

# Managing an ageing workforce in hospitality

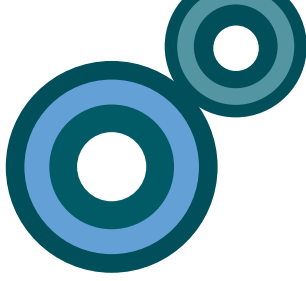
A report for employers

By Stephen McNair and Matt Flynn

Produced for the Department  
for Work and Pensions  
By the Centre for Research  
into the Older Workforce

age**partnership**group  
Targeting Employers®





## Age Partnership Group (APG)

This research is one of a number of projects commissioned by the DWP on behalf of the APG as part of the National Guidance Campaign (NGC).

The APG was formed in 2002 and consists of a number of national organisations who represent different aspects of employers needs, for example, small business representatives, trade unions, HR and Personnel managers, local government, other government departments, accountancy, insurance and training organisations. There are separate groups representing England, Scotland and Wales.

The NGC aims to raise employers' awareness of, and ability to adopt, practical information and guidance on age diverse employment practices. This includes flexible employment and retirement opportunities in order to increase the recruitment, selection, promotion, training and retention of older employees prior to the implementation of age legislation in October 2006.

You can view the Age Partnership Group website at [www.agepositive.gov.uk/agepartnershipgroup](http://www.agepositive.gov.uk/agepartnershipgroup)

## Legislation

In March 2006, the Employment Equality (Age) Regulations 2006 were published. The regulations are the last major stage of the European Employment Directive and will come into effect on the 1st October 2006.

The regulations prohibit age discrimination in employment and vocational training. They apply to individuals of all ages in work, seeking work or looking to access vocational training and to all employers, and to all providers of vocational training and vocational guidance (including further and higher educational institutions).

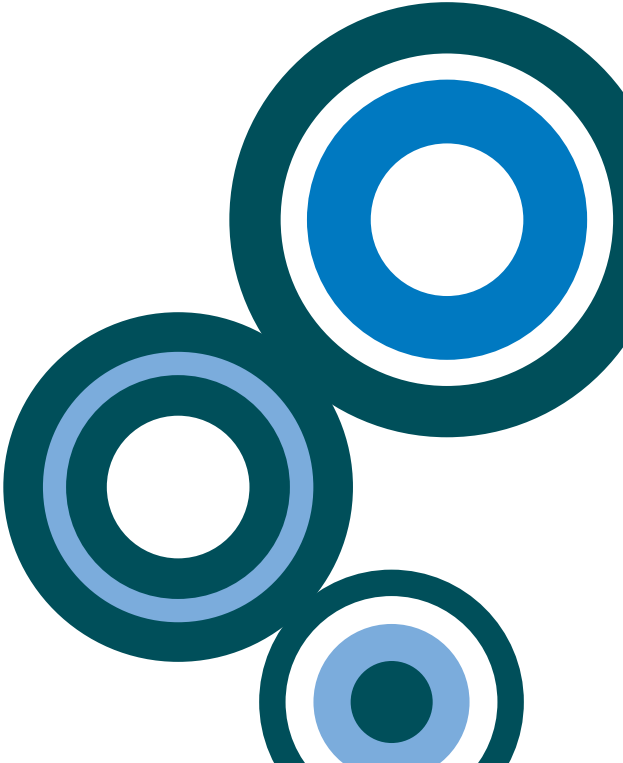
The regulations can be viewed on the Department of Trade and Industry website at [www.dti.gov.uk/employment/discrimination/age-discrimination/index.html](http://www.dti.gov.uk/employment/discrimination/age-discrimination/index.html)

## Disclaimer

This report has been commissioned to provide information only. Responsibility for the views expressed in this report rests solely with the authors. The members of the Age Partnership Group (APG) and the Department for Work and Pensions (DWP) do not accept responsibility for the views of the authors.

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# Introduction

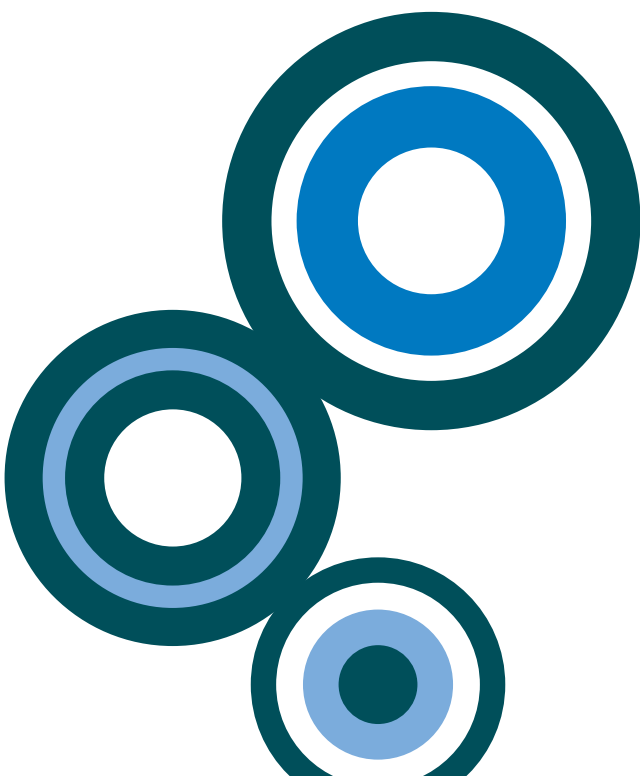
This report is about how firms in the hospitality sector are managing an ageing workforce. It has been written for the Department for Work and Pensions (DWP) by the Centre for Research into the Older Workforce (CROW) to help employers to make better use of older workers. It also helps to raise awareness of the new Employment Equality (Age) Regulations 2006 which become law in October 2006, and prohibit age discrimination in work or training against people of any age.

Workforce ageing presents a growing challenge to most employers. Birthrates have been falling for many years, and in the next few years the numbers retiring will outnumber young people entering the labour market. The government believes that the resulting skills gaps and labour shortages in many industries can be reduced if employers can find ways of making better use of older workers, and encourage people to stay in work longer.

However, every industry has its particular features, and this report outlines the special issues affecting the hospitality sector, based on a large national survey of employers. It highlights employment practices in the sector which will be hazardous under the Age Regulations, and aims to stimulate discussion and improved practice in firms.

This report is not intended to be an authoritative statement on the age discrimination law itself. Details of how to obtain the Regulations, and advice about them, can be found at the end of the report. However, while the Regulations make some activities unlawful, it is for the Courts and Employment Tribunals to interpret this in specific cases. The term “hazardous” is therefore used in this paper to describe activities which might be ruled unlawful if a case is brought. We suggest that employers need to review their practice in these areas.

During 2006, CROW will explore these issues in more depth through case studies of firms in seven sectors, and DWP plans to publish the resulting Research Report in 2007.



# 1. Summary: key age issues for hospitality firms

Hospitality has a very young workforce, with high labour demand and turnover and increasing skills problems. This makes the sector particularly vulnerable to the effects of falling birthrates. With fewer young people entering the workforce over the next decade, many employers will need to review strategies for recruitment and retention.

Employers in hospitality are generally less sympathetic than others to extending working life, with low degrees of flexibility over retirement dates, and low proportions allowing people to stay past normal retirement age, although they are more willing to consider reducing hours.

Although explicit discriminatory practices are rare, firms in the sector are less likely than others to have protective systems in place (like equal opportunities policies, formal appraisal and assessment for promotion, and "age blind" recruitment systems) which could ensure that unfair discrimination is not happening.

## Common hazardous practices in Hospitality Sector

Common practices in this sector which may need review if employers are to avoid breaking the Age Regulations include:

- **using length of experience as a selection criterion in recruitment** This affects two thirds of all employers. Length of experience is a substitute for assessing competence, and is hazardous, since it disadvantages younger workers. However, employers in this sector are less likely than others to use age directly as a criterion in recruiting staff, and are more likely to pay all staff at the same rates, which reduces the chances of hazardous or unlawful practices.

- **providing age information on candidates to shortlisting and interviewing staff.** There are legitimate reasons why employers would request dates of birth from job applicants (for example, to monitor equal opportunities), but passing this information to staff who are responsible for selection increases the risk of age discrimination in recruitment.

- **use of "last in first out" as the basis for redundancy decisions.** This is hazardous, since it is likely that the last in will be younger than the rest of the workforce.

## Unlawful practices in Hospitality firms

The following practices are less common, but unlawful, and firms who use them will need to make changes if they are to remain within the law.

- 21% of firms use age to fix starting salary.
- 10% of firms use age as a recruitment criterion.
- 8% of firms specify age in job advertisements.

## 2. The shape of the hospitality sector

The nature of the age management issues facing a sector depends on factors like the average size of firms, the age and skills profile of the workforce, and future expectations of growth or contraction. This section outlines this context for the hospitality sector.

Hospitality (the sector defined statistically as “hotels and restaurants”)<sup>1</sup> employs 1.2 million people (4% of the national workforce), and produces 4% of total output. In addition to hotels and restaurants, its 130,000 firms include camping sites, self catering accommodation, take away food shops, bars, pubs and clubs, canteens and catering. Half the workforce work in “elementary” roles. The sector is supported by a single Sector Skills Council, *People 1<sup>st</sup>*.

