Survey of employers’ policies, practices and preferences relating to age

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Glossary of terms

The following definitions are specific to this report and may differ from common usage.

**Compulsory retirement age**

Either a single age at which retirement must take place (unless the employer agrees otherwise) or formal flexible retirement with a maximum age at which retirement must take place (unless the employer agrees otherwise).

**Fixed-age retirement**

A single age at which retirement must take place (as opposed to flexible retirement, where retirement may take place across an age range); establishments may have more than one fixed age, as the age of retirement may vary across jobs or by gender.

**Formal flexible retirement**

A formal policy allowing employees to retire across an age band; there may be minimum and/or maximum ages for retirement.

**Formal standardised retirement**

Either a fixed age at which retirement is normally compulsory or formal flexible retirement (with or without a maximum age for retirement).

**National default retirement age**

The draft Employment Equality (Age) Regulations 2006 contain an exemption (the ‘national default retirement age’) allowing employers to retire employees at or beyond the age of 65, without having to justify their decision.
Summary

The study

The study was designed to establish, prior to the implementation of the draft Employment Equality (Age) Regulations 2006, the extent to which current employment policies and practices accord with equal opportunity with respect to age. The survey provides a baseline for judging the effects of the forthcoming legislation, allowing changes in employers’ policies and attitudes to be tracked over time by future surveys.

Ageism within employment consists of action which directly or indirectly affects people differentially by age, where there is no job necessity for this. Ageism can occur in many aspects of employment (e.g. recruitment, promotion, pay, training or redundancy). Discrimination can be both direct and indirect. Direct age discrimination will take place when someone’s age is used as a reason for different treatment in a comparable situation, for example, an employer applying age limits for recruitment or promotion without justification. Indirect discrimination may occur when a practice affects age groups differently even though age is not used as a criterion, for example, using period to retirement as a recruitment criterion. Formalisation of processes can guard against ageism, as can Equal Opportunities training.

The questionnaire was designed prior to details of the draft regulations being known publicly and the report was written before the draft regulations had been finalised. To ensure that all policies and practices that might have been addressed by the draft regulations were covered in the study, all types of age-related policies and practices were included. Some of these policies and practices are exempted in the draft regulations. Nevertheless, they are reported here in order to provide the widest picture of the role of age in employment practice. Within the report, it will be made clear where practices are exempt under the draft regulations. Other policies and practices may be discriminatory or unlawful in some circumstances, but not in others. To assess whether they would be discriminatory or unlawful under the draft regulations was beyond the scope of a quantitative survey. Therefore, we have defined policies and practices not as ‘discriminatory’ or ‘unlawful’ but as ‘potentially hazardous’ if they might be discriminatory or unlawful.
The study was based on a representative survey of 2,087 establishments in Britain with at least five employees, conducted between November 2004 and May 2005. Respondents were the most senior person with an overview of human resource policies for the establishment. Data were normally collected on policies and practices for the whole establishment. However, where these were expected to be occupation-related, respondents were specifically asked either about Managers and senior officials (ten per cent of the sample) or their largest occupational group (90 per cent of the sample).

Responses to these questions always refer to ‘the largest occupational group’ irrespective of which occupations were discussed.

**Equal Opportunities policies (Chapter 2)**

The survey explored the incidence of Equal Opportunities policies and Equal Opportunities training and monitoring in respect of age:

- 72 per cent of establishments had an Equal Opportunities policy and 56 per cent had one which addressed age;
- 19 per cent of establishments provided Equal Opportunities training covering age;
- 49 per cent of establishments monitored their workforce (32 per cent), their recruitment (35 per cent) or pay (37 per cent) in respect to age, but only five per cent of establishments had taken action as a result of monitoring.

**Pay (Section 3.2)**

Pay systems and pay criteria which are based on length of service, on age or on judgements open to age bias (for example, informal assessment) will be potentially hazardous under the new legislation. Incremental pay scales with length of service increments extending for more than five years (including where automatic increments extend over more than one scale) will need to be objectively justified from October 2006 under the draft Employment Equality (Age) Regulations 2006. However, the standard of justification required will be lower than for other age-based provisions (see Section 33, Employment Equality (Age) Regulations 2006).

For their largest occupational group, potentially hazardous pay systems included:

- incremental pay scales (36 per cent of establishments), including five per cent of establishments with length of service increments extending for more than five years within the same scale;
- merit or performance-based pay (33 per cent of establishments), including 15 per cent of establishments which had no formal process for performance assessment.
For their largest occupational group, potentially hazardous pay criteria included:

- age-related pay (14 per cent of establishments);
- length of service (41 per cent of establishments);
- years of relevant experience (41 per cent of establishments);
- qualifications (33 per cent of establishments); and
- likelihood of leaving (16 per cent of establishments).

Pensions (Section 3.3)

The draft Employment Equality (Age) Regulations 2006 will provide that certain age-related rules or practices in pension schemes will continue to be lawful:

- 63 per cent of establishments had a pension scheme;
- 81 per cent of employees work in establishments with a pension scheme.

Early retirement was:

- provided for in 42 per cent of establishments, employing 63 per cent of employees, but it was rarely actively encouraged;
- available as a right to 28 per cent of employees, with a further four per cent of employees working in establishments where some staff had this right.

Sick pay and other benefits (Section 3.4)

The only other benefits with age-related criteria which were common were:

- length of service affecting annual leave entitlement (44 per cent of establishments, employing 58 per cent of employees);
- long service award awarded in 33 per cent of establishments (employing 54 per cent of employees).

Sick pay, health insurance and staff discounts also had age-related conditions in a small percentage of establishments.

Retirement (Chapter 4)

Under the draft Employment Equality (Age) Regulations 2006, a national default retirement age will be set at 65. From this age, employers may retire employees, so long as they follow the correct process. In 2011, the Government will review whether all retirement ages, unless objectively justified, should be outlawed.
Currently, for some or all staff:

- 37 per cent had a compulsory retirement age for at least some staff, including 23 per cent with fixed-age retirement (i.e. a single retirement age) and 16 per cent with formal flexible retirement, with a maximum age;

- 57 per cent of establishments had no compulsory retirement age (i.e. neither formal standardised retirement nor a maximum age for retirement) (including 36 per cent offering formal flexible retirement with no maximum age); 45 per cent of employees worked in such establishments; this was more common in smaller organisations.

The most common youngest compulsory retirement age was 65 (27 per cent of establishments); six per cent had a younger age and two per cent an older age. Thus only six per cent of establishments should be affected by the introduction of the national default retirement age of 65. Public sector establishments and establishments in the financial services industry would be most often affected.

Were the national default retirement age to be raised in the future, it would affect about one-third of establishments. Those most often affected would be larger organisations, the public sector and establishments with a recognised union.

Only one-third of those with a fixed retirement age could give a reason for this and 30 per cent said it was historic. Otherwise the only reason advanced by more than one per cent of establishments was that it was due to pension scheme rules.

The large majority of establishments with a compulsory retirement age would, in fact, employ people above this age (27 per cent of establishments, compared with seven per cent which would not). However, this would nearly always be at the discretion of management and only if there were a business need which could not otherwise be met.

Recruitment (Chapter 5)

Recruitment presents a wide range of opportunities for potentially hazardous practice under the draft Employment Equality (Age) Regulations 2006. Age as a selection criteria will be unlawful in nearly all cases. As many standard recruitment practices and selection criteria are age-related, most will be unlawful, unless they can be objectively justified.

Eighty-nine percent of establishments had recruited in the previous five years and the findings in this section relate to these establishments only and to the largest occupational group within them.

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1 Including three per cent with both (for different groups of staff).

2 Youngest is taken where the establishment had more than one compulsory retirement age.
The method of advertising vacancies seemed unlikely to present potentially hazardous practice. Although many establishments used advertising methods which would tend to reach a limited age range (e.g. universities and colleges), they tended to use a combination of methods, thereby reaching a wider age range. However, six per cent of establishments specified age ranges in their advertisements. Sixty-two per cent specified qualifications and 46 per cent years experience.

Recruiters were provided with age information of applicants in at least 50 per cent of establishments. Application forms were the main source, but in some establishments data was gathered separately:

- 14 per cent of establishments targeted older or younger people in their recruitment: seven per cent older people and 11 per cent younger people;
- 49 per cent of establishments had a maximum recruitment age;
- in addition, eight per cent of establishments said that certain ages counted against applicants: those disadvantaged tended to be under 22 and aged 60 and over.

Selection criteria which are correlated with age will continue to be acceptable if they are objectively justified. Criteria used in over 60 per cent of establishments included: period of related work experience, period of work experience and qualifications (68 per cent). Potential length of service was a criterion in 49 per cent of establishments, although only four per cent sought three years or more. However, to assess potential length of service, 21 per cent (of establishments) took into account time before retirement and eight per cent age.

Age was taken into account in setting starting salaries in 15 per cent of establishments. Other potentially hazardous criteria used were: experience (65 per cent), qualifications (47 per cent), current salary (47 per cent) and expected potential (31 per cent).

Performance appraisal (Chapter 6)

Good performance appraisal systems are seen as an important safeguard against discrimination. They would also be important if the retirement age were to be abolished in the future:

- 68 per cent of establishments conducted performance appraisals and these normally covered all staff;
- nearly all appraised at least annually;
- nearly all appraisals assessed performance, competence or capability (97 per cent of establishments with appraisal) and training and development needs (99 per cent), whilst 74 per cent assessed suitability for transfer and 50 per cent assessed for pay increases.
Training (Section 7.2)

The study focused on off-the-job training for the largest occupational group and examined the criteria for receipt of off-the-job training and who was involved in the decision process for receipt of off-the-job training.

Seventy-seven per cent of establishments supported off-the-job training for their largest occupational group.

The general reasons for providing training to individuals were:

- training provided automatically to all staff in the largest occupational group (23 per cent of establishments);
- because an individual had not received training recently (34 per cent);
- to rectify performance problems (42 per cent);
- to prepare for promotion (38 per cent);
- for individual good performance (19 per cent).

The first two are unlikely to be discriminatory; the last three are potentially hazardous reasons, unless all staff are properly appraised (because of the danger of discriminatory/stereotypical attitudes affecting judgement).

Criteria for receipt of training (where it was not automatic for all) included:

- age (one per cent of establishments);
- time before retirement (eight per cent of establishments); three per cent wanted at least two years or more;
- potential length of service (eight per cent); one per cent wanted at least two years or more; potential length of service was judged by age (one per cent) and time before retirement (five per cent);
- expected ability to learn new tasks (27 per cent).

All of the above are either discriminatory or potentially hazardous. Employers will need to reassess these type of criteria and only keep those which either are not discriminatory or which they can objectively justify.

The process of access to training may influence which age groups receive training. Where there were gatekeepers to training these were, most frequently, the manager (22 per cent), self-selection (15 per cent) and joint manager/individual (eight per cent).
Promotion (Section 7.3)

Seventy-five per cent of establishments had promoted in the previous five years, but only half of these had had a formal assessment procedure for promotion.

Promotion criteria included:
- age (five per cent of those who had promoted);
- length of experience (70 per cent of those who had promoted); 11 per cent of those who had promoted sought at least four years’ experience.

Length of experience was a particularly commonly used criterion for associate professional and technical staff (62 per cent). Use of age as a criterion did not differ by occupation.

Redundancy (Section 8.1)

The study examined establishments’ redundancy policies or practices (if no policies existed, but there had been redundancies in the previous five years). For other establishments, respondents were asked hypothetical questions about their approach. The latter is less likely to provide a reliable indication of practice.

For compulsory redundancy, 31 per cent had compulsory redundancy selection criteria, a further 16 per cent had had redundancies in the previous five years and 52 per cent had neither. Selection criteria included the following discriminatory or potentially hazardous criteria:
- age (12 per cent of establishments);
- last in first out (28 per cent);
- sickness absence records (41 per cent);
- length of service (40 per cent);
- current salary (eight per cent);
- competence (54 per cent).

Thirty-three per cent of establishments enhanced statutory redundancy payments (or expected they would). The criteria for enhancement included age (ten per cent) and length of service (27 per cent). (The latter will be allowed under the draft legislation.)

For voluntary redundancy, 14 per cent had eligibility criteria, a further 28 per cent had had redundancies in the previous five years and 58 per cent had neither. Selection criteria included age (five per cent) and length of service (11 per cent).

Twenty-nine per cent of establishments enhanced payments for voluntary redundancy (or expected they would). The criteria for enhancement included: age (nine per cent) and length of service (23 per cent). (The latter will be allowed under the legislation.)
Flexible working (Section 8.2)

Flexible working was likely to be allowed in the following circumstances:

- the run up to retirement (78 per cent of establishments);
- childcare (82 per cent);
- eldercare (74 per cent);
- for any reason (51 per cent).

Employer attitudes (Chapter 9)

Although the study focused on employers’ policies and practices, as much age discrimination stems from individual attitudes, the study also investigated these within the survey. Many of the respondents were important influencers of practice (and policy).

Twenty-one per cent believed some jobs in their establishment were more suitable for certain ages than others.

Eight per cent believed that jobs in their largest occupational group were more suitable for certain ages than others. For these jobs, there was a tendency to favour prime age workers (25-49 years old).

The reasons for preferring particular age groups included: skills and attributes required, reliability, customers’ expectations, matching workforce to customer profile, time taken to train/be fully productive, the need for succession planning, job normally done by a certain age group and job not appropriate for someone older/younger.

Awareness of the legislation (Chapter 10)

Although 66 per cent of respondents said they were aware of the impending legislation, only 26 per cent thought they knew when it would be implemented and only seven percent correctly stated this was October 2006.

Those least often aware were:

- smaller organisations and establishments;
- the private sector;
- manufacturing, construction, hotels and restaurants, transport, storage and communication;
- organisations with a US Head Office or those wholly-based in the UK;
- establishments without a union recognised for negotiating pay and conditions.
Thirty-one per cent claimed to have changed policies in anticipation of the legislation. The pattern of change reflected the pattern of awareness.

Thirty per cent of respondents said they had heard of the Age Positive campaign, but only three per cent said they had used the website. Those who had used the website tended to find it useful. The pattern of awareness tended to reflect awareness of the legislation more generally.

Conclusions (Chapter 11)

Those most likely to suffer discrimination in employment were young people and older people.

Age played a direct role in a wide range of policies and practices. The effects of the use of age as a criterion in recruitment and the degree of compulsory retirement are particularly important for the employment and labour market participation of older people. Many other policies and practices (for example, relating to training and promotion) are in use in a small number of establishments. However, across the country, they are liable to affect a large number of staff.

Time-related factors (length of service or periods of experience) made a wide range of policies and practices potentially hazardous. In terms of their impact on equality of opportunity, their use in redundancy selection criteria and in enhanced redundancy payments (the latter of which will remain lawful under the draft regulations) is important in affecting the labour market participation of older people. In terms of pay and benefits, the main effects are through incremental pay scales, annual leave entitlements and long service awards.

By occupation, policies and practices affecting professionals and associate professional and technical staff were most often potentially hazardous, particularly in relation to pay.

Awareness of the draft regulations needs to be raised across all types of establishments. However, most in need of awareness raising are small establishments and establishments in manufacturing, construction, transport, storage and communication, hotels and restaurants and the wholesale and retail trade. Establishments with a US-based Head Office also tend to lack awareness.

Larger organisations, the public sector, the financial intermediation industry and establishments with a recognised union seemed best placed to ensure that they complied with the draft regulations, as they were least likely to have discriminatory or potentially hazardous policies and practices and most likely to be aware of the forthcoming legislation.

Raising awareness in establishments which do not have senior human resource specialists is most important. Business and trade journals and business and trade organisations might be the best channel, as might accountants and legal advisers. Main stream routes, such as general newspapers, TV and radio might also be effective.
1 Introduction

1.1 Background

Following the European Employment Directive, the Employment Equality (Age) Regulations 2006 outlawing age discrimination in employment and vocational training will come into force in the UK in October 2006. These regulations will make unjustified age discrimination in employment and vocational training unlawful.

