



The Age Time Bomb - are you ready?

(And when will you be sued for age discrimination?)

Nearly half the workforce will be aged over 50 by 2030*. By this date, the world's 20 leading economies will have a skills shortage of 100million people**. The cost to businesses will be \$100,000 for every unfilled vacancy.

We are sitting on an age time bomb. Visionary corporates are ahead of the game. Schneider which employs 150,000 people globally has been rethinking how they engage with, retain, reskill and use the talent of their 50+ workforce since 2021. What are you doing?

Score your organisation. Find out if you will be one of the leaders by using the 50+ generation talent.

In this paper we share the issues that every leadership team needs to be addressing at board level and show how you can learn from the leaders in this space. Many employers openly admit they aren't doing enough for older generations – isn't this age discrimination?

Recruiting

The Chartered Management Institute says the majority of employers shy away from hiring over 50s. Three quarters (74%) are open to hiring younger workers between the ages of 18 and 34 to a large extent. But that number drops to just four out of 10 (42%) of managers who signalled they would be open to hiring people aged between 50 and 64 to a large extent.

What percentage of your managers would be happy to hire people aged over 50?

<input type="checkbox"/>	A	Very few
<input type="checkbox"/>	B	We have a few managers who are open minded
<input type="checkbox"/>	C	We are age agnostic. We recruit the best people and many of those are over 50
<input type="checkbox"/>	D	We have put a lot of work into this – we actively recruit older employees

*Legal & General Retail Retirement (LGRR) and the Centre for Economics and Business Research (Cebr):

** 4 Quarter Lives – Avivah Wittenberg-Cox interview with Michael Fossat, Schneider: October 2023

Training

Employers freely admit they invest heavily in employees when they join a company and start out in their careers. And then almost nothing – other than basic regulatory requirements – after the age of 40. Sometimes even younger.

No wonder older employees struggle with ‘tech – ’no-one has expected anything of them or given them training. Covid showed that even 80- and 90-year olds can get into new technologies when there is a pressing need – such as getting food and staying in touch with relatives. Expect more and support more.

A	We don't do a lot of training – and the focus is on younger generations
B	We focus our training on key career stages – which tends to be younger employees
C	We are great at training but we don't have formal processes to ensure every employee is getting training
D	Every employee, no matter their age, is expected to plan training and development with their line manager



Employee engagement

When we talk to employers it is clear they worry about people in their 50s and 60s who haven't progressed in their careers for some years and are overlooked for promotions. Many talk of them 'hanging on' for redundancy packages.

This means there is a swathe of employees who don't feel valued, invested in or are contributing to the business in the way they should. Younger colleagues then write off this generation as being expensive and unproductive.

Few employers measure engagement by age and this layer of demotivated employees is easily missed.

A	We don't measure employee engagement at all
B	We have an annual employee survey and it measures employee engagement but not by age
C	We measure employee engagement by age and know this is a problem. We are working on solutions
D	We offer development and promotion opportunities to all employees, and we measure engagement by age as well as other factors. All our employees are highly engaged across the business

Retaining talent

Despite the skills shortage, most employers let their employees retire without having discussions about continuing to work, working part-time, working differently or on projects. Yet this is an extraordinary pool of talent that knows your business inside out. You might be surprised how many retirees would like to use their skills when they leave but really struggle to find ways to do this. Many are keen to keep earning money, particularly with the cost of living crisis.

These are difficult conversations to have without hitting age discrimination. Our Rethink Retirement platform helps employees to think about their futures, what they

want – and suggests they have conversations with their employer if they would like to continue working, but maybe part-time or flexibly.

A	We have not thought about asking employees to stay beyond retirement
B	We would like to have discussions with employees but they are too difficult to have without hitting age discrimination
C	We have introduced flexible working for all employees and starting to see a change in culture – some employees are now working part-time instead of retiring
D	We are vocal in saying how we value the 50+ generation and their skills and it is now normal for people of retirement age to work with us in different ways

Intergenerational working

It is very normal for employers to have five generations working alongside each other – soon this will be seven generations. Typically you can have these at the moment

- The Silent or Traditionalist Generation (born 1928-1945)
- Baby Boomers (born 1946-1964)
- Generation X (born 1965-1980)
- Millennials (born 1981-1996)
- Generation Z (born 1997-2012)

According to the OECD, “A firm that has a 10% higher share of workers aged 50 and over than the average is 1.1% more productive. These benefits accrue from older workers being more productive than other workers on average as well as productivity-enhancing complementarities between employees of different age eg through teams where younger and older employees work together and spillover of knowledge and experience. Building a multigenerational workforce also yields a stronger pipeline of talent, increases resilience and improves workforce continuity, stability and the retention of know-how.”