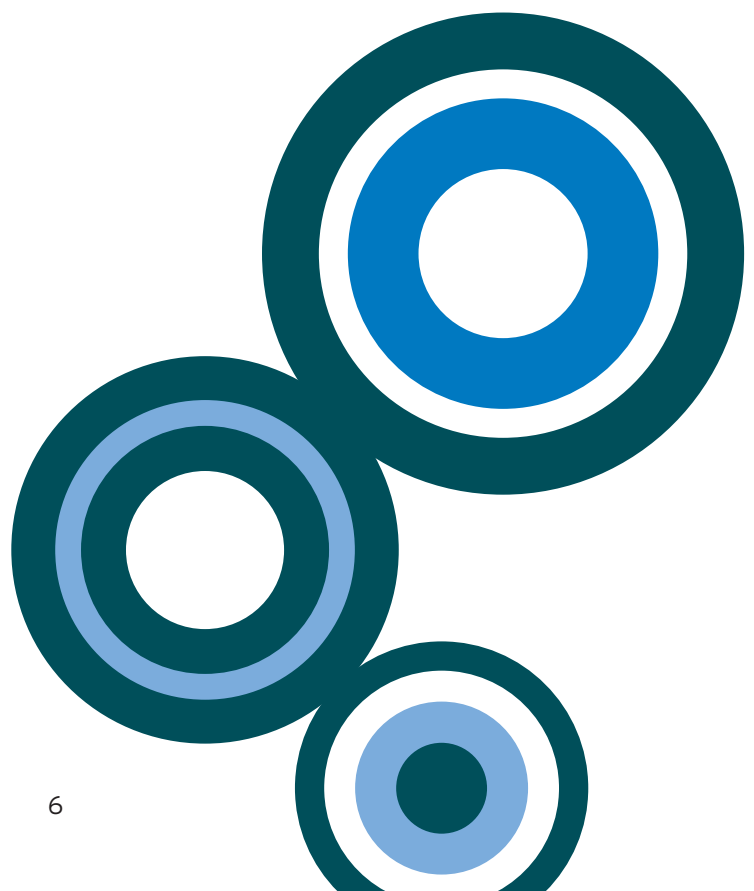
Output in hospitality is growing in line with the rest of the economy, and the number of firms is also growing, although the turnover in firms is very high with 15% of all firms less than a year old. Employment in the sector is expected to expand, mainly among managers and elementary occupations. Because of high labour turnover the sector expects to need an additional 850,000 people by 2014 (equivalent to 70% of the current workforce).

This is a sector of smaller firms, with a very high proportion employing 11-49 people, and a very young workforce. About half of all firms have some form of business planning.

Hospitality has a higher proportion of young employees than any other sector, and is much less likely to employ people over 55. Employees are also much more likely to be part time, female, and from ethnic minority groups and also two thirds have qualifications below Level 3. In occupational terms, the workforce is sharply divided between half who are in elementary occupations and a fifth in managerial roles.

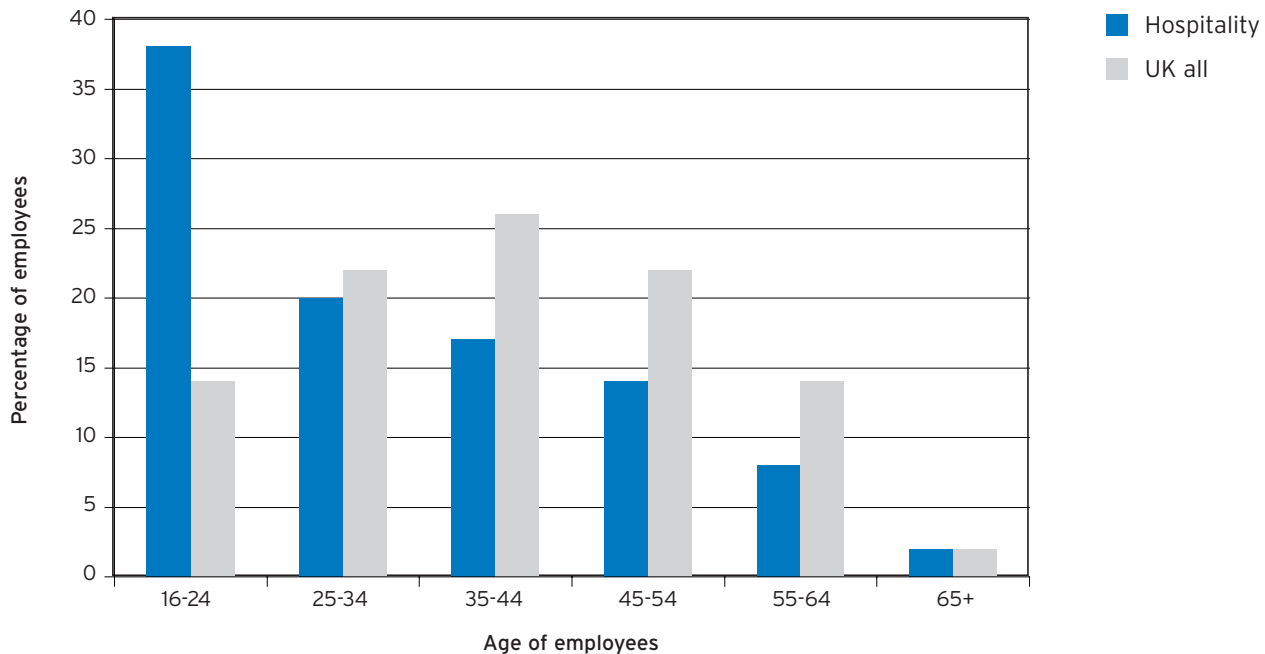
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<sup>1</sup> This report includes firms in the Standard Industrial Classification (SIC) code 55





**Figure 1 Hospitality workforce age profile**



The hospitality sector has much more serious problems of labour supply than the economy as a whole, perhaps as a result of the youth and high turnover of the workforce. Key indicators of this are high levels of:

- vacant posts,
- hard to fill vacancies,
- skill shortage vacancies,
- internal skills gaps (where current employees lack necessary skills for the job) affecting a large proportion of the current workforce.

These problems affect all occupational groups, but are especially severe among elementary occupations, where all skills problem levels are more than three times the national average.

This suggests a sector with real recruitment difficulties, and/or uncompetitive levels of reward in a tight labour market.

Despite the evidence of skills problems, levels of training are below average on most indicators, although the proportion of staff who receive some training in a year is higher than average (probably reflecting statutory requirements combined with high turnover). Firms in this sector are as likely to plan for training as firms generally but are less likely to have a training budget, and over a third have no formal skills planning of any kind. People 1<sup>st</sup> identifies customer, managerial and supervisory skills as particular problems.

# 3. Age discrimination in employment

Age discrimination at work is common. It can affect people of any age, but is particularly likely to involve older people, and more than one in five workers over the age of 50 say that they have experienced it either when applying for jobs or in the workplace<sup>2</sup>. In countries where age discrimination law is already in force, it is the commonest cause of discrimination cases in the courts.

From October 2006, it will be unlawful for any employer in the United Kingdom to discriminate against or harass anyone on grounds of age, directly or indirectly, in relation to either employment or vocational training. This will cover arrangements for recruitment and promotion, pay and conditions, education and training, and retirement and redundancy.

There are exceptions: in relation to retirement, where it will be lawful to make an employee retire at a given age, provided this is not below 65 (for men and women); and where an existing statutory provision exists (like the Minimum Wage Regulations). An employer may also be able to justify discrimination if it is designed to correct an age imbalance in his workforce; if there is a legitimate business reason (and the discrimination is proportionate); or if there is an objective justification (likely to be very rare). The Regulations, and advice on their interpretation, can be found on the DTI and ACAS websites<sup>3</sup>.

Some features of age discrimination are common to most employers<sup>4</sup>.

- Indirect discrimination is more common than direct discrimination. DWP and DTI's joint survey, conducted by the National Institute of Economic and Social Research (NIESR), found few examples of direct discrimination, but one in five employers believe that some jobs are better done by people of particular ages. Where such beliefs exist, discrimination is more likely.
- Discriminatory attitudes are more likely to be found in private sector firms, and especially small ones,<sup>5</sup> in sectors like manufacturing and construction. These are also the firms and sectors where there are least likely to be formal procedures and policies to protect against unfair discrimination.
- The most common hazardous practices involve setting age limits on recruitment, especially for those over 50, and using age as a basis for decisions on compulsory retirement and redundancy.
- About half the workforce is covered by a compulsory contractual retirement age. In most cases this is already 65, which is the new "national default retirement age". However, even where firms plan to retire staff at 65, they will have to give formal notice of retirement dates and seriously consider requests to stay longer.

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<sup>2</sup> Discrimination is difficult to measure precisely, since it is subjective, and affected by levels of public awareness of age issues, and many people regard it as "normal". In a CROW postal survey of workers over 50 in 2004, 20% reported age discrimination. In research by the University of Kent for Age Concern England 29% of people reported experiencing age discrimination (compared to 24% for gender).