This Department of Work and Pensions (DWP) and the Department of Trade and Industry (DTI) commissioned a survey of employers’ policies and practices with an age dimension prior to the implementation of the regulations. The main purpose of the survey was to enable the effectiveness of the draft Employment Equality (Age) Regulations 2006 to be evaluated in the future, through providing a baseline measure of these policies and practices against which future change could be measured.

1.2 Ageism in employment

Ageism within employment consists of action which directly or indirectly affects people differentially by age, where there is no job necessity for this. The most obvious face of ageism is age requirements in recruitment. However, wherever age is used as a criterion or wherever assumptions about a person are informed by their age, then age discrimination takes place. This occurs not only in recruitment, but in decisions on promotion, training, assessment of performance (and, hence, in some cases pay), work allocation (including overtime), redundancy, etc. Moreover, indirect discrimination occurs through requirements and criteria based on, for example, length of service, years of experience and period to retirement unless these can be shown as being essential to the job. Certain qualification requirements are also discriminatory.

Age discrimination is complex both because stereotyping or classifying people by age is endemic throughout our society (Urwin, 2004) and also because of its link with well-accepted human resource practices, for example, ‘last-in-first-out’ for
redundancy; years of experience as an indicator of competence; certain training being reserved for the young and pay-back periods being a consideration in training provision for older employees.

Age discrimination occurs across the age range, although it is most common at the younger and older age ranges, particularly under 25 and over 50. Its nature and extent varies with the nature of the job, employer and employee characteristics, for example, gender (Duncan with Loretto, 2003).

Older workers suffer mainly from discrimination due to expectations of withdrawal from the labour market, assumptions about health, assumptions about vitality and about competence (even about mental competence; Metcalf and Thompson, 1990). Despite evidence to the contrary (Meadows, 2004), as well as the inefficiency (for the employer) of such broad stereotyping and lack of recognition of the higher turnover rates of younger aged workers, these attitudes persist, leading to recruitment difficulties for older workers and lack of training. Early retirement and redundancy are more complex issues, affected both by individual choices and pressures from employers and colleagues.

At the same time younger workers also suffer from stereotyping: irresponsible, unreliable, lacking skills, lacking knowledge of the world of work. These problems are mitigated for some, by a greater willingness to train young people. Harassment, targeted at young people, has also been found to be a problem (Andrew Irving Associates, 2001).

However, the age at which these factors kick in and disappear varies, with factors such as occupation and the nature of the employers’ business affecting this. Although, most often, older workers are considered as those over 50, some research has shown workers being disadvantaged at 30 (Casey, Metcalf and Lakey, 1993). Disadvantage due to youth has received less attention and it is unclear what ages are most affected and how rapidly this declines. (Note that the very high unemployment levels amongst 16-17 year olds is largely due to those economically active at this age being the least qualified, often with other barriers to employment, and so a high percentage are unable to get a job.)

Moreover, in some cases, those in the young or older age groups may be advantaged by employment policies and practices (witness the high profile employers, e.g. B&Q and Sainsbury’s who targeted older workers; reduced hours’ working in the run up to retirement; early retirement). It should be borne in mind, therefore, that the age dimension of employment practices can work in favour of or against any age group.

The limited usefulness of age as a proxy for competence and performance has been illustrated by a number of studies, which found that in most jobs, there is little or no relationship between age and job performance (Meadows and Cook 2003):
‘There is a widespread perception that older workers are less productive than their younger counterparts…However, in comprehension and knowledge tests performance tends to improve up to the age of 70 (with few studies testing subjects who are older than this). In verbal meaning tests, performance either improves with age or remains stable…Younger people show greater variability in both physical and cognitive performance than older people do. In cognitive tests, some older people perform at well above the average for younger people, while others do much worse. In physical capacity tests, active 65 year olds do as well as active 25 year olds, but inactive 65 year olds do much worse than their younger counterparts.’

1.3 The draft Employment Equality (Age) Regulations 2006

The draft Employment Equality (Age) Regulations 2006 will outlaw most age discrimination in employment. However, it specifically exempts certain practices and allows others to be lawful if they can be objectively justified.

The main specific exemptions are:

- a national default retirement age is being introduced, at the age of 65, which will mean that employers can retire employees at or beyond the age of 65;
- any length of service requirement of five years or less in relation to pay and benefits;
- lower pay rates for young people, so long as the age bands for each pay rate are the same as that for the minimum wage (i.e. under 18, 18 to 21) and so long as their pay rate is below the adult minimum wage;
- most age-related rules and practices in relation to occupational pensions;
- to comply with other statutory requirements (e.g. employees under 18 cannot sell alcohol).

Other forms of both direct and indirect discrimination will be lawful, if employers can objectively justify them (where objective justification means that the practice is a proportionate means of achieving a legitimate aim). For example, requirements for a minimum period of relevant experience for recruitment or promotion, whilst indirectly related to age, may merely signify a genuine job requirement and, therefore, are likely to be objectively justifiable.

For further details see DTI (2005).

1.4 Scope and method of the study

1.4.1 Scope

The study sought to cover elements of a wide range of age-related policies and practices to identify the extent of their use. These included:
recruitment and selection practices which entail age;
- age-related practices in training;
- the availability of flexible working practices by age;
- retirement practices, including early and formal flexible retirement;
- redundancy policies and practices which entail age;
- pay and other benefits policies and practices which have an age dimension, including the nature of pension provision;
- the use and nature of appraisal systems.

In addition, the study examined:
- the extent of knowledge about the forthcoming age discrimination legislation;
and
- employers’ attitudes to age and age-related issues.

1.4.2 Method

The study was based on a representative survey of 2,087 employment establishments in Britain with at least five employees. The survey was conducted at the establishment (rather than the organisational) level to increase the ability of the study to examine practice, rather than policy alone. The sample was a random stratified sample taken from the Inter-Departmental Business Register (IDBR), stratified to ensure adequate sample size across countries, establishment sizes and industry. The survey had a response rate of 34 per cent3. The survey sought to interview the most senior person at the workplace with responsibility for human resource issues. A full description of the method is provided in Appendices A to K. All data presented in the report is weighted to be representative of establishments in Britain. Employee weighted data is also provided.

The study presented a number of methodological difficulties. Briefly:
- possible response bias towards employers with better age-related policies;
- possible under-reporting of the role of age in practices;
- differences between policy and practice; and
- variation within establishments in policy and practice, particularly by occupation.

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3 This is low and we would expect that the low response rate will have increased the bias towards employers with relatively good practice in respect of ages. Thus, the incidence of discriminatory practices is likely to be under estimated. However, we would not expect this bias to affect the pattern of discriminatory practices identified.
These issues influenced the survey design and are discussed further in Appendix A. In particular, for policies and practices which were likely to be homogeneous across the establishment, although the questionnaire focused on establishment-wide policies and practices, respondents were asked whether these varied (and, for some issues, how); for policies and practices which were likely to vary within the establishment (e.g. recruitment criteria or pay systems), respondents were asked about a specific occupational group. In ten per cent of establishments, respondents were asked about managers and senior officials; the remainder were asked about their largest occupational group4; throughout the report, the term ‘largest occupational group’ is used to refer to both groups.

The questionnaire was designed prior to details of the draft regulations being known publicly and the report was written before the draft regulations had been finalised. To ensure that all policies and practices that might have been addressed by the draft regulations were covered in the study, all types of age-related policies and practices were included. Some of these are exempted in the draft regulations. Nevertheless, they are reported here in order to provide the widest picture of the role of age in employment practice. Within the report, it will be made clear where practices are exempt under the draft regulations. Other policies and practices may be discriminatory or unlawful in some circumstances, but not in others. To assess whether they would be discriminatory or unlawful under the draft regulations was beyond the scope of a quantitative survey. Therefore, we have defined policies and practices not as ‘discriminatory’ or ‘unlawful’ but as ‘potentially hazardous’ if they might be discriminatory or unlawful.

1.5 Description of respondents

This section describes the main characteristics of the weighted sample. The characteristics are described in terms of the percentage of establishments surveyed and the percentage of employees in those establishments. The former is useful for identifying how many establishments need to be reached to improve policy and practice. The latter is useful for deciding where change might be most effective (in terms of the number of employees affected).

Establishments tended to be small: nearly one-third (29 per cent) with fewer than ten employees; one-quarter (26 per cent) with ten to 24 employees; and only one-sixth (16 per cent) had 200 or more employees (Table 1.1). However, compared with the Workplace Employment Relations Survey 2004 (WERS04), the smallest establishments appear to be substantially under-represented and the largest over-represented. This appears to be due to misreporting of establishment size in the

---

4 Establishments were randomly allocated to each group. WERS98 suggested that all groups except managers and senior officials would be adequately covered using the ‘largest occupational group approach’. The structuring was undertaken to ensure that an adequate sample focusing on managers and senior officials was achieved.
survey (with respondents reporting organisational, rather than establishment size)\(^5\). This means that the findings in respect of establishment size are less reliable, but that other findings are representative.

### Table 1.1 Establishment size

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
<th>Percentage of establishments WERS04(^a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5–9</td>
<td>29</td>
<td>9</td>
<td>44</td>
</tr>
<tr>
<td>10–24</td>
<td>26</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td>25–49</td>
<td>14</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>50–199</td>
<td>14</td>
<td>23</td>
<td>9</td>
</tr>
<tr>
<td>200+</td>
<td>16</td>
<td>43</td>
<td>3</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

*Base 2,087 2,087*

\(^a\) Source: Kersley *et al.* (2005) p3.

Employees are more concentrated in the larger establishments: establishments with fewer than ten employees employed only nine per cent of employees, with over 40 per cent employed in establishments with 200 or more employees.

Over half the establishments (52 per cent) were in small organisations (i.e. with fewer than 50 employees); 12 per cent were in medium-sized organisations (i.e. with 50 to 249 employees) and 30 per cent were in large organisations (with 250 or more employees) (Table 1.2). However, the smallest sized organisations only accounted for 21 per cent of employees, with over 40 per cent being in organisations with 1,000 or more employees.

### Table 1.2 Organisational size

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>5–49</td>
<td>52</td>
<td>21</td>
</tr>
<tr>
<td>50–249</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>250–999</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td>1000–9,999</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td>10,000+</td>
<td>11</td>
<td>20</td>
</tr>
<tr>
<td>Don’t know</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

*Base 2,087 2,087*

\(^5\) Note that the survey response was weighted to the IDBR establishment size and not to the establishment size as reported by respondents. Thus the erroneous reporting of establishment size does not affect the weighting of the sample.
Nearly three-quarters (73 per cent) of establishments were in the private sector and over one-fifth (21 per cent) were in the public sector (Table 1.3). The remainder (six per cent) were in the voluntary sector. However, the private sector accounted for a smaller percentage of employees than establishments (65 per cent) and the public sector slightly more (29 per cent).

Table 1.3  Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private sector</td>
<td>73</td>
<td>65</td>
</tr>
<tr>
<td>Public sector</td>
<td>21</td>
<td>29</td>
</tr>
<tr>
<td>Voluntary sector</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Base 2,087 2,087

By industry, nearly one-quarter (24 per cent) of establishments were in the wholesale and retail trade. The other larger industries were real estate, renting and business activities (15 per cent), manufacturing (11 per cent) and hotels and restaurants (nine per cent) (Table 1.4). Amongst the industries most commonly in the public sector, ten per cent of establishments were in health and social work and seven per cent in education. Owing to the small number of establishments in the sample in the electricity, gas and water supply industry, the analyses by industry do not describe this group.

Table 1.4  Industry

<table>
<thead>
<tr>
<th>SIC* code</th>
<th>Standard industrial classification</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>Manufacturing</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>E</td>
<td>Electricity, gas and water supply</td>
<td>*</td>
<td>1</td>
</tr>
<tr>
<td>F</td>
<td>Construction</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>G</td>
<td>Wholesale and retail trade: repair of motor vehicles, etc.</td>
<td>24</td>
<td>16</td>
</tr>
<tr>
<td>H</td>
<td>Hotels and restaurants</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>I</td>
<td>Transport, storage and communication</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>J</td>
<td>Financial intermediation</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>K</td>
<td>Real estate, renting and business activities</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>L</td>
<td>Public administration and defence</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>M</td>
<td>Education</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

Continued
The wholesale and retail trade was also the largest employer (16 per cent of employees), but this was almost matched by real estate, renting and business activities (15 per cent of employees) and manufacturing (14 per cent). Twelve per cent of employees were in health and social work.

Over one-quarter (28 per cent) of establishments recognised a union for the purposes of negotiating pay and conditions, (Table 1.5). However, such establishments accounted for almost half of employees (48 per cent).

We hypothesised that policy and practice might vary with location of control, i.e. that differences in cultures and employment practices across countries might lead to differences in age-related policies and practices depending on the country of Head Office. In particular, US-controlled establishments might have fewer age-related policies and practices owing to pre-existing anti-age discrimination in the USA. Eighty-seven per cent of establishments were wholly-based in the UK, whilst a further six percent had a UK Head Office (Table 1.6). Three per cent had a Head Office elsewhere in Europe, two per cent in the USA and one per cent elsewhere. Those wholly-based in the UK tended to be smaller and so accounted for somewhat fewer employees than establishments (76 per cent). Owing to the small number of establishments in the sample with a Head Office not in Europe or the US, the analyses by Head Office location do not describe this group.
Table 1.6  Location of Head Office

<table>
<thead>
<tr>
<th>Location of Head Office</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisation wholly-based in the UK</td>
<td>87</td>
<td>76</td>
</tr>
<tr>
<td>Head Office in the UK (but organisation not wholly-based in the UK)</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Head Office elsewhere in Europe</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Head Office in the USA</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Head Office elsewhere</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>*</td>
<td>*</td>
</tr>
</tbody>
</table>

Base 2,087 2,087

The majority of establishments themselves were located in England (87 per cent) with nine per cent in Scotland and five per cent in Wales. The distribution of employees was almost identical (87 per cent, nine per cent and four per cent respectively). The characteristics of establishments differed somewhat across countries:

- the organisation of which the establishment was part-tended to be larger in Scotland (especially) and Wales, than England;
- establishments themselves tended to be larger in Wales (especially) and Scotland than England;
- more establishments were in the public sector in Wales and Scotland than in England;
- establishments in Wales and Scotland were more likely than those in England to have a union recognised for negotiating pay and conditions.

There was little difference in industry composition, nor in the location of Head Office. Details are provided in the Appendix K. These differences may account for the differences in age-related policies and practices across countries.

As has been described in Section 1.4, respondents were asked to describe certain policies and practices in respect of a particular occupational group (for 90 per cent of respondents, their largest occupational group and for ten per cent managerial and senior administrative occupations). For ease of reference, this is referred to as the ‘largest occupational group’ throughout the report. The most common largest occupational groups were sales and customer service staff (14 per cent of establishments), administrative and secretarial staff (13 per cent) and routine unskilled staff (11 per cent) and, because of the inclusion of ten per cent of the sample as managers (irrespective of real largest occupational group size), managers and senior officials (15 per cent) (Table 1.7). Other occupations were reported in six to nine per cent of establishments.
Table 1.7  Largest occupational group

<table>
<thead>
<tr>
<th></th>
<th>Percentage of establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and senior officials</td>
<td>15\textsuperscript{a}</td>
</tr>
<tr>
<td>Professionals</td>
<td>9</td>
</tr>
<tr>
<td>Associate professional and technical staff</td>
<td>8</td>
</tr>
<tr>
<td>Administrative and secretarial</td>
<td>13</td>
</tr>
<tr>
<td>Skilled trades staff</td>
<td>9</td>
</tr>
<tr>
<td>Caring, leisure and personal service staff</td>
<td>6</td>
</tr>
<tr>
<td>Sales and customer service staff</td>
<td>14</td>
</tr>
<tr>
<td>Process, plant and machine operatives and drivers</td>
<td>6</td>
</tr>
<tr>
<td>Routine unskilled staff</td>
<td>11</td>
</tr>
<tr>
<td>Don’t know</td>
<td>9</td>
</tr>
</tbody>
</table>

* Base 2,087

\textsuperscript{a} Comprising four per cent of the achieved sample where respondents were asked about the largest group in their establishment and 11 per cent of the achieved sample, where respondents were allocated to be asked about managers and senior officials.

