment avoid limiting to health elements
- ❑ Sustainable lifestyle health promotion

Finnish *Workability* perspective - a useful starting point

- ◆ Should extend beyond individual capacity to work
- ◆ To address
 - ◆ *systems of work*
 - ◆ *configuration of work*
 - ◆ *management practices*
 - ◆ *underpinning climate*

Good Practice

SHIFT WORK

Workers ages 45-50+

- ◆ **Extend recovery periods**
notably following shift change-over
- ◆ **Minimise exposure to long shifts**
e.g. 12hrs; night work
- ◆ **Minimise exposure to rotating shifts**
Shift patterns follow recognized good practice
- ◆ **Take account of non-work commitments**
e.g. caring responsibilities

Good Practice

TRAINING & DEVELOPMENT

- ◆ **Equalise opportunities by age
- life-long learning**
- ◆ **Managed bespoke,
individualised approach to
increase participation rates**
- ◆ **Migrate older workers to
mentoring roles**
- ◆ **Opportunities for promotion
(including part-time staff)**
- ◆ **Career change re-training
options**
- ◆ **Refresher courses for
returnees**
- ◆ **Train managers in
managing older worker
issues (particularly line-
managers & supervisors)**

Good Practice

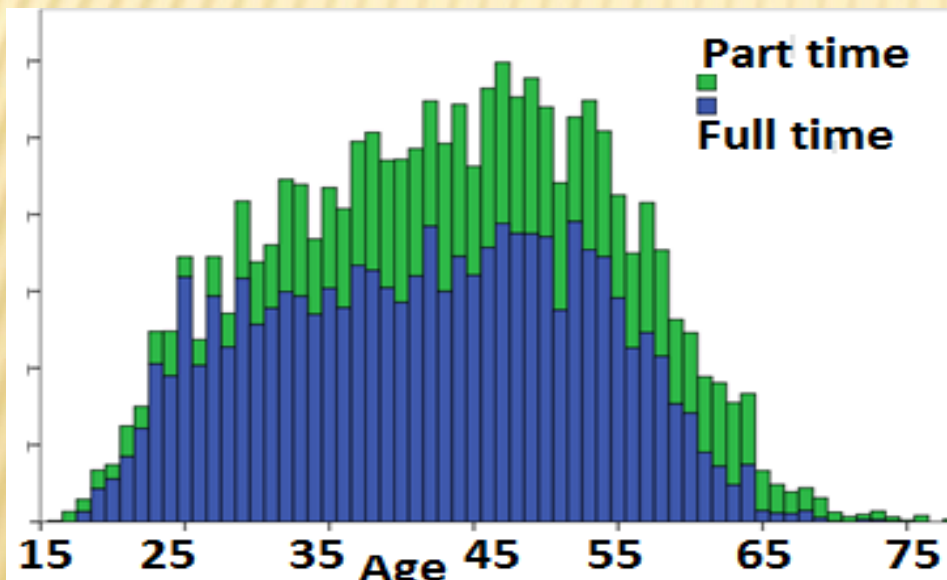
RECRUITMENT & RETENTION

- ◆ Formal individualised (whole) career planning – link to staff review procedures
- ◆ Collate reasons for quitting - exit interview data – by job role / function
- ◆ Embed EWL in broader equal opportunities / diversity policies
- ◆ Remove age barriers in recruitment procedures
- ◆ Consider contextual (psychosocial & socio-technical) elements – i.e. not just (individual) capacity to work
- ◆ Remove redundancy options that target older workers
- ◆ Well-defined options for horizontal moves & voluntary down-shifting – by profession / job role

NHS DEMOGRAPHICS

◆ NHS demographics

- ◆ High % 50+yrs seek alternative employment
- ◆ % under 30 yrs halved since 1993
- ◆ Mean age 44yrs
- ◆ Labour shortage post 2020



Past, current and predicted age profile of NHS employees

Occupation	Mean age 1993	Mean age 2011	Mean age 2023
Hospital and health service managers	41.2	47.4	51.1
Medical practitioners	38.4	41.7	43.8
Nurses and midwives	36.7	43.7	48.3
Health professionals (other)	37.8	41.9	44.5
Paramedics	-	43.4	50.5
Associate prof. & admin	39.2	45.5	49.7
Nursing auxiliary	40.7	44.3	47.2
Ambulance staff	38.5	48.6	55.3
Manual, personal service and elementary	40.4	45.8	49.8
All	38.8	44.0	47.8

Destinations of NHS employees over 50 exiting NHS employment

Destination	Male	Female	All
Unemployment/education/training	4.3%	3.9%	4.0
Retired	25.7%	47.6%	41.0
Sick or injured	6.3%	1.7%	3.1
Family/home care	4.5%	2.9%	3.4
Not working other	7.3%	4.4%	5.3
Employment	51.9%	39.2%	43.2
All	100.0%	100.0%	100

EVIDENCE GAPS

Decision architecture

- ◆ Nature & impact of contemporary employer practices on retention / early exit
- ◆ Rates of opt-out of auto - enrolment pension (particularly younger employees)
- ◆ Configuration of pension choices on draw-own & retirement decisions
- ◆ Impact or rise in SPA & move to DC pensions on pension investment behaviour

Good practice

Employer perspectives & practices

- ❖ Linkages to established Diversity and Health & Safety Risk Management agendas
- ❖ Limited robust evidence of impacts on EWL

Dedicated EWL social survey data

- ◆ Employees
- ◆ Employers

QUESTIONS