<sup>3</sup> See "Further Information" at the end of this report.

<sup>4</sup> Information based on DWP and DTI's joint national survey of employers' policies practices and preferences, conducted by NIESR (see "Further Information") though because this is new secondary analysis not all figures are directly comparable with the DWP/DTI report. Also, where respondents were asked to describe certain policies and practices this was in respect of their largest occupational group.

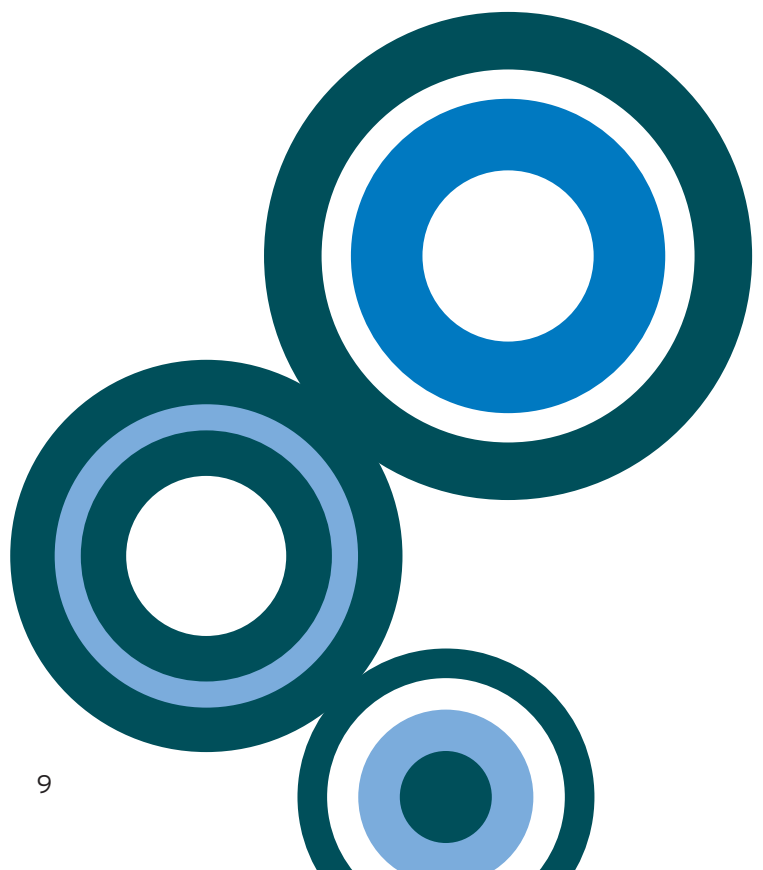
<sup>5</sup> In this report "smaller" firms have 5-49 employees, and larger ones have 50 or more employees (the survey excluded firms employing fewer than 5 employees).

- Public sector and large private sector organisations, are more likely to have formal procedures (like appraisal schemes or equal opportunities policies) to protect against discrimination, especially where a Trades Union is recognised. However, these organisations are also more likely to have long standing formal agreements which include provisions which are hazardous under the Age Regulations, including contractual retirement ages below the new national default retirement age of 65.
- Two occupational groups are particularly at risk from discriminatory practices. These are professional and associate professional/ technician staff, both of whom are particularly likely to be exposed to discrimination in setting pay, long incremental pay scales, and access to training.

The tables in this paper identify hazardous practices identified in DWP/DTI's employer survey, indicating those which are most common among employers in hospitality, and among employers in general.

Some of the provisions in the Regulations allow an employer to claim an "objective justification" for a practice which would otherwise be unlawful. Such justifications require the employer to be able to show that his or her action is a proportionate means of achieving a legitimate aim. It will be for Employment Tribunals and the County Courts to rule on what is justifiable under these provisions.

The Regulations also allow some practices, like incremental scales, where pay or terms of employment improve with length of service, but only up to five years, beyond which they will need to be objectively justified.



## 4. Recruitment and promotion

The key principle in all selection for employment or promotion is that decisions should be fair, and based on the individual's competence for the job, and not on arbitrary factors like age (or gender or race etc).

The research evidence shows that work performance in most jobs does not decline with age before the late 60s, provided individuals are healthy, motivated and kept up to date.

Across the workforce as a whole, the commonest hazardous practices in recruitment and

promotion involve excluding applicants, either directly (by specifying ages), or indirectly (e.g. by specifying years of experience, rather than specific capabilities) in advertisements, job descriptions and interview criteria.

Table 1 below shows the most common areas of hazardous practice in the hospitality sector (with figures for firms in general for comparison).



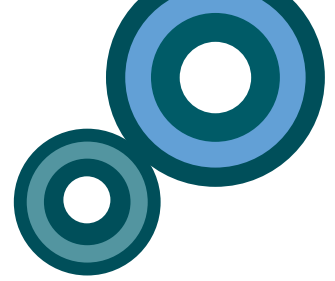


Table 1

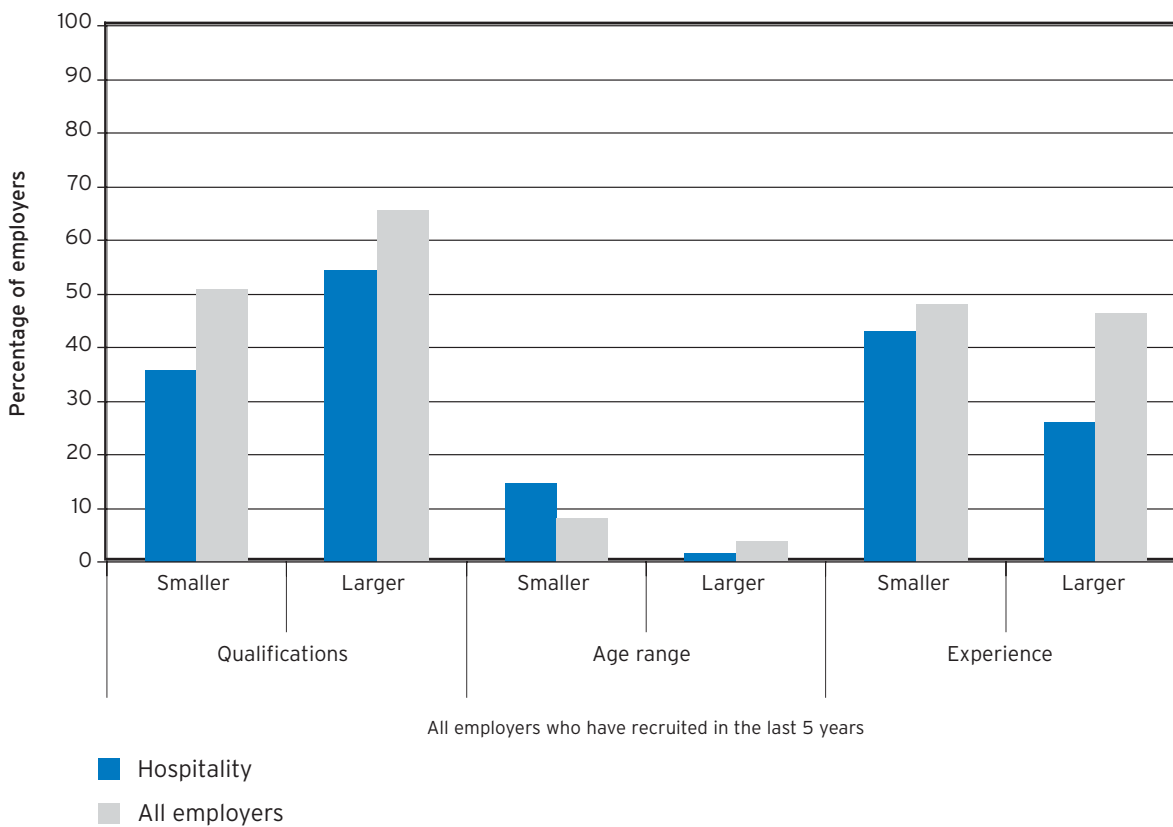
Recruitment and promotion	Comment	% of organisations reporting in hospitality	% of organisations reporting in all sectors
Selection criteria based on length of work experience of any kind	Indirectly discriminatory. The test must be individual capability not experience; unless an objective justification can be demonstrated.	63	62
Application forms ask for date of birth/age	Lawful to use for monitoring purposes and conforming to Statutory requirements. Potentially discriminatory. ACAS recommends removing this information (as with other equal opportunities information) before shortlisting.	47	48
Age information is provided to recruiting staff	Increases risk of discrimination.	49	44
Selection criteria specify qualifications	Lawful if the qualification is directly relevant to the job, and equivalent qualifications are accepted for candidates of different ages.	35	60
Maximum recruitment ages are specified	Unlawful if set more than six months before the company's retirement age unless objectively justified <sup>6</sup> .	15	29
Selection decisions are based on remaining period to retirement	Discriminatory unless a clear business justification can be demonstrated <sup>7</sup> (like the cost/time required to train, relative to the expected years of work).	13	18
Age criteria are used directly in recruitment, or particular age ranges are targeted	Unlawful unless required by Statute, or for positive action reasons (e.g. to compensate for the under representation of a particular age group).	10	9
Job advertisements specify age	Unlawful, unless there is a genuine occupational requirement (e.g. a young actor for a young part).	8	6
Selection decisions are based on expected length of service, judged by age	Unlawful	3	7

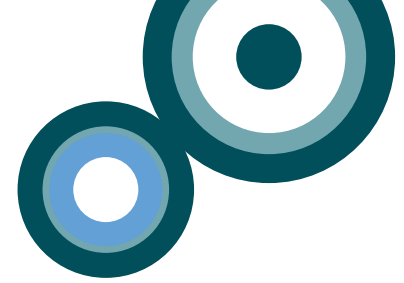
<sup>6</sup> If the employer does not have a compulsory retirement age, he can set a maximum recruitment age of 64 1/2.