Although the study was primarily of policies and practices of the establishment or its largest occupational group, brief details of the respondent were collected. The jobs held by respondents show that they tended to be senior and, frequently, were not human resources specialists (70 per cent) (Table 1.8). However, these human resource specialists were in establishments employing over half of employees (55 per cent).

Table 1.8  Respondents’ job title

<table>
<thead>
<tr>
<th></th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner or partner</td>
<td>10 5</td>
<td></td>
</tr>
<tr>
<td>Managing Director, Chair or Chief Executive Officer</td>
<td>12 5</td>
<td></td>
</tr>
<tr>
<td>Director of human resources</td>
<td>5 10</td>
<td></td>
</tr>
<tr>
<td>Director, other than human resources</td>
<td>7 4</td>
<td></td>
</tr>
<tr>
<td>General manager</td>
<td>17 12</td>
<td></td>
</tr>
<tr>
<td>Human resources manager</td>
<td>16 32</td>
<td></td>
</tr>
<tr>
<td>Manager, other than above</td>
<td>18 15</td>
<td></td>
</tr>
<tr>
<td>Other human resources</td>
<td>9 13</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>7 5</td>
<td></td>
</tr>
</tbody>
</table>

* Base 2,087 2,087
1.6 Layout of the report

The next chapter of the report describes the incidence of Equal Opportunities policies in establishments and the extent to which they explicitly address age. It was hypothesised that establishments with Equal Opportunities policies, particularly those which explicitly address age would be less likely to have age-related employment policies and practices and this is explored throughout the report.

The following five chapters describe the incidence of age-related policies and practices in detail: pay and other benefits, including pensions (Chapter 3), retirement (Chapter 4), recruitment (Chapter 5), appraisal, training and promotion (Chapter 7) and other age-related policies and practices (Chapter 8).

The report then turns to examine respondents' attitudes which may affect ageism in employment practices (Chapter 9). Chapter 10 describes awareness of the forthcoming draft regulations. The final chapter provides an overview of, and conclusions on the extent of age-related policies and practices in employment.

1.7 Conventions

All data (other than the base) are weighted, either to make the findings representative of establishments in Britain or to reflect the number of employees in these establishments. (See Appendix A for details.)

The following reporting convention has been used in the report. The tables give establishment weighted and employee weighted data for the full sample. The text describes establishment weighted findings. Employee weighted findings are then described only where these differ substantially from the establishment weighted findings. Analysis was conducted of differences by establishment characteristics, namely organisational and establishment size, sector, industry, Head Office location, establishment location (England, Scotland and Wales), union recognition, existence of an Equal Opportunities policy and whether this policy mentions age, and whether Equal Opportunities training relating to age is provided. However, the findings are reported only where significant differences were found. Thus, where difference by any of these characteristics is not mentioned, it should be assumed that differences, if any, were small.

Numbers in the tables and text have been rounded. This means that sums may differ from the data given. This affects both sums in the tables and also where figures in the text refer to the sum of figures from a table.

Some questions were asked about policies and practice for a single occupation only (see Section 1.4.2). For 90 per cent of the sample, respondents were asked about the occupation which was the largest in the establishment. For ten per cent of the sample, respondents were asked about managers and senior officials (whether or not this was the largest occupational group). For ease of reference, the report refers to these occupations as the ‘largest occupational group’.
The following conventions have been used in the tables:

‘Base’ refers to the unweighted base. Only the unweighted base is given where the difference between the weighted and unweighted numbers are small. Where they are very different (differing by 20 per cent or more), both the weighted and unweighted base is given.

* less than 0.5 per cent.

0 no observations.

- category not applicable.
2 Equal Opportunities policies and practices

2.1 Introduction

The extent to which employers have an Equal Opportunities policy which addresses age was of interest to the study, as was whether this might affect the extent of age-related policies and practices. However, it is well-known that Equal Opportunities policies without related practices to implement the policy may not be effective. Therefore, the study also examined selected Equal Opportunities practices with respect to age; namely Equal Opportunities training and monitoring of the workforce, of recruitment and of pay.

This chapter describes the incidence of Equal Opportunities policies and Equal Opportunities training and monitoring in respect of age. The following chapters examine how Equal Opportunities policies and Equal Opportunities training practice were related to the incidence of age-related policies and practices.

2.2 Incidence of Equal Opportunities policies

Almost three-quarters of establishments had an Equal Opportunities policy (Table 2.1). Although nearly all of the Equal Opportunities policies explicitly addressed gender, ethnicity and disability/health (all of which were already subject to anti-discrimination legislation), age was less common, addressed by 56 per cent of establishments in total. However, as larger organisations were more likely to have each type of policy (see overleaf), 86 per cent of employees worked in an establishment with an Equal Opportunities policy and 67 per cent worked in an establishment where this explicitly addressed age.
Table 2.1  Equal opportunities policy

<table>
<thead>
<tr>
<th>Establishment has an Equal Opportunities policy</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>72</td>
<td>100</td>
</tr>
<tr>
<td>Equal Opportunities policy explicitly addresses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>67</td>
<td>94</td>
</tr>
<tr>
<td>Ethnicity</td>
<td>68</td>
<td>95</td>
</tr>
<tr>
<td>Disability or health</td>
<td>68</td>
<td>94</td>
</tr>
<tr>
<td>Age</td>
<td>56</td>
<td>78</td>
</tr>
<tr>
<td>Base</td>
<td>2,087</td>
<td>1,687</td>
</tr>
</tbody>
</table>

Multiple response.

- **Larger organisations** were more likely to have an Equal Opportunities policy, rising from 53 per cent of establishments in organisations with under 50 employees to 98 per cent of establishments in organisations with 10,000 or more employees. Larger organisations were also more likely to have an Equal Opportunities policy which addressed age, but this was due to the greater incidence of Equal Opportunities policies in larger organisations and not that such policies were more likely to address age. The pattern across establishments was similar.

- **Public sector** and **voluntary sector** establishments were much more likely to have Equal Opportunities policies (93 per cent each) compared with the private sector (64 per cent). However, in terms of employees covered by an Equal Opportunities policy, the discrepancy was smaller, with 95 per cent of employees in the public sector and 82 per cent of employees in the private sector covered. For those with a policy, there was little variation of coverage of age by sector.

- Reflecting the difference between the public and private sectors, **public administration and defence, education** and **health and social work** were much more likely to have an Equal Opportunities policy (at least 96 per cent) and to have an Equal Opportunities policy covering age (at least 76 per cent); for other industries the percentage having an Equal Opportunities policy ranged from 51 per cent to 78 per cent, with **manufacturing, construction** and **transport, storage and communication** least likely to have an Equal Opportunities policy; these three industries were also least likely to have a policy covering age (under 40 per cent).

- Establishments with a recognised **union** were much more likely to have an Equal Opportunities policy (93 per cent, compared with 63 per cent of those which did not recognise a union). This difference was similar for policies covering age, resulting in 73 per cent of establishments with a recognised union and 49 per cent of establishments without a recognised union having an Equal Opportunities policy covering age.
There were differences both in the likelihood of having an Equal Opportunities policy and whether this addressed age specifically by country of Head Office.

- Establishments with a US Head Office (88 per cent) or with a UK Head Office (and with offices outside the UK) (90 per cent) were much more likely to have an Equal Opportunities policy than those wholly-based in the UK (69 per cent) or with a Head Office elsewhere in Europe (75 per cent); as larger organisations were more likely to have an Equal Opportunities policy, the percentage of employees working in establishments with an Equal Opportunities policy was higher: 84 per cent of employees in establishments wholly based in the UK; 85 per cent of employees with a Head Office elsewhere in Europe; 95 per cent of employees with a UK Head Office (and with offices outside the UK); and 96 per cent of employees with a US Head Office.

- Owing to some (albeit small) differences in whether their Equal Opportunities policy covered age, three-quarters of establishments with a US Head Office had an Equal Opportunities policy which addressed age, 67 per cent of those with a UK Head Office (and with offices outside the UK) had a policy addressing age, as did 59 per cent of those with a Head Office elsewhere in Europe and 54 per cent of those wholly-based in the UK. However, with respect to employees, the difference was much smaller and the pattern differed: 79 per cent of employees in establishments wholly based in the UK were covered by an Equal Opportunities policy addressing age, compared with 74 per cent of employees with a UK Head Office (and with offices outside the UK), 72 per cent of employees with a US Head Office and 70 per cent of employees with a Head Office elsewhere in Europe.

2.3 Provision of Equal Opportunities training

Half of establishments provided Equal Opportunities training to staff: 31 per cent provided training to all staff and 19 per cent to some staff (Table 2.2).
Table 2.2 Equal Opportunities training

<table>
<thead>
<tr>
<th>Staff receive training in Equal Opportunities</th>
<th>Percentage of establishments providing Equal Opportunities training</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>-</td>
<td>67</td>
</tr>
</tbody>
</table>

Which staff receive training in Equal Opportunities:

- All: 31 - 40%
- Some: 19 - 27%
- None: 45 - 30%
- Don’t know: 4 - 3%

Relevant staff given Equal Opportunities training in:

- Recruitment and selection: 44 - 88%
- Promotion: 39 - 77%
- Appraisal: 38 - 76%

Base: 2,087 - 1,272 - 2,087

* Multiple response.

Equal Opportunities training was much more common amongst those with a formal written Equal Opportunities policy (Table 2.3). Note that some establishments provided Equal Opportunities training but did not have an Equal Opportunities policy.

Table 2.3 Equal Opportunities training by existence of Equal Opportunities policy

<table>
<thead>
<tr>
<th>Whether any staff are given training in Equal Opportunities</th>
<th>Whether establishment has a formal written policy on equal opportunities or managing diversity, percentage of establishments</th>
<th>Total percentage of establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes No Don’t know</td>
<td>Base weighted</td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>39 - 11 - 16 - 31</td>
<td>2,087</td>
</tr>
<tr>
<td>Some</td>
<td>25 - 6 * - 19</td>
<td>1,687</td>
</tr>
<tr>
<td>None</td>
<td>33 - 77 - 61</td>
<td>1,511</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3 - 6 - 22</td>
<td>545</td>
</tr>
</tbody>
</table>

Base weighted: 1,511 - 545 - 56
Equal Opportunities training was often targeted at those conducting recruitment, appraisal and promotion: 44 per cent of establishments provided Equal Opportunities training in recruitment and selection for staff involved in recruitment; 39 per cent provided it for staff involved in promotion; and 38 per cent provided it for staff involved in appraising (Table 2.2).

However, Equal Opportunities training tended not to cover age (Table 2.4). Only 19 per cent of establishments included age in their Equal Opportunities training (Table 2.4). This compares with 32 per cent of establishments which provided Equal Opportunities training in respect of disability. Only 20 per cent covered age in their recruitment and selection training, 18 per cent covered it in their promotion training and 17 per cent covered it in their appraisal training.

Table 2.4 Equal Opportunities training covering age

<table>
<thead>
<tr>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Which provide EO training</td>
<td>Total</td>
</tr>
<tr>
<td>Equal Opportunities training covers age</td>
<td>37</td>
</tr>
<tr>
<td>Equal Opportunities training covers disability</td>
<td>64</td>
</tr>
<tr>
<td>Equal Opportunities training in recruitment covers age</td>
<td>39</td>
</tr>
<tr>
<td>Equal Opportunities training in promotion covers age</td>
<td>35</td>
</tr>
<tr>
<td>Equal Opportunities training in appraisal covers age</td>
<td>33</td>
</tr>
</tbody>
</table>

Base 1,272 2,087 2,087

Multiple response.

Because Equal Opportunities training (of all types) was more common in larger establishments, a higher percentage of employees worked in establishments with Equal Opportunities training than the percentage of establishments providing Equal Opportunities training:

- 67 per cent of employees worked in establishments providing Equal Opportunities training (to at least some staff);
- 62 per cent were in establishments which provided Equal Opportunities recruitment and selection training to staff involved in recruitment and selection;
- 52 per cent were in establishments which provided Equal Opportunities promotion training to staff involved in promotion decisions;
- 51 per cent were in establishments which provided Equal Opportunities appraisal training to staff conducting appraisals.
In respect of Equal Opportunities relating to age:

- 24 per cent of employees were in establishments which provided Equal Opportunities training;
- 27 per cent were in establishments which provided Equal Opportunities recruitment and selection training to staff involved in recruitment and selection;
- 24 per cent were in establishments which provided Equal Opportunities promotion training to staff involved in promotion decisions;
- 21 per cent were in establishments which provided Equal Opportunities appraisal training to staff conducting appraisals.

In terms of other characteristics:

- Equal Opportunities training was more common the larger the organisation (provided by 31 per cent of establishments in small organisations and 90 per cent of establishments in organisations with 10,000 or more employees). The likelihood of such training, including age, also increased: in total 11 per cent of all establishments in small organisations provided Equal Opportunities training related to age, compared with 36 per cent of those in organisations with 10,000 or more employees. A similar pattern was found with respect to training in recruitment, promotion and appraisal. The pattern was similar by establishment size, although slightly less pronounced.

- Equal Opportunities training was much more common in the public and voluntary sectors than in the private sector (82 per cent, 75 per cent and 39 per cent respectively). This pattern was reflected in the provision of Equal Opportunities training in respect of age, although the voluntary sector was particularly likely to provide Equal Opportunities training addressing age: 28 per cent of the public sector, 32 per cent of the voluntary sector and 14 per cent of the private sector. A similar pattern was found in respect of Equal Opportunities training in recruitment, promotion and appraisal in respect of age, with the public and voluntary sectors about twice as likely to do this as the private sector. The differences between sectors was not as great in respect of the percentage of employees who worked in establishments providing each type of Equal Opportunities training. In particular, 56 per cent of employees in the private sector work in establishments which provide Equal Opportunities training (as do 88 per cent of employees in the public sector and 83 per cent of employees in the voluntary sector) and 20 per cent of employees in the private sector work in organisations where such training addresses age, compared with 32 per cent and 31 per cent of public sector and voluntary sector employees respectively. A similar pattern existed in respect of training in recruitment, promotion and appraisal in respect of age.

- Reflecting the public/private sector differences in Equal Opportunities training,
training was particularly common in public administration and defence, education and health and social work (at least 82 per cent of establishments). However, it was also very high in financial intermediation (63 per cent); it was low in manufacturing, construction and transport, storage and communication and real estate, renting and business activities (between 26 per cent and 35 per cent each). The inclusion of age in such training was highest for the three industries dominated by the public sector (29 per cent to 30 per cent each), but it was also relatively high in hotels and restaurants and financial intermediation (28 per cent and 26 per cent respectively). Coverage of age in Equal Opportunities training was particularly rare in manufacturing, construction and transport, storage and communication (under ten per cent each).

- Establishments with a UK Head Office (and with offices outside the UK) (74 per cent) or with a US Head Office (71 per cent) were much more likely to provide Equal Opportunities training than those wholly-based in the UK (48 per cent) or with a Head Office elsewhere in Europe (41 per cent). The disparity in the provision of Equal Opportunities training was less in respect of percentage of employees working in establishments compared with the percentage of establishments: UK Head Office (and with offices outside the UK) (80 per cent), US Head Office (72 per cent), wholly-based in the UK or with a Head Office elsewhere in Europe (65 per cent each).