But employers need to work hard to ensure these generations work together and respect the benefits each brings to the other.

A	We believe young is best. You are at your peak at 40 – or younger
B	We encourage employees aged over 50 to leave
C	We have a great mix of ages working together
D	Age diversity really matters to us, we work hard at getting generations to respect each other

Benefits

One Chief People Officer admitted their benefits were skewed to young people. “We do a lot around children,” she says. “Examples are paid maternity and paternity leave; help with costs of childcare and fertility treatment and even paying for a woman’s eggs to be frozen. In contrast, the only benefits specifically for older employees are menopause and impotency support.”

Many employers have caring policies and employees can work flexibly or get additional time off to look after close relatives. The expectation is that this support will be used to care for children, but often can be used to care for elderly parents or relatives with disabilities. However, the breadth of these policies is rarely understood – by employees or their line managers.

Forward-looking employers are now introducing support to help employees plan for the next stage of their lives, typically retirement. See the Next-Up Rethink Retirement Platform

A	We have never looked at our benefits and their relevance by age
B	Most of our benefits are skewed to younger employees – we have little specifically for 50+ generations
C	We have menopause and impotency support and are looking into other benefits for the experienced generation
D	We have had a group looking at benefits for older employees and are looking at pre-retirement support

Diversity and inclusion

The [Chartered Institute of Personnel and Development's Inclusion at Work 2022 report](#) found that just under half (47%) of employers don't have an inclusion and diversity strategy or action plan in place.

And even where employers have Diversity and Inclusion strategies, many have failed to include age as one of the pillars, or have added it in but are not sure what to do with it!

When you include age, employers realise

- The recruitment process is often discriminatory from the images to language used, including phrases such as 'digital native', 'energetic' or 'recent graduate'
- They have never looked at employee engagement by age – and the experienced generation are badly disillusioned
- Training is almost non-existent after the age of 40
- But – the experienced generation is every bit as ambitious and wanting opportunities as much their younger peers

A

We don't have a diversity and inclusion strategy

B

We have a diversity and inclusion strategy but not included age as a pillar

C

We have a diversity and inclusion strategy with age as a pillar. We are still working out what our experienced generations really need

D

We are really inclusive and age is one of our diversity pillars. We benchmark and address all diversity factors, including by age

Alumni and ambassadors

Increasingly your retirees are wanting to use their skills and experience more than they are. If you help them as they retire so they achieve the retirement they want, you will find they are great ambassadors for your organisation – continuing to help businesses and their community and could even deliver many of your organisation's corporate social responsibility targets. They could also help fill many of your skills gaps, open doors, mentor younger colleagues and be a sounding board for initiatives – rather than reinventing the wheel.

A	Our people are lucky if they get a card and leaving do when they retire
B	We give our people a great send-off to retirement but then leave them in peace
C	We help employees to plan for retirement and give them introductions to get them helping their communities
D	We are working with our former employees on all sorts of community projects – they are a great asset to our organisation

What's your score?

Count up how many you have of As, Bs, Cs and Ds. What have you got most of?

Mostly As	Mostly Bs	Mostly Cs	Mostly Ds
Your people are probably not your greatest asset? Are you struggling to fill vacancies? And get the most from your teams? Now is the time to look at the opportunities of an age diverse workforce. And you might want to check your risk register – will your employees sue you for age discrimination?	You are not alone. You are probably an average employer. But now is the time to address future skills needs. The opportunities are huge. But also the risks – of legal action on age discrimination in the short term and even bigger skills shortages in the future	You recognise the benefits of multi-generation working and the value of an experienced generation. You might want to look at any As and Bs to get more for the future	Well done! We'd love to hear how you have created your age diverse workforce – will you share your story with us and others?
<p>Pretty balanced</p> <p>You are getting there. You are clearly thinking about future proofing your workforce but you need to work on those As and Bs</p>			



Next-Up Rethink Retirement online platform

Rethink Retirement is an online self-learning platform with ten modules, 200+ video stories and light touch homework after each (such as talking to someone who retired and discussions with family) and creating a plan as they go. A benefit designed specifically for the 50+ generation.

Benefits for employers

- ✓ Addresses increasing challenge of potential age discrimination - corporates invest in early training and careers but not later on
- ✓ Can help skills shortage - encouraging part-time/project options rather than full retirement - difficult to discuss without age discrimination
- ✓ Provides opportunity to re-engage employees in later years, ensure good leavers with strong succession plans and empower them as good ambassadors
- ✓ Engaging in ESG initiatives - highlights skills of experienced employees in building relationships and mentoring – and shows how these can be useful for ESG initiatives such as NetZero, #MeToo and sustainability
- ✓ Should be part of the toolkit for any "Best company to work for"