<sup>7</sup> See also "maximum recruitment age".

Employers in hospitality tend not to specify qualifications or experience desired in job advertisements, but they do use length of experience when selecting. However, a small but significant proportion of smaller firms specify preferred age ranges, which will be unlawful from October 2006 (Fig 2).

**Figure 2 Job advertisements specify a preference for particular:**

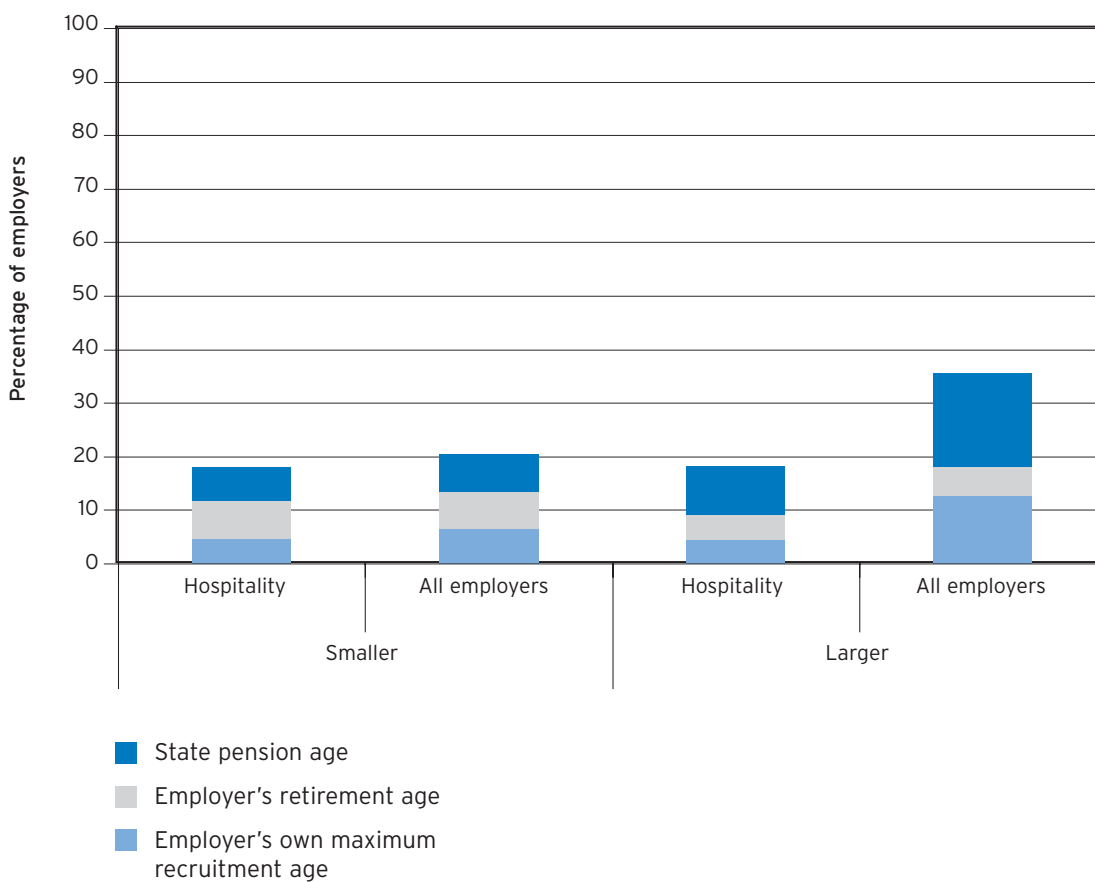




When recruiting, large firms in this sector are rather more likely to consider how long they believe applicants will stay, but they do not generally take age itself into account when making a decision. Provided that untested assumptions are not made about length of stay and age, this is not a hazardous approach,

Hospitality employers are less likely than other firms to set a maximum recruitment age, but some are more reluctant to recruit people over their normal retirement ages, and this is particularly true of very small firms (Fig 3). Employers can lawfully reject job applications from candidates who are over the firm's normal retirement age<sup>8</sup> or within six months of it.

**Figure 3 Employers would not recruit above a given age**



<sup>8</sup> If an employer does not have a retirement age, he can still lawfully reject applications from people who are older than 64 1/2.

# 5. Pay and conditions

The key principle in setting pay and conditions should be fairness. Where individuals are treated differently, this should be on the basis of a different contribution or skill, not on age, or on a factor which is a proxy for age (like years of service). This applies to people of all ages, and those over an employer’s normal retirement age are equally protected by the law<sup>9</sup>.

The Regulations do, however, allow different treatment where this can be “objectively justified” as a “proportionate” way of achieving “a legitimate business purpose”. Rewarding long service can, for example, be justified if it can be shown to benefit the business by increasing staff retention, and the sums involved are reasonable<sup>10</sup>.

The table shows the most common areas of hazardous practice in the hospitality sector.

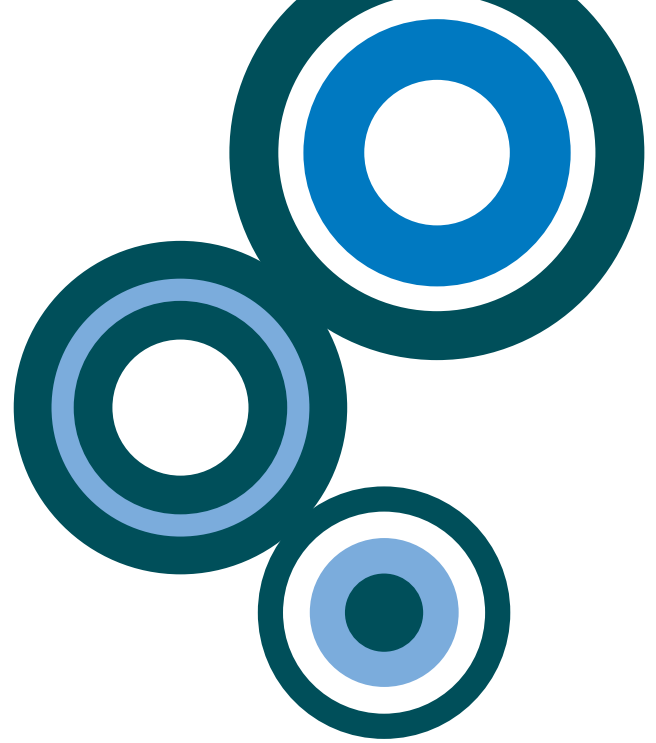
**Table 2**

<b>Pay and Conditions</b>	<b>Comment</b>	<b>% of organisations reporting in hospitality</b>	<b>% of organisations reporting, all sectors</b>
Starting salary takes experience into consideration	Potentially discriminatory, since experience relates indirectly to age, and does not directly measure competence.	42	58
Annual leave entitlement is based on length of service	Lawful if five years or less or it fulfils a business need like retaining experienced staff. More common in large firms (affects 44% of all firms but 58% of all employees).	22	44
Starting salary is dependent on age	<b>Unlawful</b>	21	13
Long service awards	Lawful if five years or less or it fulfils a business need like retaining experienced staff. More common in large firms (affects 33% of all firms but 54% of all employees).	21	33
Separate youth rates of pay	Only lawful in specific circumstances relating to the National Minimum Wage or Apprenticeships.	16	11
Incremental pay scales are used	<b>Unlawful</b> if scale covers more than 5 years (which occurs in 5% of all firms), unless it can be objectively justified.	15	36
Selection for training depends on period to retirement	Potentially indirectly discriminatory (7% of all firms set a limit of more than 1 year). Objective justification is possible in terms of business benefits such as the cost set against predicted return.	2	8
A maximum age is set for eligibility for sick pay	<b>Unlawful</b>	2	6