- Establishments with a UK Head Office (and with offices outside the UK) (30 per cent) or with a US Head Office (33 per cent), were also much more likely to provide Equal Opportunities training with respect to age than those wholly-based in the UK (19 per cent). Those with a Head Office elsewhere in Europe were very unlikely to train with respect to age (six per cent). The pattern of Equal Opportunities training in recruitment, promotion and appraisal in respect of age was similar.

- Establishments which recognised a union were much more likely to provide Equal Opportunities training (82 per cent compared with 38 per cent of establishments without union recognition) and for this to cover age (28 per cent of all establishments with union recognition and 15 per cent of establishments without union recognition). The patterns for training in recruitment, promotion and appraisal in respect of age were similar. However, for Equal Opportunities training generally, the disparity by union recognition was less in terms of employees covered: 85 per cent of employees in establishments with a recognised union were in establishments which provided Equal Opportunities training, compared with 50 per cent of employees elsewhere.

- Establishments in Wales were most likely to provide some staff with Equal Opportunities training (60 per cent) compared with 54 per cent of those in Scotland and 50 per cent of those in England. However, when considering the percentage of employees in establishments which provide Equal Opportunities training, there was little difference between countries.
2.4 Monitoring and data collection

Monitoring plays a central role in ensuring Equal Opportunities policies are put into practice and in addressing discrimination. Almost half (49 per cent) of establishments monitored either their workforce, their recruitment or their pay in respect of age (Table 2.5). About one-third of establishments each monitored in respect of their workforce profile, recruitment and pay to check whether discrimination may be occurring by age. However, only five per cent of all establishments had monitored and then taken any action as a result of their monitoring (Table 2.6).

Table 2.5 Monitoring of workforce

<table>
<thead>
<tr>
<th>Monitor the following with respect to age:</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>profile of workforce</td>
<td>32</td>
<td>48</td>
</tr>
<tr>
<td>recruitment</td>
<td>35†</td>
<td>48</td>
</tr>
<tr>
<td>pay</td>
<td>37</td>
<td>45</td>
</tr>
<tr>
<td>Any of the above</td>
<td>49</td>
<td>58</td>
</tr>
</tbody>
</table>

*Base 2,087 2,087

* A further 6.9 per cent considered monitoring recruitment as not applicable due to not recruiting.

Multiple response.

Table 2.6 Whether action has ever been taken in respect of age discrimination as a result of monitoring policies or statistics

<table>
<thead>
<tr>
<th>Action taken</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments which monitor</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total monitoring</td>
<td>49</td>
<td>100</td>
<td>62</td>
</tr>
<tr>
<td>Action taken</td>
<td>5</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Action never taken</td>
<td>41</td>
<td>83</td>
<td>51</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Total not monitoring</td>
<td>51</td>
<td>-</td>
<td>38</td>
</tr>
</tbody>
</table>

*Base 2,087 1,201 2,087
Monitoring by age increased substantially with organisational size. In respect of monitoring the age profile, rising from 16 per cent of establishments in small organisations, around 45 per cent of establishments in organisations with 50 to 999 employees to 60 per cent of establishments in organisations with 1,000 or more employees. The percentages were similar in relation to monitoring recruitment and pay and the patterns were similar for establishment size.

Monitoring the workforce’s age profile was about twice as common in the public and voluntary sector as the private sector (50 per cent, 46 per cent and 26 per cent respectively), with a similar pattern for monitoring recruitment and pay, except that monitoring of recruitment was rather more common in the voluntary sector (57 per cent).

Monitoring had a similar industrial pattern to other aspects of Equal Opportunities, except that public administration and defence stood out above the other major public sector industries as conducting monitoring, whilst the lowest levels were found in manufacturing and construction;

Establishments with a US Head Office (50 per cent) or a UK Head Office (and with offices outside the UK) (42 per cent) were more likely to monitor their workforce profile by age than those wholly-based in the UK (31 per cent) or with a Head Office elsewhere in Europe (34 per cent). The pattern was similar for monitoring recruitment and pay, except that establishments with a US Head Office were relatively less likely to monitor recruitment (41 per cent) and relatively more likely to monitor pay (61 per cent).

Reflecting their greater likelihood to have an Equal Opportunities policy, establishments with a recognised union were about twice as likely to monitor the employee age profile (52 per cent) compared with establishments without (25 per cent). The pattern of monitoring of recruitment and pay was similar.

Not surprisingly, establishments with a formal written Equal Opportunities policy were more likely to monitor by age (58 per cent compared to 28 per cent of those without) (Table 2.7). Amongst those without a formal written Equal Opportunities policy the figure monitoring was boosted by the percentage monitoring pay by age (24 per cent); otherwise, only 13 per cent monitored the age profile of their workforce and 14 per cent their recruitment.
Equal Opportunities policies and practices

Table 2.7 Monitoring by existence of an Equal Opportunities policy

<table>
<thead>
<tr>
<th>Whether has a formal written policy on equal opportunities or managing diversity, percentage of establishments</th>
<th>Yes</th>
<th>No</th>
<th>Total percentage of establishments(^a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitor by age:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>employment profile</td>
<td>40</td>
<td>13</td>
<td>32</td>
</tr>
<tr>
<td>recruitment</td>
<td>43</td>
<td>14</td>
<td>35</td>
</tr>
<tr>
<td>pay</td>
<td>43</td>
<td>24</td>
<td>37</td>
</tr>
<tr>
<td>Monitor any of the above by age</td>
<td>58</td>
<td>28</td>
<td>49</td>
</tr>
<tr>
<td>Action on age taken as a result of monitoring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of those with monitoring</td>
<td>7</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Base</td>
<td>1,687</td>
<td>353</td>
<td>2,087</td>
</tr>
</tbody>
</table>

\(^a\) includes establishments where the respondent did not know if there were an Equal Opportunities policy or not.

Multiple response.

2.5 Equal Opportunities: summary

- Seventy-two per cent of establishments had an Equal Opportunities policy and 56 per cent had one which addressed age.

- Nineteen per cent of establishments provided Equal Opportunities training covering age; similar percentages provided this to staff involved in recruitment, in promotion and in appraisal.

- Forty-nine per cent of establishments monitored: their workforce (32 per cent); their recruitment (35 per cent); or pay (37 per cent) in respect to age, but only five per cent of establishments had taken action as a result of monitoring.

Equal Opportunities policies, policies covering age, training related to age and monitoring by age were least common in small organisations and establishments, the private sector, manufacturing, construction and transport, storage and communication, and establishments without a recognised union.

Training and monitoring was also relatively rare for those with a Head Office in Europe (outside the UK) and in hotels and restaurants.
These policies and practices were also less common in establishments wholly based in the UK.

Although Equal Opportunities policies were slightly more common in Welsh establishments, there were no differences between countries in other aspects of Equal Opportunities policies nor in related training and implementation policies.
3 Benefits

3.1 Introduction

Age discrimination in respect of pay and benefits (including pensions) has received little attention. Some directly discriminatory practices appear to have been regarded as acceptable, being formally instituted by employers (for example, age criteria for appointment to a specific point on the pay scale and age criteria for access to other benefits) and, sometimes, by the state (e.g. youth pay rates and redundancy benefit criteria). Many indirectly age-discriminatory practices (such as incremental pay scales based on length of service, payment for qualifications and period of experience criteria) have been treated in the same way. Other aspects, whilst receiving scant attention, might be more commonly thought of as presenting unacceptable practice (e.g. in pay systems involving discretion, basing pay, in part, on judgements about employees’ needs varying with their age or the likelihood of leaving).

Some standard criteria which are potentially age-discriminatory (particularly those relating to length of service and to period of experience) may be seen as providing employers with useful proxies for skills and competence, factors which are legitimate criteria for variation in pay and benefits. Replacement of length of service and experience proxies with direct assessment of skill and competency would be expensive in many cases and the draft Employment Equality (Age) Regulations 2006 do not prohibit all these criteria.

The draft Employment Equality (Age) Regulations 2006 prohibit discrimination in respect of pay and other benefits. However, they allow for a number of important specific exemptions:

- length of service of five years or less is exempted in the draft regulations in respect of employment benefits (Section 5.1.9, DTI, 2005);

- the standard of justification required for additional benefits based on length of service above five years is lower than for other age-based provisions (Section 33, Employment Equality (Age) Regulations 2006);
• length of service requirements which mirror a similar requirement in a statutory benefit will be exempt (Section 5.1.9, DTI, 2005);

• ‘youth rates’ where the age banding mirrors those of the national minimum wage (i.e. 16-17, 18-21, 22 and over), so long as those aged under 22 are paid less than the adult rate minimum wage (Section 5.2, DTI, 2005).

The following describes the incidence of age-related aspects of pay and other benefits, whether or not exempted in the draft regulations.

3.2 Pay

This section describes payment systems and pay criteria which may be potentially hazardous in respect of age discrimination. Not all pay systems and criteria are described, just those which are potentially hazardous. Few of the practices and criteria are innately discriminatory and may be important, appropriate ways of setting pay: whether they are discriminatory will depend on the nature of the job (e.g. qualification requirements will not be discriminatory if they are the only way to have acquired the skills necessary for the job) and also their implementation (e.g. performance-related pay is less likely to be discriminatory the more formalised the assessment of performance, as formalised approaches require stated criteria and so reduce the scope for subjective judgments). Apart from systems or criteria directly linking age and pay, it is not possible from the survey to determine whether an approach is discriminatory. Instead, we can point to practices which might be discriminatory. Therefore, the emphasis is on potentially hazardous practices (i.e. practices which may be, rather than are, discriminatory).

The payment systems and criteria relate to the establishment’s largest occupational group, as these are likely to differ across occupations within establishments. The concentration on largest occupational groups enables practices to be described by occupation, but not, usefully, by characteristics of the establishment such as size and sector.

3.2.1 Potentially hazardous pay systems

In almost three-quarters of establishments (71 per cent), pay differed across the largest occupational group (Table 3.1). Incremental pay scales were used in one-third of establishments (36 per cent), as was individual merit pay/performance pay (33 per cent). Length of service bonuses were used in 12 per cent of establishments.
Table 3.1  Pay systems for the largest occupational group

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage of establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>All employees in the largest occupational group are paid the same</td>
<td>27</td>
</tr>
<tr>
<td>Pay varies across individuals in the largest occupational group</td>
<td>71</td>
</tr>
<tr>
<td>Don’t know whether pay varies or not</td>
<td>2</td>
</tr>
<tr>
<td>Selected payment systems resulting in variationa</td>
<td></td>
</tr>
<tr>
<td>Incremental pay scales</td>
<td>36</td>
</tr>
<tr>
<td>Individual merit pay/performance pay (i.e. related to a subjective assessment)</td>
<td>33</td>
</tr>
<tr>
<td>Pay based on objective measures of output (e.g. payment by result)</td>
<td>26</td>
</tr>
<tr>
<td>Length of service bonuses</td>
<td>12</td>
</tr>
<tr>
<td><strong>Base</strong></td>
<td><strong>2,087</strong></td>
</tr>
</tbody>
</table>

* Multiple response.

**Potentially hazardous pay systems: incremental pay scales**

The main concern over incremental pay scales has been the use of length of service criteria for increments. (For a discussion of other criteria affecting pay, see Section 3.2.2.) Over half of those with incremental pay scales for their largest occupational group used length of service criteria (57 per cent) (Table 3.2). However, as has been discussed, the draft Employment Equality (Age) Regulations 2006 exempt length of service increments of five years or less. At least 59 per cent of those with length of service increments for their largest occupational group fall under this exemption (Table 3.3), which suggests that only five per cent of all establishments are likely to need to change their incremental pay system (for their largest occupational group) to comply with the future age discrimination legislation. However, the five year exemption applies to total incremental progression in substantially the same job, i.e. a maximum of five years would apply not only to increments within a scale but also across scales where employees progress from one scale to another, without a substantial change in job. We would, therefore, expect the survey to under-report the incidence of incremental scales which would contravene the draft regulations.
Table 3.2  Incremental pay scales: factors affecting progression for the largest occupational group

<table>
<thead>
<tr>
<th>Establishments with incremental scales</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with incremental scales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishments without incremental scales</td>
<td>64</td>
<td>-</td>
</tr>
</tbody>
</table>

Criteria for increments:
- length of service: 21 (57%)
- merit: 20 (55%)
- qualifications: 1 (3%)
- other: 2 (5%)
- don’t know: 2 (4%)

Base, unweighted: 2,087, 935
Base, weighted: 2,112, 771

* Multiple response

Table 3.3  Incremental pay scales: time normally taken to reach the end of length of service increments for the largest occupational group

<table>
<thead>
<tr>
<th>Establishments with length of service increments</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with length of service increments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishments without length of service increments</td>
<td>80</td>
<td>-</td>
</tr>
</tbody>
</table>

Normal time to reach end of length of service increments:
- three years or less: 4 (19%)
- more than three years and up to five years: 8 (40%)
- more than five years and up to ten years: 4 (21%)
- more than ten years: 1 (5%)
- don’t know: 3 (15%)

Base, unweighted: 2,087, 545
Base, weighted: 2,112, 433

Potentially hazardous pay systems: merit and performance pay

The concern over merit and performance pay is whether it is operated with an age bias and whether individuals awarding merit or performance pay allow their age
prejudices to affect the award. The more formalised the process, the less likely this is to occur. However, almost half (44 per cent) of those with merit or performance pay did not have a formal assessment process (Table 3.4). This means that 15 per cent of all establishments had merit or performance pay but no formal assessment process. As such, they are likely to be at substantial risk of allowing discrimination.

Table 3.4  Process for assessing individual performance for pay for the largest occupational group

<table>
<thead>
<tr>
<th>Establishment has merit or performance pay</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with merit/ performance pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment has a formal assessment process for merit or performance pay</td>
<td>18</td>
<td>55</td>
</tr>
<tr>
<td>Establishment does not have a formal assessment process for merit or performance pay</td>
<td>15</td>
<td>44</td>
</tr>
<tr>
<td>Don’t know type of assessment process *</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Establishment does not have merit or performance pay</td>
<td>67</td>
<td>-</td>
</tr>
</tbody>
</table>

Base 2,087 689

The groups at most exposure to potentially hazardous pay systems varied by occupation:

- variation in pay was most common in white collar jobs (varying in at least 80 per cent of establishments where white collar occupations were the largest occupational group);

- incremental pay scales were most common for caring, leisure and personal service staff (64 per cent); professionals (63 per cent); administrative and secretarial staff (47 per cent); and associate professional and technical staff (46 per cent);

- merit pay and performance pay was particularly common for professionals (49 per cent) and then for managers and senior officials (42 per cent) and for associate professional and technical staff (36 per cent);

- length of service bonuses were more common for sales and customer service staff (18 per cent).

Perhaps the practices most likely to prove hazardous (or at least, to require change) which were identified in the survey, were incremental payscales where it took more than five years to reach the end of the length of service increments and merit/ performance pay without a formal assessment process. Twenty per cent of establishments used such practices for their largest occupational group:
• **Professionals** were most at risk: 38 per cent (of establishments where professionals were the largest occupational group) were subject to such practices, comprising 21 per cent subject to length of service increments for more than five years and 18 per cent subject to merit/performance pay without a formal assessment process.

• **Administrative and secretarial staff, caring, leisure and personal service staff** and **sales and customer service staff** were least at risk (around 12 per cent to 13 per cent of each group).

• Between 18 per cent and 23 per cent of the other occupational groups were subject to such practices. Within these, an above average percentage of **associate professional and technical staff** had length of service increments stretching for more than five years (11 per cent) and a higher than average percentage of **managers and senior officials, process plant and machine operatives and drivers** and **routine unskilled staff** had merit/performance pay without a formal assessment (18 to 19 per cent of each group).