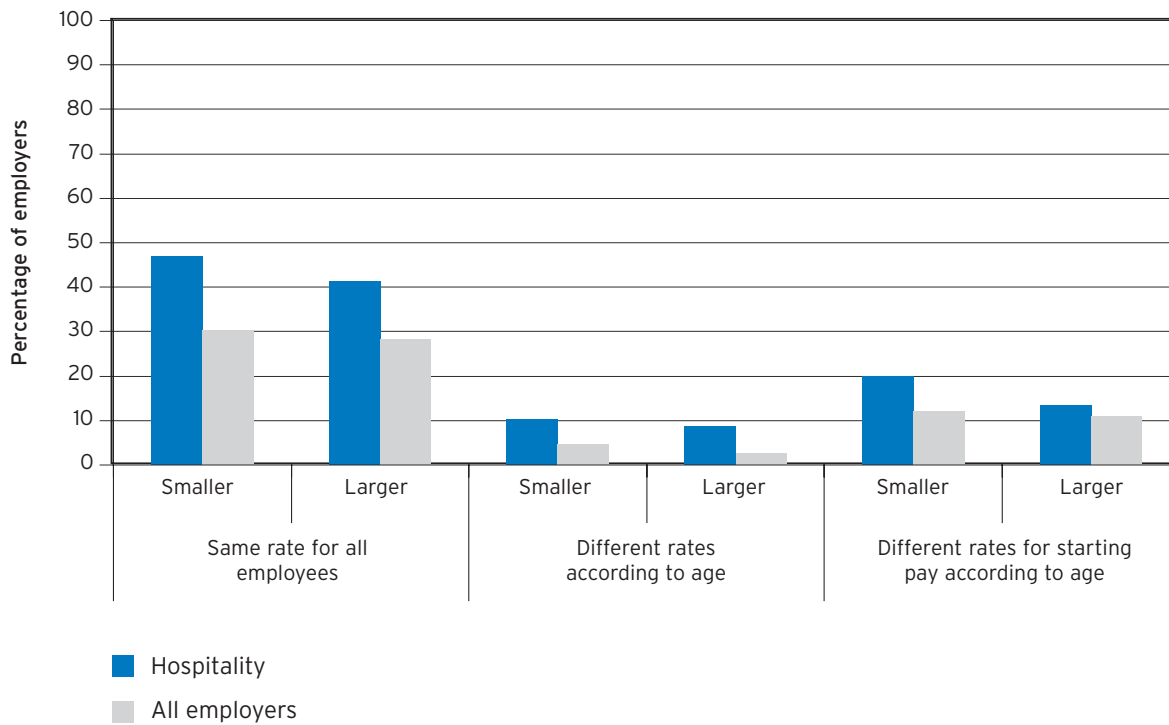
<sup>9</sup> The upper age limit for unfair dismissal claims is being lifted under the new regulations, and employees over their firm’s retirement age will have full protection against discrimination.

<sup>10</sup> This is a complex area. Advice is available on the ACAS website (see “Further Information” below).

The use of uniform rates of pay for all staff is more common in the hospitality sector than in others, and incremental pay scales are rare, except in large firms. Where such scales extend over more than five years they will be unlawful.



**Figure 4** How pay is set



Smaller hospitality firms are more likely than small firms in other sectors to use age as a basis to fix pay and conditions. This will be unlawful, as will setting age limits for entitlement to sick pay, unless a legitimate business justification can be demonstrated.

## 6. Retirement and redundancy

The Age Regulations introduce a new national Default Retirement Age of 65 for both men and women. An employer can lawfully set a retirement age at 65 or above, but can only set a lower retirement age if there is an objective justification (which is expected to be very rare, since age itself is rarely a qualification for a job). Whatever retirement age the firm adopts, the employer will be required to give individuals formal advance notice of their retirement date, and must consider requests to stay on after that.

The key principle here is that, up to the firm's retirement age, exit from the firm through either retirement or redundancy should be based on individual capability and contribution, and personal preference, not on age.

In relation to redundancy and unfair dismissal, the Regulations extend the same rights to all employees, whatever their age, removing the previous age limits. Statutory redundancy entitlements remain unchanged. An employer can use age or length of service to enhance redundancy payments, but only in accordance with the rules specified in the Age Regulations.

In this area, the greatest hazards concern the setting of compulsory retirement ages and the use of age in selection for redundancy or setting levels of redundancy pay.

The table shows the most common areas of hazardous practice in the hospitality sector.



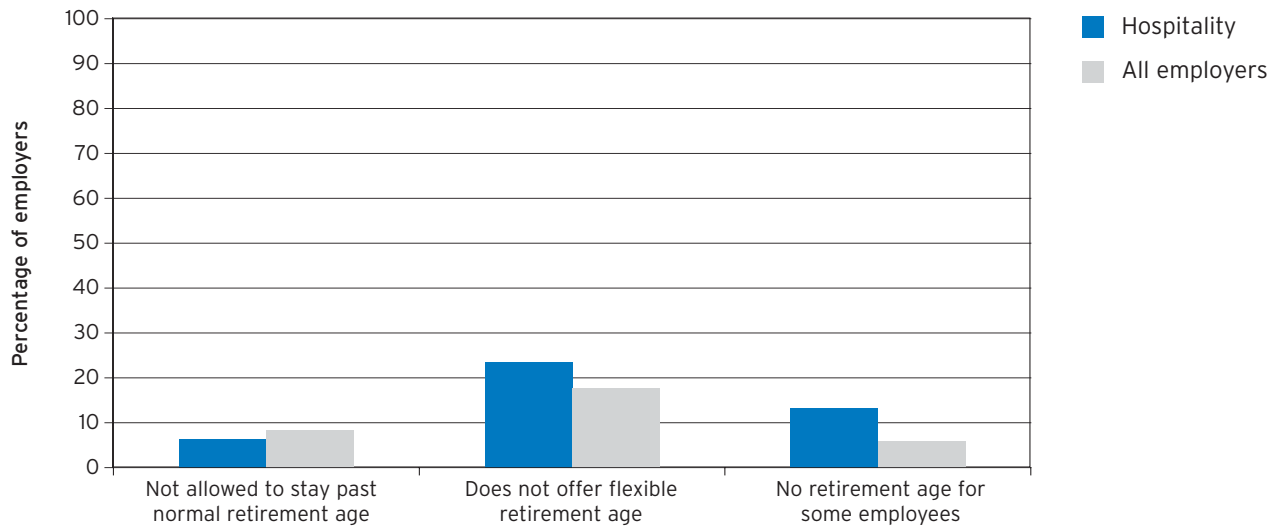


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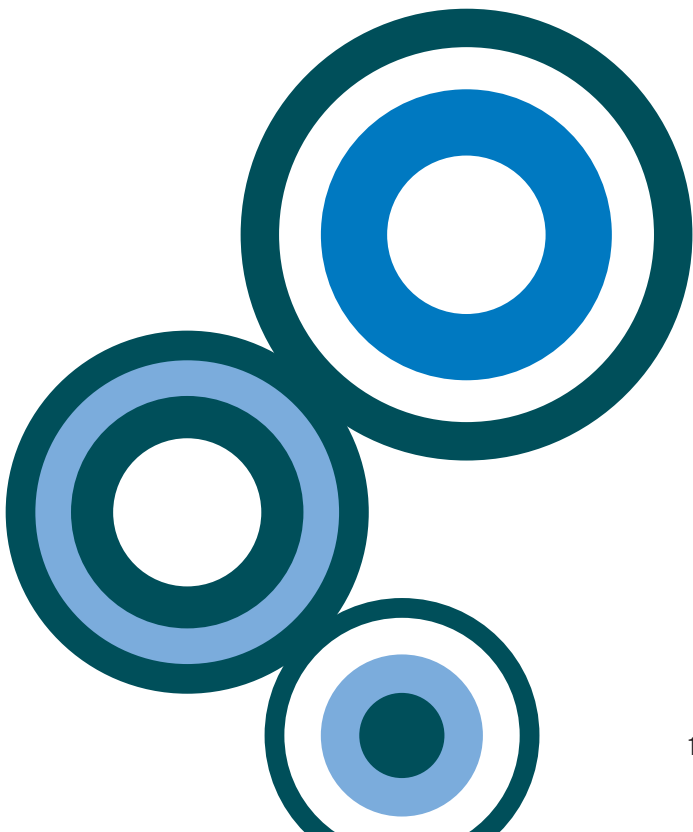
Retirement and Redundancy	Comment	% of organisations reporting in hospitality	% of organisations reporting, all sectors
Compulsory redundancy decisions are based on "last in first out"	Likely to discriminate indirectly against younger employees.	40	28
Redundancy decisions based on length of service	Indirectly discriminatory since longer service correlates with age.	31	49
Compulsory retirement ages	<b>Unlawful</b> if below 65 (which affects 6% of all employers), unless it can be objectively justified. Although only 37% of all firms have a formal retirement age, 50% of the workforce is affected (because this is more common in large firms). However, in most cases the fixed age is 65, which will remain lawful, although employers must consider requests to stay on.	18	37
Level of redundancy pay based on length of service	Can discriminate indirectly against younger employees. Length of service is used in compulsory redundancy by 27% of all firms but affects 38% of employees. For voluntary redundancy it is used by 23% of all firms but affects 34% of all employees.	14 compulsory 6 voluntary	27 compulsory 23 voluntary
Redundancy decisions based on current salary	Likely to discriminate indirectly since salary levels generally correlate with age.	2	7
Age is used in selection for redundancy	<b>Unlawful.</b> The decision must be based on requirements of job and competence of staff, or positive action to maintain an age balance.	3 compulsory 0 voluntary	14 compulsory 5 voluntary
Level of redundancy pay is affected by age	<b>Unlawful.</b> Affects only 10% of all firms, but 17% of all employees (because it is more often used in larger firms).	7 compulsory 3 voluntary	10 compulsory 9 voluntary

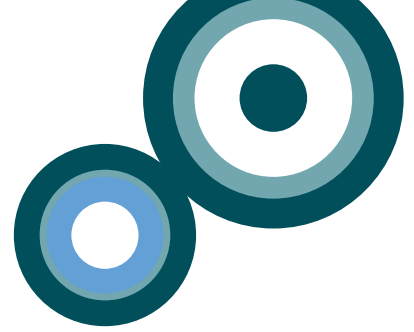
Employers in hospitality are generally as willing to consider requests from employees to stay past retirement age or to work flexibly close to retirement as other employers. Around one in six have no retirement age for at least some employees (Fig 5).

Figure 5 Approaches to retirement

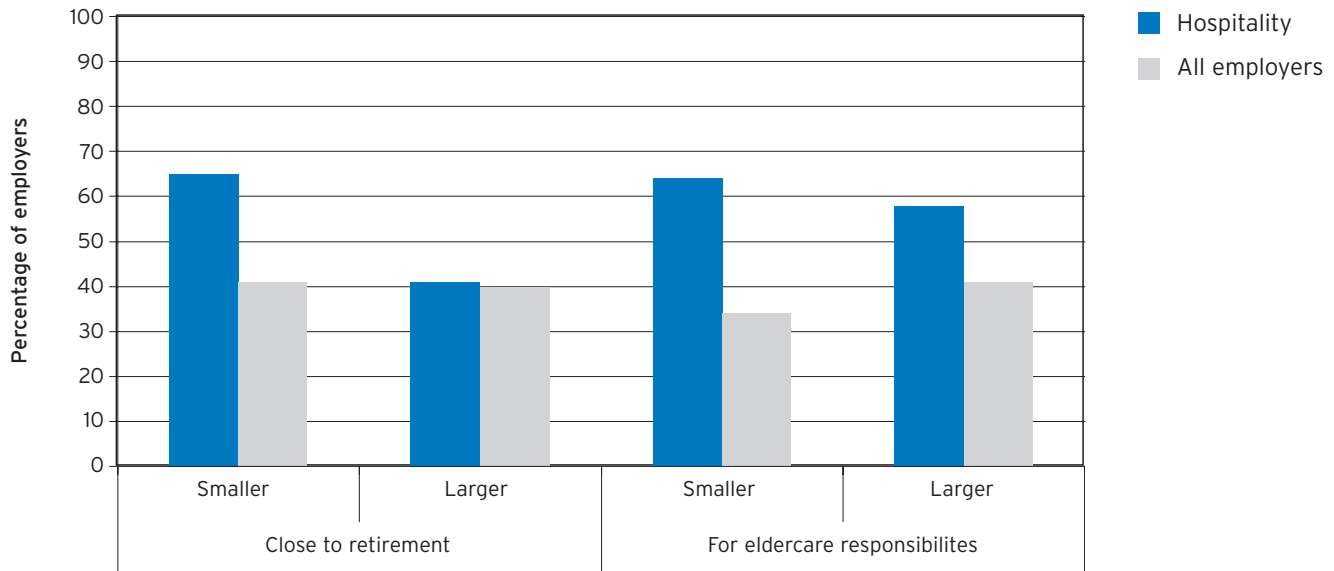


Around half of smaller firms and three quarters of larger firms allow employees to stay in work past retirement age, but most of these would only allow an employee to stay if there was a strong business reason for doing so. However, hospitality firms are more likely than other employers to allow employees flexibility over working hours either for eldercare reasons or to prepare for retirement (Fig 6).





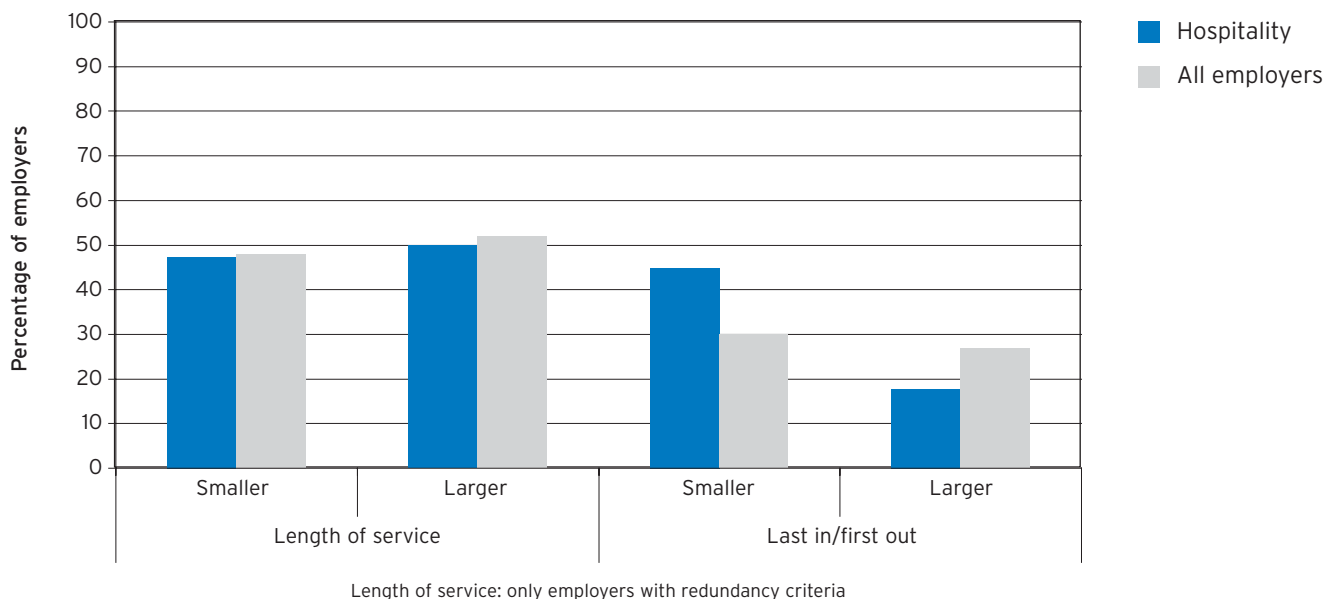
**Figure 6** Employers who would be “very likely” to allow employees to reduce working hours



Employers in this sector are less likely than other employers to have set criteria for selecting employees for compulsory redundancy. Length of service is the most likely criterion, and smaller

firms say they would use last in/first out (Fig 7). Both of these practices are hazardous, since they risk discriminating against younger employees.

**Figure 7** Selection criteria for compulsory redundancy



# 7. Management and training

There are a variety of management practices which can reduce the risk of legal disputes under the Age Regulations. Table 4 identifies the

commonest ones, and shows what proportion of firms in the hospitality sector, and the economy in general, use them at present.