### 3.2.2 Potentially hazardous pay criteria affecting differences in pay

Potentially hazardous criteria affecting differences in pay (irrespective of the system) are described in Table 3.5. The most common of these were length of service (41 per cent), years of relevant job experience (41 per cent) and formal qualifications and the completion of training courses (33 per cent). In 16 per cent of establishments pay was affected by perceived likelihood of leaving, a factor indirectly linked to age, due to differential turnover by age and, probably, by expectations of turnover of those close to retirement. None of these factors are necessarily discriminatory and would depend on the circumstances. For example, older people tend to have fewer qualifications and so demanding qualifications unnecessarily (and not accepting experience as an alternative) would be discriminatory, but demanding qualifications essential to the performance of the job would not be discriminatory. As we have seen, the effect of length of service within incremental pay systems (the main system used with length of service payments) tends to be restricted to increments for five years or less, a progression which is exempt in the draft Employment Equality (Age) Regulations 2006.
Table 3.5 Potentially hazardous factors affecting pay for the largest occupational group

<table>
<thead>
<tr>
<th>Percentage of establishments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay differs within the selected occupation</td>
<td>71</td>
</tr>
<tr>
<td>Potentially hazardous factors affecting pay:</td>
<td></td>
</tr>
<tr>
<td>length of service</td>
<td>41</td>
</tr>
<tr>
<td>years of relevant job experience</td>
<td>41</td>
</tr>
<tr>
<td>formal qualifications and completion of training courses</td>
<td>33</td>
</tr>
<tr>
<td>likelihood of leaving/need to retain</td>
<td>16</td>
</tr>
<tr>
<td>age: youth rate</td>
<td>11</td>
</tr>
<tr>
<td>age (other than youth rates)</td>
<td>5</td>
</tr>
<tr>
<td>Pay is the same for all in selected occupation</td>
<td>27</td>
</tr>
</tbody>
</table>

Base 2,087

*Multiple response

Fourteen per cent of establishments directly linked pay to age: 11 per cent had youth rates and five per cent otherwise linked pay to age (with two per cent doing both). The draft Employment Equality (Age) Regulations 2006 allow employers to pay employees aged 22 and over more than those under 22, so long as those aged under 22 receive less than the adult minimum wage. Similarly, employers will be able to pay employees aged 18 to 21 more than those aged under 18, so long as those aged under 18 are paid less than the adult minimum wage. Employers will only be able to pay different rates to those in the same age category (the categories matching those for the minimum wage, i.e. under 18 years old, 18-21 years old, over 21 years old) if they can objectively justify their approach. Nearly all youth rates applied to employees aged under 22, with maximum youth rates most commonly at age 18 and age 21 (Table 3.6). This suggests that at least two per cent of establishments will need either to objectively justify or to change their youth rates to comply with the draft regulations.

7 The survey identified the maximum age for the youth rate. Where this maximum age does not tally with the maximum for an age group category in the draft Employment Equality (Age) Regulations 2006, the youth rate is potentially hazardous (i.e. where it is 17 and under, 19 or 20). The survey did not identify whether an establishment had more than one youth rate (i.e. for more than one age band). Those that do will also have potentially hazardous youth rates unless those age bands tally with the age bands in the draft Employment Equality (Age) Regulations 2006.
Table 3.6  Maximum age of youth rate for the largest occupational group

<table>
<thead>
<tr>
<th>Has a youth rate for the largest occupational group</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with youth rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum age for the youth rate:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17 and under</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>18</td>
<td>3</td>
<td>29</td>
</tr>
<tr>
<td>19 or 20</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>21</td>
<td>2</td>
<td>22</td>
</tr>
<tr>
<td>22 and over</td>
<td>*</td>
<td>3</td>
</tr>
<tr>
<td>don’t know</td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td>Does not have a youth rate for the largest occupational group</td>
<td>89</td>
<td>-</td>
</tr>
</tbody>
</table>

Base 2,087 213

Certain occupations appeared most at risk from potentially hazardous practices, although these would need to be further investigated to identify the degree to which the practices avoided discrimination. For the largest occupational group in the establishment:

- **professionals** were the group most often with pay criteria which could be age-related: 73 per cent were affected by length of service, 63 per cent by years of relevant job experience and 61 per cent by formal qualifications and training, whilst a relatively high percentage, 24 per cent, had pay affected by likelihood of leaving;

- **associate professional and technical staff** also had a high level of factors affecting pay which could be age-related: 52 per cent length of service, 53 per cent years of relevant job experience, 41 per cent formal qualifications and training, and 27 per cent had pay affected by likelihood of leaving;

- **administrative and secretarial staff** compared with average, were only much higher in the use of length of service (51 per cent);

- relative to other occupations, **skilled trades staff** were highly subject to years of relevant job experience criteria (49 per cent);

- **caring, leisure and personal service staff; sales and customer service staff; process, plant age discrimination machine operatives and drivers; and routine unskilled staff** were least subject to potentially hazardous criteria;

- **youth rates** were relatively common amongst **skilled trades staff** (20 per cent) and **sales and customer service staff** (17 per cent).
3.3 Pensions

Pensions\(^8\) tend to be age discriminatory, having age criteria for receipt of pensions, together with many other aspects of membership criteria (e.g. age or length of service) and benefits. However, they serve a very important purpose, facilitating retirement and reducing poverty in old age. In respect of discrimination regulations, the European Directive allows Member States to exempt certain aspects of occupational pensions from age legislation, namely:

- the fixing of ages for admission or entitlement to occupational pensions, including the fixing of different ages for employees or groups or categories of employees; and

- the use of age criteria in actuarial calculations. (DTI, 2005, paragraph 7.3.)

The complexity of individual pensions and the variety of provision by employers meant that the survey had to be confined to selected aspects of pensions only\(^9\). Moreover, the Department for Work and Pensions (DWP) has a dedicated annual employer pensions survey\(^10\) which provides far more details than were possible in this survey. Therefore, the aim within this study was to identify the age limitations for membership of employer supported pension schemes (i.e. to identify the extent to which certain age groups received lower employment benefits through exclusion from the pension scheme) and to identify length of service limitations for membership.

3.3.1 Availability of employer-supported pension schemes

Sixty-three per cent of establishments had a pension scheme, with almost two-thirds of these (63 per cent) having a single scheme (Table 3.7). However, as pension schemes were more common in larger establishments, the percentage of employees working in establishments with a pension scheme was much higher (81 per cent)\(^11\).

---

\(^8\) By ‘pensions’ we have included all pensions to which the employer contributes.

\(^9\) Both to enable respondents, who were rarely pension experts, to be able to answer the questions and also due to limitations of space.


\(^11\) Note that all these employees may not be entitled to join the pension scheme.
Table 3.7  Employer pension schemes

<table>
<thead>
<tr>
<th></th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with pension scheme</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has a pension scheme to which employer contributes</td>
<td>63</td>
<td>100</td>
<td>81</td>
</tr>
<tr>
<td>All staff are entitled to join</td>
<td>52</td>
<td>84</td>
<td>71</td>
</tr>
<tr>
<td>Some staff are entitled to join</td>
<td>10</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td>Establishment has one pension scheme only</td>
<td>39</td>
<td>63</td>
<td>47</td>
</tr>
<tr>
<td>Establishment has more than one pension scheme</td>
<td>21</td>
<td>33</td>
<td>32</td>
</tr>
<tr>
<td>Don’t know number of pension schemes</td>
<td>3</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Eligibility rules: same for all entitled to join</td>
<td>54</td>
<td>86</td>
<td>69</td>
</tr>
<tr>
<td>Eligibility rules: differ for those entitled to join</td>
<td>7</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Eligibility rules: don’t know if vary</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>No pension scheme to which employer contributes</td>
<td>37</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Don’t know if employer contributes to a pension scheme</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

Base 2,087 1,573 2,087

In most cases, all staff were entitled to join (84 per cent of establishments with schemes). Overall, 71 per cent of employees worked in establishments where all staff were entitled to join a pension scheme. Eligibility rules tended to be standardised for those entitled to join (86 per cent of establishments with schemes).

Availability of pension schemes varied across types of establishments:

- Availability grew with organisational size: 39 per cent of small organisations had a scheme, 77 per cent of medium-sized organisations and 84 per cent of those with 250-999 employees. More than 90 per cent of larger organisations had schemes. The pattern was similar for establishment size.

- Public sector establishments were most likely to have a pension scheme (89 per cent), compared with the voluntary sector (77 per cent) and the private sector (54 per cent). However, in terms of the percentage of employees in each sector working in establishments with a pension scheme, the gap was narrower: private sector (75 per cent), public sector (95 per cent) and voluntary sector (85 per cent).
Nearly all establishments in public administration and defence had a pension scheme (98 per cent). Almost three-quarters or more had pensions schemes in transport, storage, and communications, financial intermediation, education and health and social work. Pension provision was well below average in construction (47 per cent) and hotels and restaurants (31 per cent). In respect of employees working in establishments with a pension scheme, over ninety per cent did in public administration and defence, transport, storage, and communications, financial intermediation and education (i.e. health and social work performed less well in terms of employee coverage) and only hotels and restaurants stood out as particularly low (51 per cent).

Establishments with a UK Head Office (and with offices outside the UK) were most likely to have a pension scheme (93 per cent) and those wholly-based in the UK least likely (59 per cent), with those with a US Head Office (80 per cent) or a Head Office elsewhere in Europe (85 per cent) falling in between. However, in respect of employees working in an establishment with a pension scheme, 77 per cent of employees in organisations wholly-based in the UK did so, compared with between 94 per cent and 97 per cent of others.

Establishments with a recognised union were much more likely to have a pension scheme (92 per cent, compared with 51 per cent for those without a recognised union). The gap was less substantial in respect of employees working in an establishment with a pension scheme: 97 per cent did so in establishments with union recognition and 67 per cent in establishments without union recognition.

Welsh establishments were more likely to have a pension scheme (76 per cent) compared with 68 per cent of Scottish and 61 per cent of English establishments. However, there was little difference across countries in the percentage of employees who worked in establishments with a pension scheme.

Although there was a difference in the provision of pension schemes by whether the establishment had an Equal Opportunities policy, there was little difference in pension provision between those with Equal Opportunities policies which addressed age and those which did not.

### 3.3.2 Age limitations for membership of employer-supported pension schemes

Nearly half (49 per cent) of schemes had no age limitations on eligibility for pension scheme membership (Table 3.8). However, one-fifth of those with a pension scheme (22 per cent) had a minimum age (Table 3.9) and one-third (32 per cent) had a maximum age (Table 3.10). The minimum age tended to be 18, with very few establishments restricting membership to a higher age (six per cent of those with a pension scheme or three per cent of all establishments). The maximum age tended to be 65 (20 per cent of those with a pension scheme), with 11 per cent of those with a pension scheme having a lower maximum age (seven per cent of all establishments) and one per cent of those with a pension scheme having a higher maximum.
Table 3.8 Pension scheme: age eligibility criteria

<table>
<thead>
<tr>
<th>Has a pension scheme to which employer contributes</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with pension scheme</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>63</td>
<td>100</td>
<td>81</td>
<td></td>
</tr>
<tr>
<td>Scheme has age criteria for joining</td>
<td>26</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>Minimum age for joining(^{ab})</td>
<td>14</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Maximum age for joining(^{ac})</td>
<td>20</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Scheme does not have age criteria for joining</td>
<td>30</td>
<td>49</td>
<td>33</td>
</tr>
<tr>
<td>Don’t know if scheme has age criteria for joining</td>
<td>7</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>No pension scheme to which employer contributes</td>
<td>37</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Don’t know if employer contributes to a pension scheme</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Base</td>
<td>2,087</td>
<td>1,573</td>
<td>2,087</td>
</tr>
</tbody>
</table>

\(^a\) Multiple response.

\(^b\) Where criteria varied, the highest minimum was taken.

\(^c\) Where criteria varied, the lowest maximum was taken.

Table 3.9 Pension scheme: minimum age for joining

<table>
<thead>
<tr>
<th>Pension scheme has a minimum age for joining</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with pension scheme</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>22</td>
<td>21</td>
<td></td>
</tr>
</tbody>
</table>

Minimum age\(^*\):

- 16-17: 2 2 3
- 18: 8 13 13
- 19-20: \(^*\) 1 1
- 21: 2 4 3
- over 21: 1 1 1
- Don’t know minimum age: \(^*\) 1 \(^*\)

No minimum age for joining pension scheme: 45 72 55

Don’t know if minimum age for joining pension scheme: 4 7 6

Base: 2,087 1,573 2,087

\(^*\) Where criteria varied, the highest minimum was taken.
Overall, because of the concentration of pension provision amongst larger establishments (see above), 41 per cent of employees worked in an establishment with an age restriction on joining a pension scheme, 21 per cent in establishments with a minimum age restriction and 32 per cent in establishments with a maximum age restriction. Twelve per cent of employees worked in establishments where the maximum age for joining a pension scheme was under 65.

Table 3.10 Pension scheme: maximum age for joining

<table>
<thead>
<tr>
<th>Pension scheme has a maximum age for joining</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with pension scheme</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum age:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>under 60</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>60</td>
<td>5</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>61–64</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>65</td>
<td>13</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>over 65</td>
<td>*</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>don’t know maximum age</td>
<td>*</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>No maximum age for joining pension scheme</td>
<td>35</td>
<td>56</td>
<td>41</td>
</tr>
<tr>
<td>Don’t know if maximum age for joining pension scheme</td>
<td>8</td>
<td>12</td>
<td>9</td>
</tr>
</tbody>
</table>

Base 2,087 1,573 2,087

* Where criteria varied, the lowest maximum was taken.

3.3.3 Length of service limitations for membership of employer-supported pension schemes

Twenty-six per cent of establishments had a minimum length of service for eligibility (for at least some staff) (Table 3.11). However, length of service requirements were usually short: most were under one year (15 per cent of establishments) and virtually no establishments had a minimum length of service of more than five years. Therefore, very few would be unlawful under the draft regulations. The percentage of employees who worked in establishments with a minimum length of service requirement for eligibility for membership of their pension scheme was similar to the percentage of establishments with this requirement.
Table 3.11  Pension scheme: minimum length of service criteria for joining

<table>
<thead>
<tr>
<th>Scheme has a minimum length of service to join</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with pension scheme</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum length of service for eligibility:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>under one year</td>
<td>15</td>
<td>24</td>
<td>19</td>
</tr>
<tr>
<td>one year</td>
<td>6</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>two years</td>
<td>3</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>three years</td>
<td>*</td>
<td>1</td>
<td>*</td>
</tr>
<tr>
<td>over three to four years</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>five years</td>
<td>*</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>over five years</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>don’t know length of service required</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Scheme has no minimum length of service to join</td>
<td>34</td>
<td>55</td>
<td>48</td>
</tr>
<tr>
<td>Don’t know if minimum length of service to join</td>
<td>3</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

Base 2,087 1,573 2,087

* Where criteria varied, the highest minimum was taken.

3.3.4 Early retirement provisions in pension schemes

Early retirement provisions were common amongst those with pension schemes, provided by 42 per cent of all establishments (Table 3.12). Voluntary early retirement provisions were most common (30 per cent of all establishments), whilst compulsory early retirement provisions existed in 13 per cent of all establishments. However, early retirement was rarely actively encouraged (by two per cent of all establishments).

12 i.e. the facility to draw a pension before the normal occupational pension age.
Sixty-three per cent of employees worked in establishments with early retirement provisions, just under half (49 per cent) where there were provisions for voluntary early retirement and nearly one-quarter (23 per cent) where there were provisions for compulsory early retirement.

Early retirement was limited to health grounds in 13 per cent of establishments, but where it was not restricted to health grounds, it was usually a right for all staff (19 per cent of all establishments). Where it was not a right, early retirement was more often at management than pension fund trustees’ discretion.