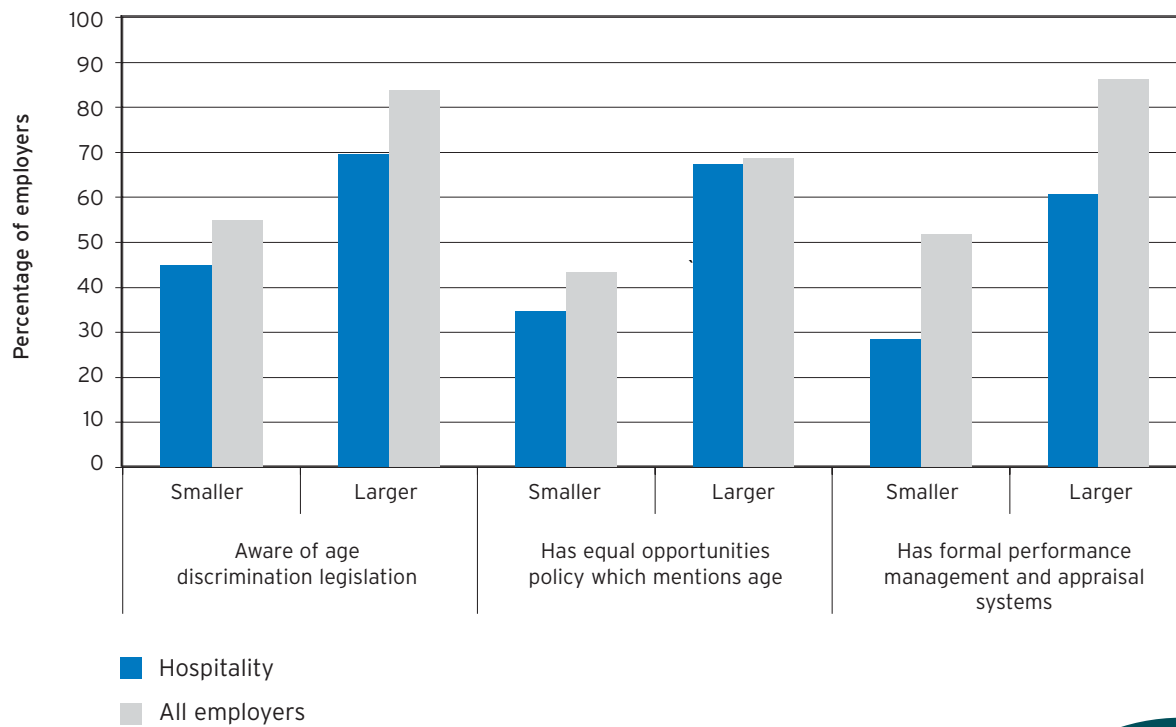
Table 4

Management and training	Comment	% of organisations reporting in hospitality	% of organisations reporting, all sectors
Equal opportunities policy	Having a policy makes expectations clear to managers and staff, and makes monitoring easier.	60	72
	Equal opportunities policy explicitly mentions age.	54	56
	Policy implementation by age is monitored (only those with age policies).	42	49
Providing work related training for all staff	There is a direct relationship between participation in training and staying longer in work.	57	70
Formal performance appraisal	Ensures that employees are clear about objectives, that performance is recognised, and untapped talents are used  This will also be relevant when firms have to consider formal requests to stay after a firm's retirement age	46	68
Formal assessment for promotion	Formal assessment increases the chances of promoting the most valuable people, and reduces the risk of discrimination. (4% of all firms currently have age related criteria, which will be unlawful).	36	37
"Age blind" recruitment practices	Removing dates of birth and age data from applications before they are considered by selectors reduces the risk of discrimination (although training recruiters is also important). Some firms collect this information on equal opportunities monitoring forms which are removed before forms are passed for short listing	25	43
Flexible working	Many employees, especially those with childcare or eldercare responsibilities, and those approaching retirement, would like to work part-time or flexibly. Offering flexible working improves retention and motivation of key staff	88 for childcare 82 for preretirement 86 for eldercare 68 for any reason	82 for childcare 78 for preretirement 74 for eldercare 51 for any reason
Flexible retirement ages	Flexible retirement allows individuals to work longer and employers to continue to make use of skills and expertise.	41 offer to all staff 0 offer to some staff	50 offer to all staff 4 offer to some staff

Hospitality firms are much less likely than other employers to have formal appraisal and performance management systems. Firms without systems for assessing the performance of staff may find it difficult to determine the competency of employees who ask to stay in work past retirement, or to defend themselves against charges of unfair discrimination.

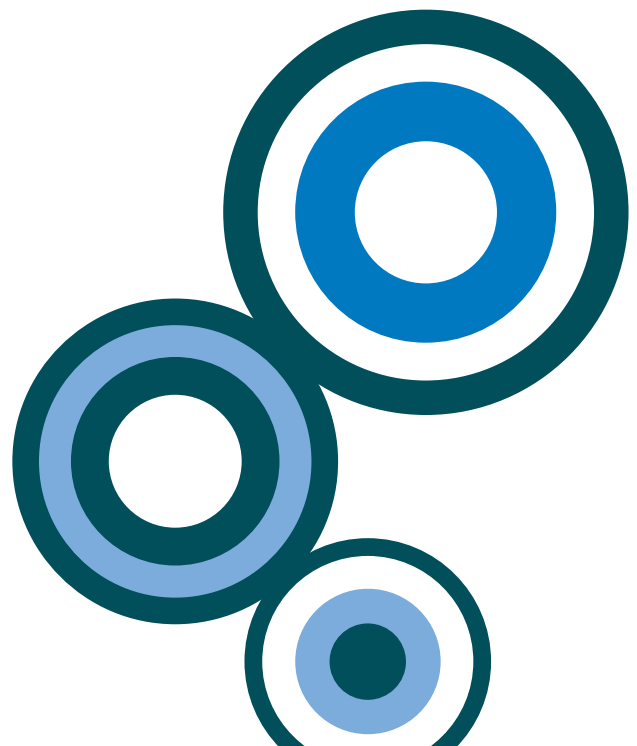
None of the employers surveyed said that age affects selection of candidates for training, although hospitality firms are less likely than other employers to offer off the job training. Small and medium sized employers take into consideration potential length of service of candidates, but none took proximity to retirement into account.

**Figure 8 Prepared for age discrimination regulations**



Formal equal opportunities policies in smaller hospitality firms are less common than in other sectors and, where they exist, they are less likely to mention age as an issue.

Over a third of firms were unaware of the Age Regulations at the time of the survey (Winter/Spring 2004-5), and less than half knew when they were to take effect.



# 8. Managing age in hospitality: discussion questions

The following questions are designed to help you, as an employer in the hospitality sector, to plan how you will respond to an ageing workforce and the Age Regulations:

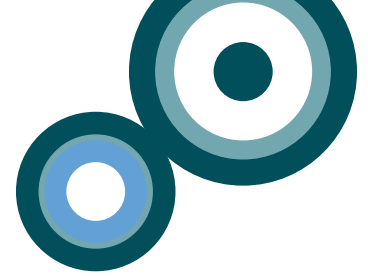
1. How concerned are you about **skills gaps and shortages** in your sector, and do you believe current labour market predictions about this?
2. Do you think that **a different age mix** in the workforce could help overcome these?
3. Do people generally in your sector **have strong views about appropriate age ranges for particular jobs** which would limit the opportunity to change the age mix?
4. Is your **ability to change pay and conditions** limited by national agreements, or regulations like “licence to practice” rules? How can you tackle this?
5. Policymakers sometimes assume that all firms in a “sector” are alike. In your sector are there particular **kinds of firm which are very different** in their approach to age management?
6. How easy is it to **extend working lives** in your sector? Does this apply more to some groups of staff than others?
7. Are there **traditional career patterns** in your sector which might change if working lives became longer (e.g. “downshifting” or mentoring roles for older workers)?
8. Older workers often prefer **to work part-time or on a flexible basis**. How easy is it to do this in your sector, and what might be the constraints?
9. Are there jobs where **physical demand or levels of stress** make extending working life more difficult? Are there ways of overcoming these?
10. Is it difficult to **recruit older people** in your sector? After what age? Can training help?
11. **Small firms** in general have less formal management structures and procedures. Will this make overcoming age discrimination easier or more difficult for them?
12. A high proportion of people working after 65 are **self employed**, what role does this play in your sector?
13. What are the implications of an ageing workforce for supply and demand for **training** in your sector? (given that those who train generally stay in work longer)
14. How difficult will it be to **raise awareness among employers** in your sector about the ageing workforce, and about the age discrimination regulations, especially among small firms, who are more difficult to contact?
15. Are there **lessons about managing an age diverse workforce** which your sector could offer to others?

CROW would welcome any comments on these questions (or any others) as a contribution to its final research report for DWP<sup>11</sup>.

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<sup>11</sup> See “Further Information” below.

# 9. About this paper



This paper was written by the Centre of Research into the Older Workforce on behalf of the Department for Work and Pensions. It draws on two sources:

- The background material on the sector comes mainly from the Sector Skills Development Agency's Research Matrix database, which brings together a large quantity of information about all sectors from a variety of sources, including the Labour Force Survey, the National Employer Skills Survey, the Annual Business Inquiry, and the Inter Departmental Business Register<sup>12</sup>.
- The material on current age management practice in the sector is based on data gathered by the National Institute for Economic and Social Research (NIESR) and the British Market Research Bureau (BMRB), in a national survey for the DWP and DTI in Spring 2005<sup>13</sup>. They interviewed the most senior person responsible for HR issues in 2084 firms employing more than five people in England, Scotland and Wales. Each interviewee was asked 160 questions about aspects of age management, including recruitment, retirement, benefits, pensions, management practices and discrimination. CROW carried out a separate analysis of this data to produce the current paper. The sample included 103 firms in the hospitality sector.

The DWP/DTI joint survey evidence is the best available on current employer age management practices across all sectors, but it should be interpreted with some caution since:

- it probably underestimates the frequency of some practices (since firms with a positive record are more likely to respond to such surveys; employers may be reluctant to admit to what they suspect is "bad practice"; and the senior managers who replied to the survey may be unaware of poor practice by some line managers);
- In some cases the number of employers responding is relatively small, and may not be fully representative of particular sizes of firms in that sector;
- Since some practices are more common in large firms, the behaviour of a small proportion of firms may affect a much larger proportion of workers;
- Although some hazardous practices are rare, the firms involved will still be open to legal challenge if they do not make appropriate changes.

We have not commented on pensions issues since pensions provisions are largely exempt from the regulations<sup>14</sup>.

All views expressed in this paper are those of the authors. They are not intended to be authoritative statements of the law, and do not represent the views of the Department for Work and Pensions or any other Government Department.

<sup>12</sup> Details on the Skills for Business website at [www.ssdamatrix.org.uk/](http://www.ssdamatrix.org.uk/)

<sup>13</sup> See "Further Information" below.

<sup>14</sup> DTI's guidance *The impact of age regulations on pensions*, explains the implications of the legislation for pensions in detail.

# 10. Responding to this paper

This paper is intended for consultation with employers, sector bodies and other interested organisations and individuals during 2006. Responses will contribute to a larger report on sectoral approaches to age management, which DWP plans to publish in 2007.