Overall, more than one-quarter of employees (28 per cent) had a right to early retirement, with a further four per cent of employees working in establishments where some staff had this right and four per cent working in establishments where early retirement was available, but not as a right (Table 3.13).
Table 3.13  Pension scheme: rights to early retirement and eligibility criteria

<table>
<thead>
<tr>
<th>Percentage of establishments</th>
<th>All</th>
<th>With pension scheme</th>
<th>With early retirement</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early retirement is limited to health grounds</td>
<td>13</td>
<td>20</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>If early retirement not limited to health grounds, it is:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A right for all staff</td>
<td>19</td>
<td>30</td>
<td>44</td>
<td>28</td>
</tr>
<tr>
<td>A right for some staff</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Not a right for any staff</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>When early retirement is not a right for all staff\textsuperscript{a}, it is:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At management discretion – all staff</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>at management discretion – some staff</td>
<td>3</td>
<td>4</td>
<td>7</td>
<td>*</td>
</tr>
<tr>
<td>Not at management discretion</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>At trustees discretion – all staff</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>at trustees discretion – some staff</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Not at trustees discretion</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Eligibility criteria for early retirement includes age</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>5</td>
</tr>
</tbody>
</table>

\textit{Base unweighted} 2,087 1,573 1,193 2,087
\textit{Base weighted} 2,112 1,321 889 2,087

\textsuperscript{a} Multiple response.

The availability of early retirement:

- grew with \textbf{organisational size} (from 20 per cent of small organisations to 84 per cent of those with 10,000 employees or more) and \textbf{establishment size} (from 18 per cent of establishments with under ten employees to 84 per cent of those with 200 or more employees); this was because larger organisations (and establishments) were more likely to have pensions schemes and because, amongst those with pension schemes, the likelihood of offering early retirement grew with size; the disparity was smaller in respect of the percentage of employees working in establishments with early retirement, ranging from 48 per cent of employees in the smallest organisations to 92 per cent of employees in the largest organisations;
was more than twice as common in the public compared with the private sector (72 per cent and 33 per cent respectively) (48 per cent of the voluntary sector establishments); this was because public sector employers were both more likely to offer pensions and, if they offered pensions, to offer early retirement; in terms of employees working in establishments with early retirement, the disparity was smaller: 85 per cent of employees in the public sector, 54 per cent in the private sector and 58 per cent in the voluntary sector;

was more common in industries dominated by the public sector (public administration and defence, 95 per cent; education, 67 per cent; and health and social work, 51 per cent), as well as in financial intermediation (71 per cent) and transport, storage, and communications (61 per cent); it was rare in hotels and restaurants (15 per cent); in terms of the number of employees working in establishments with early retirement, the pattern was similar, except in health and social work, where the percentage was closer to the average;

was more common in establishments not wholly based in the UK (39 per cent), especially those with a UK Head Office (and with offices outside the UK) (70 per cent); the difference largely reflected differences in pension provision, rather than early retirement provisions amongst those with pensions; the disparity was greater in terms of the percentage of employees who worked in establishments with early retirement, reaching 83 per cent of employees in establishments with a UK Head Office (and with offices outside the UK);

was more common in Scotland (60 per cent) and Wales (51 per cent) than England (40 per cent); this was due both to differences in the availability of pension schemes across countries and to differences in the likelihood of schemes offering early retirement across countries; the disparity was smaller in respect of the percentage of employees who worked in establishments with early retirement (62 per cent of employees in England, 76 per cent in Wales and 65 per cent in Scotland);

was much more common in establishments with a recognised union (77 per cent, compared with 29 per cent of those without union recognition); this was because establishments with a recognised union were both more likely to offer pensions and, if they offered pensions, to offer early retirement; the disparity was smaller in terms of employees who worked in establishments with early retirement (85 per cent of employees in establishments with a recognised union and 43 per cent of employees in other establishments).

3.4 Sick pay and other benefits

Other benefits may have age or length of service criteria for entitlement and these are examined below, first sick pay and then other type of benefits.
3.4.1 Sick pay

Sixty-nine per cent of establishments had sick pay in excess of statutory requirements and this was normally an entitlement for all staff; the eligibility rules were usually the same for all those entitled. (Table 3.14).

Table 3.14 Sick pay above statutory requirements

<table>
<thead>
<tr>
<th>Has sick pay exceeding statutory requirements</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with sick pay</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entitlement for all staff</td>
<td>69</td>
<td>100</td>
<td>83</td>
</tr>
<tr>
<td>Entitlement for some staff</td>
<td>57</td>
<td>82</td>
<td>70</td>
</tr>
<tr>
<td>Eligibility rules the same for all those entitled</td>
<td>13</td>
<td>18</td>
<td>13</td>
</tr>
<tr>
<td>Age affects the level of sickness benefit</td>
<td>61</td>
<td>87</td>
<td>68</td>
</tr>
<tr>
<td>No sick pay exceeding statutory requirements</td>
<td>28</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>Don’t know if sick pay exceeds statutory requirements</td>
<td>3</td>
<td>-</td>
<td>2</td>
</tr>
</tbody>
</table>

Base 2,087 1,632 2,087

Seventy per cent of employees were entitled to sick pay in excess of statutory requirements, with a further 13 per cent working in establishments where at least some employees were entitled to this.

Age rarely affected the level of sick pay or eligibility for sickness benefit. In one per cent of establishments the level of sickness benefit was affected by age, with two per cent of employees affected by this (Table 3.14).

Two per cent of establishments had a minimum age for eligibility for additional sick pay (Table 3.15). This tended to be 18 years old or younger. Six per cent of establishments had a maximum age for eligibility, which was most commonly 65 (Table 3.16). Slightly more employees were covered by age conditions: three per cent of employees were employed in establishments with a minimum age requirement for eligibility and seven per cent were in establishments with a maximum age requirement.
### Table 3.15 Sick pay above statutory requirements: minimum age for eligibility

<table>
<thead>
<tr>
<th>Has a minimum age for eligibility for sick pay exceeding statutory requirements</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with sick pay</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimuma age:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 years old</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>18 years old</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>21 years old</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Does not have a minimum age for eligibility for sick pay exceeding statutory requirements</td>
<td>65</td>
<td>94</td>
<td>79</td>
</tr>
<tr>
<td>Don’t know if have a minimum age for eligibility for sick pay exceeding statutory requirements</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Base</td>
<td>2,087</td>
<td>1,632</td>
<td>2,087</td>
</tr>
</tbody>
</table>

a Where minimum age varied, the highest was recorded.

### Table 3.16 Sick pay above statutory requirements: maximum age for eligibility

<table>
<thead>
<tr>
<th>Has a maximum age for eligibility for sick pay exceeding statutory requirements</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with sick pay</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum agea</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60 years old</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>62 years old</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>65 years old</td>
<td>5</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>70 years old</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Does not have a maximum age for eligibility for sick pay exceeding statutory requirements</td>
<td>65</td>
<td>88</td>
<td>73</td>
</tr>
<tr>
<td>Don’t know if have a maximum age for eligibility for sick pay exceeding statutory requirements</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Base</td>
<td>2,087</td>
<td>1,632</td>
<td>2,087</td>
</tr>
</tbody>
</table>

a Where maximum age varied, the lowest was recorded.
Requiring a minimum length of service for eligibility for sick pay was common: practiced by nearly one-third of establishments (32 per cent) (Table 3.17). Forty-four per cent of employees were employed in establishments with a minimum length of service requirement for additional sick pay. However, the period required tended to be short, with 22 per cent of establishments (which employed 32 per cent of the workforce) requiring six months or less. Almost no establishments required more than five years’ service for eligibility for sick pay.

Table 3.17   Sick pay above statutory requirements: length of service for eligibility

<table>
<thead>
<tr>
<th>Has a minimum length of service for eligibility for sick pay exceeding statutory requirements</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with sick pay</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum length of servicea:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>six months or fewer</td>
<td>32</td>
<td>46</td>
<td>44</td>
</tr>
<tr>
<td>seven–12 months</td>
<td>6</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>more than one year and up to five years</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>more than five years</td>
<td>*</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Does not have a minimum length of service for eligibility for sick pay exceeding statutory requirements</td>
<td>35</td>
<td>50</td>
<td>37</td>
</tr>
<tr>
<td>Don’t know if have a minimum length of service for eligibility for sick pay exceeding statutory requirements</td>
<td>3</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

Base 2,087 1,632 2,087

*a* Where minimum length of service varied, the highest was recorded.

### 3.4.2 Other benefits

Age was rarely used as a criterion for eligibility for any other benefit: in two per cent of establishments, age affected annual leave entitlement and one per cent each had minimum and maximum age criteria for other types of benefits (Table 3.18).
Table 3.18 Other benefits with eligibility dependent on age

<table>
<thead>
<tr>
<th>Type of benefits which are dependent on age</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual leave</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Other non-pay benefits with minimum age</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Other non-pay benefits with maximum age</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

*Base* 2,087 2,087

Multiple responses could be given.

Other benefits were affected more commonly by length of service than age\(^{13}\): Length of service affected leave entitlement in almost half (44 per cent) of establishments, potentially affecting 58 per cent of the workforce. One-third of establishments made long service awards, potentially affecting over half (54 per cent) the workforce. Length of service was a criteria for other forms of benefits in 13 per cent of establishments, potentially affecting one-fifth of the workforce.

Table 3.19 Other benefits with eligibility dependent on length of service

<table>
<thead>
<tr>
<th>Type of benefits which are dependent on age</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual leave</td>
<td>44</td>
<td>58</td>
</tr>
<tr>
<td>Long service awards or payments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>one-off payment/cash/shares</td>
<td>33</td>
<td>54</td>
</tr>
<tr>
<td>gift/voucher</td>
<td>14</td>
<td>25</td>
</tr>
<tr>
<td>additional time off</td>
<td>13</td>
<td>23</td>
</tr>
<tr>
<td>pay rise</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Other non-pay benefits:</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>health insurance/health care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>staff discounts</td>
<td>13</td>
<td>20</td>
</tr>
<tr>
<td>shares</td>
<td>5</td>
<td>8</td>
</tr>
</tbody>
</table>

*Base* 2,087 2,087

Multiple response.

\(^{a}\) Other types of long service awards provided by one per cent or fewer establishments were: sabbatical, ceremony/presentation, certificate or plaque.

\(^{13}\) Other types of benefits provided by one per cent or fewer establishments included: health insurance, life insurance, maternity/paternity leave, company car, sabbatical/career break, additional leave, death in service benefits/insurance, other insurance, one-off payment/bonus, training/education support, season ticket loan, gift, childcare vouchers, flexible benefits.
The use of length of service for annual entitlement:

- grew with organisational size, used in 25 per cent of establishments in small organisations, 48 per cent of medium-sized organisations and 68 per cent, or more, of larger organisations. It also grew with establishment size;

- was much more common in the public sector (69 per cent) than the voluntary sector (48 per cent) or the private sector (37 per cent);

- reflecting this, it was most common in public administration and defence (96 per cent) and health and social work (60 per cent), although not education; and was also common in financial intermediation (60 per cent). Relating leave to length of service was rare in construction (25 per cent) and hotels and restaurants (22 per cent);

- was more common in establishments with a UK Head Office (and with offices outside the UK) (58 per cent), compared to those with a Head Office elsewhere or wholly based in the UK;

- was more common in Scotland (55 per cent) and Wales (54 per cent) than in England (43 per cent);

- was much more common in establishments with a recognised union (67 per cent compared with 36 per cent of establishments without a recognised union).

In terms of employees working in establishments with length of service requirements for benefits, the pattern was similar across the characteristics of the establishments, except by location of Head Office. For 65 per cent of employees in establishments with a US-based Head Office, their establishment had length of service criteria for some benefits, compared with 55 per cent to 59 per cent of employees in other establishments.

Long service awards, given by 33 per cent of establishments, most commonly comprised a one-off payment or gift: either cash, shares or similar (14 per cent of all establishments) or a gift or voucher (13 per cent of all establishments) (Table 3.19). One-quarter of employees worked in establishments offering cash, shares or similar for long service and 23 per cent worked in establishments offering gifts or vouchers. Six per cent of establishments gave long service employees additional time off and three per cent gave a pay rise.

Long service awards were:

- more common the larger the organisation and establishment, growing from 12 per cent of establishments in small organisations to 78 per cent of those in organisations with 10,000 employees or more;

- much more common in the public sector (52 per cent) than the voluntary sector (21 per cent) or the private sector (28 per cent);

- much more common in public administration and defence (77 per cent) and financial intermediation (49 per cent);
• much less common in organisations wholly-based in the UK (28 per cent) compared with: UK Head Office (and with offices outside the UK) (68 per cent), US Head Office (75 per cent) and Head Office elsewhere in Europe (55 per cent);

• much more common in establishments with a recognised union (59 per cent compared with 23 per cent of establishments without a recognised union);

• Scotland and Wales differed in their use of long service awards, with 57 per cent of establishments in Scotland having them, compared with 47 per cent in Wales (and 54 per cent in England).

In terms of the percentage of employees working in establishments making long service awards, the differences were smaller.

Other benefits with a length of service criterion were provided by 13 per cent of establishments. Health insurance or health care was the most common, available in five per cent of establishments and, potentially covering eight per cent of employees (Table 3.19). Staff discounts were provided by two per cent of all establishments. No other type of benefit with a length of service criterion was provided by more than one per cent of establishments.

Other benefits with length of service criteria were:

• rare in establishments in small organisations (six per cent) but provided by 18 per cent to 22 per cent of establishments in other sized organisations;

• more common the larger the establishment, growing from six per cent of establishments with under ten employees to 20 per cent of establishments with 50 or more employees;

• more common in financial intermediation (25 per cent);

• much less common in organisations wholly based in the UK (ten per cent, compared with 30 per cent to 35 per cent of organisations based elsewhere).

3.5 Benefits: summary

3.5.1 Pay

Pay systems and pay criteria which are based on age or on judgements open to age bias (for example, informal assessment), will be potentially hazardous under the new legislation. Some systems and criteria based on length of service will also be potentially hazardous. However, the draft Employment Equality (Age) Regulations 2006 exempt incremental scales of five years or fewer and, for longer periods, the standard of justification required will be lower than for other age-based provisions (see Section 33, Employment Equality (Age) Regulations 2006).
For their largest occupational group, potentially hazardous pay systems included:

- incremental pay scales (36 per cent of establishments), including five per cent of establishments with length of service increments extending for more than five years within the same scale;

- merit or performance-based pay (33 per cent of establishments), including 15 per cent of establishments which had no formal process of performance assessment.

For their largest occupational group, potentially hazardous pay criteria included: age-related pay (14 per cent of establishments), length of service (41 per cent of establishments), years of relevant experience (41 per cent of establishments); qualifications (33 per cent of establishments); and likelihood of leaving (16 per cent of establishments).

Professionals were most subject to potentially hazardous pay criteria and potentially hazardous pay systems (38 per cent were in establishments with length of service increments extending more than five years or performance pay without a formal performance assessment). However, incremental pay scales and performance pay were common for all white collar staff and for caring, leisure and personal service staff. Associate professional and technical staff, administrative and secretarial staff and skilled trades staff were also subject to a high incidence of potentially hazardous criteria.

### 3.5.2 Pensions

- Sixty-three per cent of establishments had a pension scheme.

- Eighty-one per cent of employees work in establishments with a pension scheme.

Early retirement was:

- provided for in 42 per cent of establishments, employing 63 per cent of employees, but it was rarely actively encouraged;

- available as a right to 28 per cent of employees, with a further four per cent of employees working in establishments where some staff had this right.

Pension provision rose with organisational and establishment size. It was lower in the private sector and in establishments without a recognised union. Provision was very low in construction (47 per cent) and in hotels and restaurants (31 per cent). The pattern of provision of early retirement was similar.
3.5.3 Sick pay and other benefits

The only other benefits with age-related criteria which were common were:

- length of service affecting annual leave entitlement (44 per cent of establishments, employing 58 per cent of employees);
- long service award in 33 per cent of establishments (employing 54 per cent of employees).

The provision of sick pay, health insurance and staff discounts also had age-related conditions in a small percentage of establishments.

Length of service affecting leave entitlement and long service awards were more common the larger the organisation or establishment, in unionised establishments and in public administration and defence, health and social work and financial intermediation.
4 Retirement

4.1 Introduction

‘Retirement age’ and ‘pension age’ are often used interchangeably, resulting in confusion. In particular, ‘retirement age’ is frequently used to mean the age at which the state pension becomes payable (65 for men and, currently, 60 for women) and also to mean the age at which an occupational pension may normally be drawn. In an employment context, ‘retirement age’ has two distinct meanings: the age set by an employer for retirement from the organisation and the age at which a worker leaves the labour force for retirement. These are not necessarily the same thing, as employers may allow employees to work after the employer’s normal retirement age and individuals may move to other employment after being retired in one job. The following discussion is concerned with the retirement age and rules set by the employing organisation. At no stage do we mean to imply that employees may be forced into retirement (i.e. forced to leave the labour force), as opposed to have to leave their existing job.

Currently, employers may set their own retirement age (or ages), at which age employees may be retired irrespective of the employees’ wishes (referred to as the ‘compulsory retirement age’ in this report). Employees working beyond this age (or beyond 65 if no retirement age is specified) lose legal protection against unfair dismissal (DTI, 2005b, paragraph 4) and the right to redundancy pay (TUC, 2001; DTI, 2005). Certain employment rights are retained irrespective of age or retirement age, for example, those protecting against sex and race discrimination.

From October 2006, the draft Employment Equality (Age) Regulations 2006 establish a national default retirement age (of 65), below which employees will not be able to be compulsorily retired, unless employers can objectively justify a lower retirement age (e.g. on health and safety grounds) (DTI, 2005). Regardless of what their retirement age is, employers will need to follow the new planned retirement procedures stipulated in the draft regulations, if they want to avoid unfair dismissal claims. The procedures include giving consideration to requests to work beyond the retirement age and providing employees with at least six months’ notice of
Unfair dismissal protection and redundancy payments will be available irrespective of age (or of retirement age) (although dismissal on account of retirement will be a fair reason for dismissal).

In 2011, the government will review *whether all retirement ages that are not objectively justified should be outlawed* (DTI, 2005). Abolition of the national default retirement age would extend employment protection legislation to employees of all ages. Employees could only be retired against their wishes where a retirement age was objectively justified, e.g. on the grounds of workforce planning. Otherwise, older employees could only be fairly forcibly ‘retired’ (i.e. fairly dismissed) on the same grounds as younger employees, i.e. on performance or redundancy grounds. Because retiring an employee is easier than dismissing an employee on performance grounds, this raises concerns amongst employers that they will have to employ older people who they feel can no longer do their job. Whilst these are genuine concerns, the evidence suggests that physical or mental decline rarely impacts on work performance up to at least the age of 70 and that performance is similar across age groups. (There is a lack of evidence for older ages.) Despite this evidence, the prospect of the national default retirement age being removed is seen to imply a need for all employers to have good performance monitoring systems (covering employees of all ages) to enable fair dismissal if the performance of older employees declines.

The impact of the establishment of the national default retirement age in October 2006 or of the future abolition of the national default retirement age depends on employers’ current retirement practice. The main issues are:

- whether employers are familiar with operating without a retirement age (which they will be if they do not currently have a compulsory retirement age for at least some employees);

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14 This reduces the opportunity of using retirement instead of redundancy or dismissal.
• whether they are used to the uncertainty resulting from having no specific retirement age (which occurs both where there is no compulsory retirement age and where the retirement age is flexible15); and

• for those with a compulsory retirement age, whether this differs from the national default retirement age.

Thus, in this chapter, we focus on the extent to which employers have a compulsory retirement age, the extent to which employers have formal flexible retirement and the age of retirement.

The following terms are used:

• fixed-age retirement: a single age at which retirement must take place (as opposed to formal flexible retirement, where retirement may take place across an age range); establishments may have more than one fixed age, as the age of retirement may vary across jobs or by gender;

• formal flexible retirement: a formal policy allowing employees to retire across an age band; there may be minimum and/or maximum ages for retirement;

• formal standardised retirement: the formalisation of retirement either through having fixed-age retirement or formal flexible retirement (with or without a maximum age for retirement);

• compulsory retirement age: this may be either due to fixed-age retirement or due to formal flexible retirement with a maximum age at which retirement must take place;

• national default retirement age: the draft Employment Equality (Age) Regulations 2006 contain an exemption (the ‘national default retirement age’) allowing employers to retire employees at or beyond the age of 65, without having to justify their decision.

15 Note that flexible retirement does not necessarily present employers with the problem of how to get rid of poorly performing older workers: it only does this if there is no maximum retirement age. Indeed, except where flexible retirement is linked to flexibility over the age at which an occupational pension can be drawn, it is unclear what flexible retirement really means or its effect: it is assumed that flexible retirement provides employees with choice over the age at which they retire, but as any employee may choose to leave at any age up to their employer’s compulsory retirement age, flexible retirement does not provide additional choices, unless there is no maximum age, in which case there is, in effect, no retirement age. However, it is possible that the provision of a designated range of ages for retirement affects behaviour, perhaps by making retirement acceptable to the employee over a range of ages. If so, flexible retirement would create more uncertainty for the employer.
4.2 Retirement: overview of types of retirement

Three-quarters of establishments had formal standardised retirement (Table 4.1). However, formal flexible retirement was most common (56 per cent of establishments) and only 23 per cent of establishments operated fixed-age retirement. Thus 77 per cent of establishments had experience of operating with flexibility over retirement (those with formal flexible retirement and those with no formalised retirement).

Table 4.1 Type of retirement

<table>
<thead>
<tr>
<th>Type of Retirement</th>
<th>Percentage of Establishments</th>
<th>Percentage of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal standardised retirement for some or all staff</td>
<td>75</td>
<td>88</td>
</tr>
<tr>
<td>Fixed-age retirement for some or all employees&lt;sup&gt;a&lt;/sup&gt;</td>
<td>23</td>
<td>26</td>
</tr>
<tr>
<td>Formal flexible retirement for some or all employees&lt;sup&gt;a&lt;/sup&gt;</td>
<td>56</td>
<td>69</td>
</tr>
<tr>
<td>No formal standardised retirement for any staff</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td>Don’t know about the type of retirement</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

Base 2,087 2,087

<sup>a</sup> Multiple response.

Because larger establishments were more likely to have formal standardised retirement and also to have formal flexible retirement, the percentage of employees working in establishments with these practices was 88 per cent and 69 per cent respectively. In total, this resulted in 78 per cent of employees working in establishments operating with flexibility over retirement (those with formal flexible retirement and those with no formalised retirement).

Employers tended to offer all employees in their establishment the same type of retirement. Only five percent of employers offered formal flexible retirement to some employees only and one per cent offered fixed-age compulsory retirement to some employees only.

The majority of establishments (57 per cent) had experience of operating without a compulsory retirement age and a further 16 per cent had experience of flexibility over the retirement age (albeit with a maximum retirement age) (Table 4.2). Thirty-seven per cent had a compulsory retirement age for some or all staff, comprising 23 per cent with fixed-age retirement and 16 per cent with flexible retirement with a maximum retirement age (including two per cent which operated both).
### Table 4.2 Compulsory retirement age

<table>
<thead>
<tr>
<th>Type</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compulsory retirement age, some or all employees</td>
<td>37</td>
<td>50</td>
</tr>
<tr>
<td>Fixed-age retirement for some or all employeesa</td>
<td>23</td>
<td>26</td>
</tr>
<tr>
<td>Formal flexible retirement, with maximum retirement age, for some or all employeesa</td>
<td>16</td>
<td>27</td>
</tr>
<tr>
<td>No compulsory retirement age for any staff</td>
<td>57</td>
<td>45</td>
</tr>
<tr>
<td>Don’t know about the type of retirement</td>
<td>6</td>
<td>5</td>
</tr>
</tbody>
</table>

*Base 2,087 2,087*

*a Multiple response.

Compulsory retirement was more common in larger establishments, resulting in half of employees working in such establishments. However, since formal flexible retirement with a maximum retirement age was also more common in larger establishments, almost three-quarters worked where there was some flexibility over the age at which retirement took place.

The types of retirement offered differed across types of employer. The main differences are highlighted below.

- **Smaller employers** were much less likely to have formal standardised retirement and much less likely to have a compulsory retirement age:
  - 34 per cent of establishments in small organisations (under 50 employees) had no formal standardised retirement (i.e. no fixed compulsory retirement age nor any formal flexible retirement), compared with three to 13 per cent of other size groups; in terms of employees, 29 per cent of employees working in small organisations had no formal standardised retirement, as did 11 per cent in medium-sized organisations (50 to 249 employees), compared with two per cent in larger organisations;
  - 71 per cent of establishments in organisations with under 50 employees and 57 per cent of those with 50 to 249 employees had no compulsory retirement age (neither a fixed age nor a maximum age for formal flexible retirement), compared with 44 per cent or fewer larger organisations; the percentage of employees working in establishments with no compulsory retirement age was similar to that of the percentage of establishments in each size group;
  - the availability of formal flexible retirement grew with organisational size (from 47 per cent of those with under 50 employees to 77 per cent of those with 10,000 or more employees); however, the larger employers were more likely to have a maximum retirement age for those with formal flexible retirement; the percentage of employees working in establishments with formal flexible retirement was similar to that of the percentage of establishments in each size group;
A similar pattern was found by establishment size.

- The **private sector** was more likely than the **public sector** to have no formal standardised retirement age (26 per cent compared with seven per cent) and not to have any compulsory retirement age (64 per cent compared with 34 per cent). Formal flexible retirement was slightly less common in the private than the public sector (52 per cent compared with 66 per cent). The **voluntary sector** tended to be similar to the public sector, except that it was much less likely than the public sector to have a maximum retirement age for those with formal flexible retirement.

- **Industry** differences were apparent. In particular:
  - **financial intermediation, public administration** and **education** were most likely to have a compulsory retirement age (52 per cent, 69 per cent and 55 per cent respectively), whilst **hotels and restaurants** were least likely (17 per cent);
  - formal flexible retirement was most common amongst **transport, storage and communication, public administration** and **health and social work** (74 per cent, 79 per cent and 70 per cent, respectively) and least common in **construction** and **hotels and restaurants** (39 per cent and 41 per cent respectively);
  - **construction** and **hotels and restaurants** most often had no formal standardised retirement (35 per cent and 39 per cent respectively).

- Type of retirement varied with **Head Office location**:
  - establishments with a UK Head Office (but with branches outside the UK) (85 per cent) or those with a European Head Office (90 per cent) were more likely than establishments wholly based in the UK (74 per cent) and those with a US Head Office (67 per cent) to have formal standardised retirement (i.e. a fixed age for retirement or formal flexible retirement); however, owing to differences in employment size, this pattern was not replicated in terms of employees working in these establishments: the differences were much smaller, ranging from 87 per cent of employees working in establishments wholly based in the UK to 96 per cent of employees working in establishments with a UK Head Office (but with branches outside the UK);
  - establishments with a US Head Office (25 per cent) were less likely than those with a Head Office elsewhere (37 per cent to 44 per cent) to have a compulsory retirement age. This was mainly due to establishments with a US Head Office being less likely to have a maximum age for formal flexible retirement; however, in terms of employees working in these establishments, both those with a US Head Office (43 per cent) and those wholly based in the UK (49 per cent) had a compulsory retirement age in their establishment, compared with those with a UK Head Office (but with branches outside the UK) (57 per cent) or with a Head Office elsewhere in Europe (60 per cent).
• Establishments with a recognised union were much more likely to have formal standardised retirement (93 per cent compared with 69 per cent of establishments without a recognised union), to have a compulsory retirement age (60 per cent compared with 29 per cent of establishments without with a recognised union recognition) and to offer formal flexible retirement (74 per cent compared with 49 per cent of establishments without union recognition). To some extent, this is likely to reflect the differences in size and sectoral composition of establishments with and without union recognition.

• There was little difference in the types of retirement offered by country, except that employees in Wales and in England were less likely to be working in an establishment with a compulsory retirement age than those in Scotland (45 per cent, 50 per cent and 57 per cent of employees worked in establishments with a compulsory retirement age, respectively).

We might expect establishments with Equal Opportunities policies, especially those addressing age, would be less likely to have formal standardised retirement and less likely to have a compulsory retirement age, but to be more likely to have formal flexible retirement. This was true for formal flexible retirement (60 per cent having formal flexible retirement, compared with 44 per cent of those without an Equal Opportunities policies), but those with Equal Opportunities policies (including those addressing age) were more likely to have formal standardised retirement (81 per cent, compared with 58 per cent with no Equal Opportunities policy) and to have a compulsory retirement age (51 per cent had a compulsory retirement age, compared with 25 per cent with no Equal Opportunities policy). This pattern suggests that Equal Opportunities policies were not driving differences in retirement practice but that Equal Opportunities policies went hand-in-hand with formalised policies generally.

4.3 Formal flexible retirement

Formal flexible retirement offers employees a choice of the age of retirement, although a minimum or maximum age may be imposed. Overall, 56 per cent of establishments had formal flexible retirement schemes (Table 4.3), covering all (50 per cent) or some (four per cent) of their workforce. A further 18 per cent of employers did not have formal flexible retirement provisions, but believed they would be flexible over the retirement age if the need arose. Thus, 74 per cent of employers either offered formal flexible retirement or thought they would be willing to do so. The percentage of employees working in these establishments was similar (78 per cent). Sixty-nine per cent of employees worked in establishments which already offered formal flexible retirement.

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16 The remainder did not know whether flexible retirement was available for all or some employees.

17 Obviously, in practice, this might not always occur.
Table 4.3  Formal flexible retirement: availability

<table>
<thead>
<tr>
<th>Have formal flexible retirement</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do not have formal flexible retirement</td>
<td>56</td>
<td>69</td>
</tr>
<tr>
<td>Don’t know if have formal flexible retirement/never had anyone retire, but:</td>
<td>18</td>
<td>16</td>
</tr>
<tr>
<td>would allow flexibility if situation arose</td>
<td>26</td>
<td>15</td>
</tr>
<tr>
<td>would not allow flexibility if situation arose</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>don’t know if would allow flexibility if situation arose</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

*Base* 2,087 2,087

The degree of flexibility varied across employers. Most employers with formal flexible retirement did not have a minimum age for retirement (58 per cent of those with formal flexible retirement) or did not have a maximum retirement age (70 per cent of those with formal flexible retirement) (Table 4.4 and Table 4.5). In total, 48 per cent of those with a formal flexible retirement age had neither a minimum nor a maximum retirement age (equivalent to 23 per cent of all establishments). In terms of employees, 26 per cent worked in establishments which had formal flexible retirement with no minimum age and 39 per cent where there was no maximum age.

Table 4.4  Formal flexible retirement: minimum age for retirement

<table>
<thead>
<tr>
<th>Have formal flexible retirement, gave details of minimum retirement age</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percentage of establishments with formal flexible retirement</td>
<td>Percentage of employees with formal flexible retirement</td>
</tr>
<tr>
<td></td>
<td>Establishment</td>
<td>Employment</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>-----------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Have formal flexible retirement, gave details of minimum retirement age</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Minimum retirement age:

<table>
<thead>
<tr>
<th>Minimum retirement age:</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>no minimum</td>
<td>29</td>
<td>58</td>
</tr>
<tr>
<td>under 50 years old</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>50 years old</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>51–54 years old</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>55 years old</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>56–59 years old</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>60 years old</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>61–64 years old</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>65 years old</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>variable minimum</td>
<td>3</td>
<td>6</td>
</tr>
</tbody>
</table>

Continued
For establishments with minimum or maximum formal flexible retirement ages, minimum retirement ages tended to be set at 50 or 60 years old (13 per cent and 14 per cent of those with formal flexible retirement) and the maximum retirement age set at 65 years old (22 per cent of those with formal flexible retirement). Only two per cent of establishments with formal flexible retirement had a maximum flexible retirement age below 65. Thus, the national default retirement age of 65 as set by the draft Employment Equality (Age) Regulations 2006 would affect few establishment’s formal flexible retirement schemes. These establishments employ only two per cent of the total workforce.