If you would like to comment on any aspect of this paper, or of age management in the hospitality sector (or on age management more generally), please write directly to the Centre for Research into the Older Workforce (CROW). We would be particularly interested in responses which:

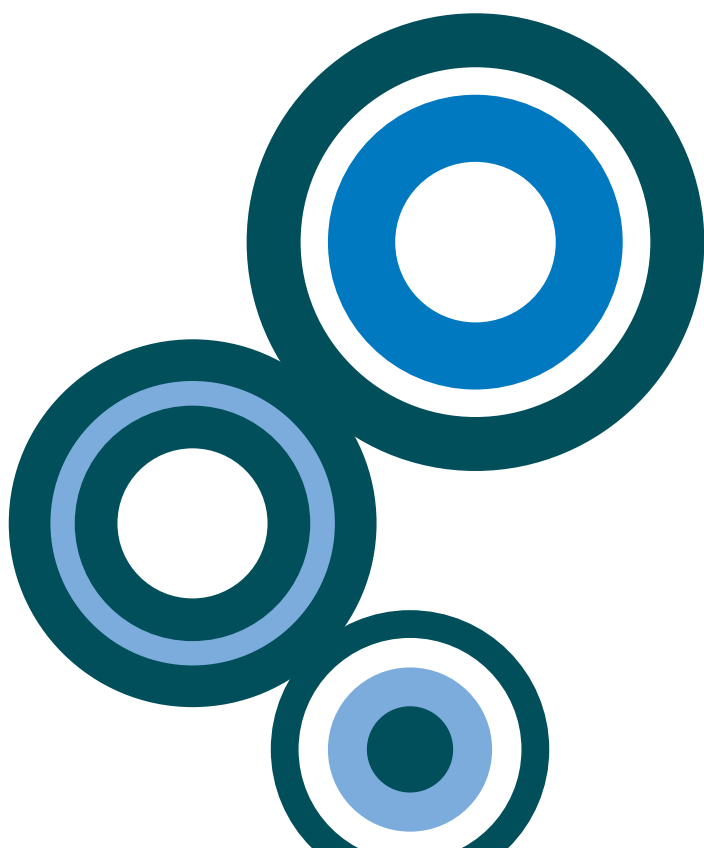
- add relevant information on the shape of the sector and age management issues and practices within it;
- clarify the reasons for particular features (e.g. why one part of the sector has very different practices from others, or why hospitality is different from other sectors);

- identify examples of good practice which might be disseminated to other employers or sectors;
- identify questions which need further investigation.

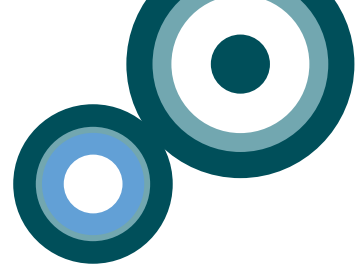
**Responses and comments on the content or issues raised by this paper should be sent by email to:** [crow@niace.org.uk](mailto:crow@niace.org.uk)

**Or by post to:**

Age Legislation Research  
Centre for Research into the Older Workforce  
NIACE  
21 De Montfort Street  
Leicester  
LE1 7GE



# 11. Further information



Further information on age related issues, policies, practices, and legislation can be found at: [www.agepositive.gov.uk](http://www.agepositive.gov.uk)

You can request further copies of this paper, or contact the Government's Age Positive team at: [agepositive@dwp.gsi.gov.uk](mailto:agepositive@dwp.gsi.gov.uk)

or write to:

Age Positive Team  
Extending Working Life Division  
N10  
Moorfoot  
Sheffield  
S1 4PQ

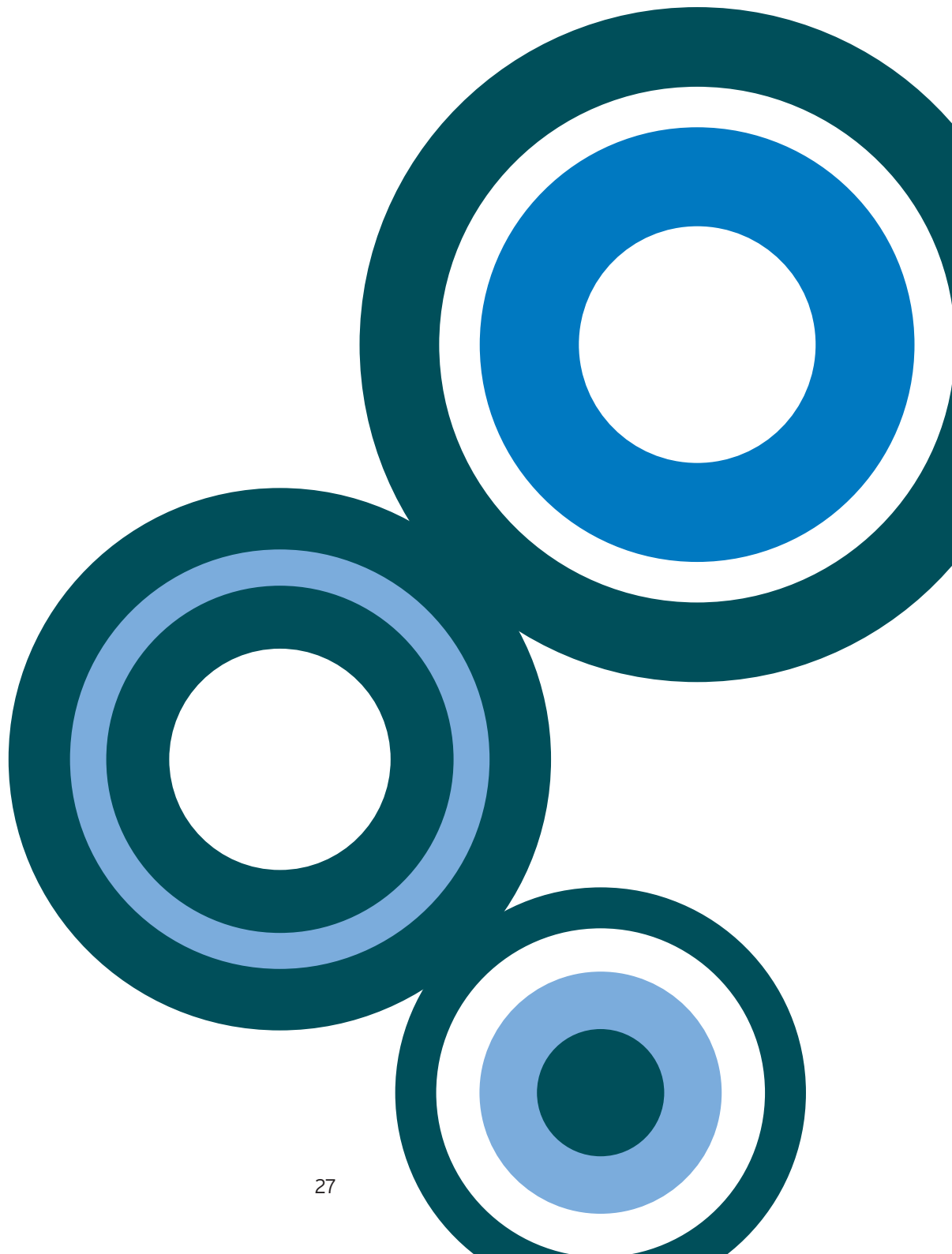
Details of the Age Discrimination Regulations, which will come into force in October 2006, can be found on the DTI's website at [www.dti.gov.uk/employment/discrimination/age-discrimination/index.html](http://www.dti.gov.uk/employment/discrimination/age-discrimination/index.html)

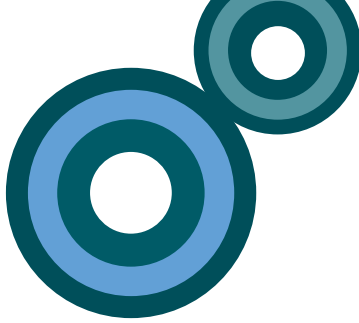
Advice on interpretation and good practice can be found on the ACAS website at: [www.acas.gov.uk](http://www.acas.gov.uk)

The full report of DWP and DTI's joint national survey conducted by NIESR and BMRB which produced the evidence for this report is *Survey of Employers' policies, practices and preferences relating to age* by Metcalf with Meadows (DWP Research Report 325, DTI employment relations research series number 49) The full report is available for download free on the DWP website at: [www.dwp.gov.uk/asd/asd5/rports 2005-2006/rrep325.pdf](http://www.dwp.gov.uk/asd/asd5/rports%2005-2006/rrep325.pdf)

Further information about CROW can be found at: [www.niace.org.uk/crow](http://www.niace.org.uk/crow)







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Members of the Age Partnership Group, listed below, support and endorse the Be Ready campaign.

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Acas  
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Association of Chartered Certified Accountants (ACCA)  
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EEF, the manufacturers' organisation  
Federation of Small Businesses (FSB)  
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CBI Scotland  
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FirstGroup plc  
Help the Aged, Scotland  
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Age Concern Cymru  
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Jobcentre Plus, Wales  
Menter a Busnes  
PRIME-Cymru  
Prospect Wales  
Wales Social Partners Unit  
Welsh Assembly Government  
Welsh Local Government Association

Copies of this publication can be downloaded from [www.agepositive.gov.uk](http://www.agepositive.gov.uk)

If you require a hard copy please e-mail: [agepositive@dwp.gsi.gov.uk](mailto:agepositive@dwp.gsi.gov.uk)

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