**Table 4.5 Formal flexible retirement: maximum age for retirement**

<table>
<thead>
<tr>
<th>Have formal flexible retirement, gave details of maximum retirement age</th>
<th>Percentage of establishments with formal flexible retirement</th>
<th>Percentage of employees</th>
<th>Percentage of employees with formal flexible retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum retirement age:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60 years old</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>61–64 years old</td>
<td>*</td>
<td>*</td>
<td>1</td>
</tr>
<tr>
<td>65 years old</td>
<td>12</td>
<td>22</td>
<td>19</td>
</tr>
<tr>
<td>66–69 years old</td>
<td>*</td>
<td>*</td>
<td>1</td>
</tr>
<tr>
<td>70 years old</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>75 years old</td>
<td>*</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>no maximum</td>
<td>36</td>
<td>70</td>
<td>39</td>
</tr>
<tr>
<td>variable maximum</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>
Table 4.5 Continued

<table>
<thead>
<tr>
<th></th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal flexible retirement, details unknown</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>No formal flexible retirement</td>
<td>44</td>
<td>31</td>
<td></td>
</tr>
</tbody>
</table>

Base 2,087 1,241 2,087 1,241

*Details of the maximum retirement age were given.

Few employers reported that the possible ages of retirement under formal flexible schemes varied across their employees: seven per cent of those with formal flexible retirement (or four per cent of all establishments). Where it differed, this was commonly by occupation (four per cent of those with formal flexible retirement) (Table 4.6).

Table 4.6 Formal flexible retirement: criteria for variable range of retirement ages

<table>
<thead>
<tr>
<th>Has a variable range of retirement ages for formal flexible retirement</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
<th>Percentage of employees with formal flexible retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Range differs by:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>occupation</td>
<td>3</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>gender</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>something else</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

Base 2,087 1,241 2,087 1,241

Multiple response.

4.4 Fixed-age retirement

As we have seen, 23 per cent of establishments had fixed-age retirement for some or all employees. This section describes the age of retirement for fixed-age retirement and looks at the rationale for fixed-age retirement.
In three per cent of establishments, the age of fixed-age retirement differed across groups of employees. In most cases this was due to different ages for women and men, a variation which should disappear over time as the state pension age is gradually raised to 65 for women.

To identify how many establishments might need to raise their retirement age when the national default retirement age comes into force in October 2005, the following reports the lowest age for fixed-age retirement only. A large majority of establishments with fixed-age retirement (77 per cent) had a lowest retirement age of 65\(^{18}\) (Table 4.7). Nearly all the rest (20 per cent of all with fixed-age retirement) had 60 as their lowest retirement age. Thus, around one quarter (23 per cent) of those with fixed-age retirement (or five per cent of all establishments) will need to adjust their fixed-age retirement age for at least some employees when the national default retirement age of 65 is introduced in October 2005.

### Table 4.7 Fixed-age retirement: age for retirement

<table>
<thead>
<tr>
<th>Age of retirement</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with a fixed retirement age(^b)</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has fixed-age retirement for some or all staff</td>
<td>23</td>
<td>100</td>
<td>26</td>
</tr>
<tr>
<td>Age of retirement(^a):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>under 60</td>
<td>*</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>60</td>
<td>4</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>61–64</td>
<td>*</td>
<td>1</td>
<td>*</td>
</tr>
<tr>
<td>65</td>
<td>17</td>
<td>77</td>
<td>19</td>
</tr>
<tr>
<td>Don’t know age</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>No fixed-age retirement for any staff</td>
<td>74</td>
<td>-</td>
<td>71</td>
</tr>
<tr>
<td>Don’t know if fixed-age retirement</td>
<td>4</td>
<td>-</td>
<td>3</td>
</tr>
</tbody>
</table>

Base 2,087 529 2,087

\(^a\) Where the fixed age varied across employees, the youngest age is given.

\(^b\) Details of the retirement age were given.

To try to identify any barriers to moving to a higher retirement age, employers were asked what their rationale was for having fixed-age retirement. Only 30 per cent of respondents with fixed-age retirement (equal to seven per cent of all employers) were able to give a rationale for having fixed-age retirement and most of these said it was historical (or ‘just do’) (Table 4.8). Although the lack of rationale might be

\(^{18}\) Given that the fixed age varied across employees in 12 per cent of establishments, the highest fixed age was 65 or over in 88 per cent of establishments.
thought to imply moving from fixed-age retirement to formal flexible retirement (or to no retirement age) would not be a major issue, it might be that the fixed-age retirement has continued to exist (despite a lack of rationale) due to difficulties in making change. Alternatively, it is possible that the respondents were unfamiliar with a rationale, but that one did exist.

Table 4.8  Rationale for having fixed-age retirement

<table>
<thead>
<tr>
<th>Establishments with fixed-age retirement</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with a fixed retirement age</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gave a reason for having fixed-age retirement\footnote{Multiple response.}</td>
<td>7</td>
<td>30</td>
<td>9</td>
</tr>
<tr>
<td>Historical/just do</td>
<td>3</td>
<td>14</td>
<td>4</td>
</tr>
<tr>
<td>Pension scheme rules</td>
<td>1</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>People over this age would no longer be capable of doing the job</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Avoids capability tests/sacking for incompetence</td>
<td>*</td>
<td>1</td>
<td>*</td>
</tr>
<tr>
<td>Same as state pension age</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Other answer</td>
<td>1</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Could not give a reason for having fixed-age retirement age</td>
<td>16</td>
<td>70</td>
<td>15</td>
</tr>
</tbody>
</table>

\textit{Base} 2,087 529 2,087

4.5  Compulsory retirement age

4.5.1  Compulsory retirement age

To identify the degree of change which employers may need to make to their retirement practices, both fixed-age and formal flexible retirement needs to be examined jointly. Of particular importance is the age at which employees have to retire (as opposed to the earliest age at which they might retire) unless their employer agrees otherwise. Table 4.9 shows each establishment’s lowest compulsory retirement age (i.e. the lowest of any fixed retirement age and any maximum formal flexible retirement age).

Thirty-seven per cent of establishments had a compulsory retirement age\footnote{Comprising 23 per cent with a fixed retirement age and 16 per cent with flexible retirement with a maximum age, including two per cent which have both.}. Only six per cent of establishments had a compulsory retirement age below 65 for any staff. Over one-quarter (27 per cent) had a compulsory retirement age of 65 and two per cent of over 65. The remainder either had no maximum age or did not have formal
standardised retirement. This suggests that the introduction of the national default retirement age of 65 will require only a small percentage of employers to change their normal retirement ages. Raising the national default retirement age above 65 (i.e. to 66) would affect about one-third of employers. Abolition of the national default retirement age would affect only slightly more employers.

**Table 4.9  Formal flexible and fixed-age retirement: compulsory retirement age (any employees)**

<table>
<thead>
<tr>
<th>Has formal standardised retirement (fixed-age retirement or formal flexible retirement for some employees)</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has a compulsory retirement age(^a)</td>
<td>75</td>
<td>88</td>
</tr>
<tr>
<td>youngest compulsory age(^b):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>under 65</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>65</td>
<td>27</td>
<td>34</td>
</tr>
<tr>
<td>over 65</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>No compulsory age</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Does not have formal standardised retirement (neither fixed age retirement nor formal flexible retirement for any employees)</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td>Retirement details missing</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

Base 2,087 2,087

\(^a\) i.e. Has a fixed retirement age or a maximum retirement age for formal flexible retirement.

\(^b\) Where age varied, the youngest compulsory age is reported.

Retirement age (and whether fixed-age or formal flexible) was part of the employment contract for around half of those with formal standardised retirement (49 per cent or 37 per cent of all establishments) (Table 4.10).

**Table 4.10  Formal flexible and fixed-age retirement: retirement age part of employment contract**

<table>
<thead>
<tr>
<th>Has formal standardised retirement and:</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with retirement</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>retirement age is part of the employment contract</td>
<td>37</td>
<td>49</td>
<td>48</td>
</tr>
<tr>
<td>retirement age is not part of the employment contract</td>
<td>33</td>
<td>44</td>
<td>34</td>
</tr>
<tr>
<td>don’t know if retirement age is part of the employment contract</td>
<td>5</td>
<td>7</td>
<td>6</td>
</tr>
</tbody>
</table>

Base 2,087 1,749 2,087
A higher percentage of some types of employers will be affected by the introduction of the national default retirement age:

- the **public sector** (11 per cent with a compulsory age below 65, compared with five per cent of the private sector) and, hence, industries with high public sector representation (e.g. **education**, 16 per cent; **health and social work**, ten per cent; **other community, social and personal service activities**, ten per cent);

- the **financial services** sector, where 24 per cent of establishments have a compulsory retirement age below 65;

- employers with their **Head Office in Europe (outside the UK)** (11 per cent); none of the establishments with **US Head Offices** had a retirement age below 65;

- establishments with **union** recognition were more likely to have a compulsory retirement age below 65 (11 per cent compared with five per cent of establishments without union recognition), as were those with a formal **Equal Opportunities policy** (eight per cent compared with two per cent for those without).

In respect of raising the national default retirement age above 65:

- the percentage of employers affected generally rises with **organisational size** (from 22 per cent of those with under 50 employees to 60 per cent for those with 1,000 to 9,999 employees, although falling to 43 per cent for those with 10,000 or more employees); it also rises with **establishment size**;

- more **public** than **private sector** would be affected (53 per cent and 28 per cent respectively); 39 per cent of **voluntary sector** employers would be affected;

- by industry, **public administration and defence** (59 per cent) and **education** (51 per cent) would be most affected and **hotels and restaurants** (17 per cent) least; in other industries between 29 and 40 per cent would be affected;

- establishments with **US Head Offices**, would be least affected (24 per cent); a similar percentage of establishments with **Head Offices within Europe**, whether with a UK Head Office (and wholly-based in the UK or not) or elsewhere in Europe would be affected (ranging from 33 per cent to 43 per cent);

- slightly more establishments in **Scotland** (42 per cent) would be affected than in **England** (36 per cent) or **Wales** (34 per cent);

- over half (53 per cent) of establishments with **union** recognition would need to make changes, compared with 27 per cent of establishments without union recognition;

- 40 per cent of those with **Equal Opportunities policies** compared with 19 per cent of those without. (There would be no difference in percentage between those with Equal Opportunities policies addressing age and those without.)
If the national default retirement age were abolished, the pattern of impact would be similar to the above.

### 4.5.2 Employment after the employers’ compulsory retirement age

Employers’ attitudes towards employing older people and the ease with which they will adjust to the national default retirement age of 65 (and would adjust should the national default retirement age ultimately be removed) may be affected by their practice in the employment of workers above their normal compulsory retirement age. The large majority of establishments with a compulsory retirement age said they would, in fact, employ people above this age (27 per cent of establishments, compared with seven per cent which would not) (Table 4.11). However, this would nearly always be at the discretion of management (22 per cent of establishments), rather than a right (six per cent of establishments) (Table 4.12) and, in three-quarters of cases (76 per cent) where this was at management’s discretion, employees would only be able to continue if there were a business need which could not otherwise be met (Table 4.13). Of course the number of employees actually employed above retirement age may be small. About half of those who said they would employ people above their compulsory retirement age were so doing at the time of the survey (15 per cent of all establishments).

#### Table 4.11 Employment beyond the employer’s normal compulsory retirement age

<table>
<thead>
<tr>
<th>Does not have formal standardised retirement</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has formal retirement, but does not have a compulsory retirement age</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Has formal retirement, with a compulsory maximum retirement age and:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>would employ above compulsory retirement age</td>
<td>27</td>
<td>36</td>
</tr>
<tr>
<td>would not employ above compulsory retirement age</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>don’t know if would employ above compulsory retirement age</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Don’t know whether has a retirement age</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

*Base 2,087*
Table 4.12  Entitlement to employment beyond the employer’s normal compulsory retirement age

<table>
<thead>
<tr>
<th>Employers who would allow working beyond their normal compulsory retirement age allow this:</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with compulsory retirement age</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>as an entitlement for all staff</td>
<td>6</td>
<td>15</td>
<td>7</td>
</tr>
<tr>
<td>as an entitlement for some staff</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>at management discretion only</td>
<td>22</td>
<td>59</td>
<td>30</td>
</tr>
<tr>
<td><strong>Base unweighted</strong></td>
<td>2,087</td>
<td>951</td>
<td>2,087</td>
</tr>
<tr>
<td><strong>Base weighted</strong></td>
<td>2,112</td>
<td>770</td>
<td>2,087</td>
</tr>
</tbody>
</table>

Table 4.13  Circumstances under which an employee would be allowed to stay on past retirement age

<table>
<thead>
<tr>
<th>Only where there is a business need which would be difficult to otherwise meet</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with management discretion</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>If possible to meet the employees preferences</td>
<td>8</td>
<td>38</td>
<td>10</td>
</tr>
<tr>
<td>Varies</td>
<td>2</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Neither</td>
<td>0</td>
<td>1</td>
<td>*</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>0</td>
<td>2</td>
<td>*</td>
</tr>
<tr>
<td><strong>Base unweighted</strong></td>
<td>2,087</td>
<td>573</td>
<td>2,087</td>
</tr>
<tr>
<td><strong>Base weighted</strong></td>
<td>2,112</td>
<td>456</td>
<td>2,087</td>
</tr>
</tbody>
</table>

Multiple response.

Establishments without formal flexible retirement were much more likely to allow working beyond their normal compulsory retirement age than those with formal flexible retirement (47 per cent and 25 per cent respectively) (Table 4.14). Obviously, this is, in part, because fewer establishments with formal flexible retirement have a normal compulsory retirement age. However, it does suggest that some organisations have flexibility for the employer rather than for the employee in their approach to retirement.
Table 4.14  Formal flexible retirement: employment above normal compulsory retirement age

<table>
<thead>
<tr>
<th>Percentage of establishments</th>
<th>Whether establishment has formal flexible retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Never had anyone retire</td>
</tr>
<tr>
<td>No formal standardised retirement</td>
<td>0</td>
</tr>
<tr>
<td>No compulsory retirement age for any staff&lt;sup&gt;a&lt;/sup&gt;</td>
<td>62</td>
</tr>
<tr>
<td>Compulsory maximum retirement age and:</td>
<td></td>
</tr>
<tr>
<td>would/do employ above normal compulsory retirement age</td>
<td>25</td>
</tr>
<tr>
<td>would not/do not employ above normal compulsory retirement age</td>
<td>6</td>
</tr>
<tr>
<td>don’t know if would/do employ above normal compulsory retirement age</td>
<td>2</td>
</tr>
<tr>
<td>Retirement information unknown</td>
<td>0</td>
</tr>
<tr>
<td>Percentage of all establishments</td>
<td>56</td>
</tr>
</tbody>
</table>

Base unweighted: 1,320 375 305 87 2,087
Base weighted: 1,177 379 452 104 2,112

<sup>a</sup> Those without formal standardised retirement and those with formal standardised retirement, without a compulsory retirement age.

4.6  Retirement: summary

Under the draft Employment Equality (Age) Regulations 2006, a national default retirement age will be set at 65. From this age, employers may, if they wish, retire employees, so long as they follow the correct process, which includes providing employees with at least six months, notice of retirement. In 2011, the government will review whether all retirement ages, unless objectively justified, should be outlawed.

Currently, for some or all staff:

- 37 per cent had a compulsory retirement age for at least some staff, including 23 per cent with a fixed retirement age and 16 per cent with formal flexible retirement with a maximum age<sup>20</sup>;

- 57 per cent of establishments had no compulsory retirement age (i.e. neither formal standardised retirement nor a maximum age for retirement) (including 36 per cent offering formal flexible retirement with no maximum age); 45 per cent of employees worked in such establishments; this was more common in smaller organisations.

<sup>20</sup> Including two per cent with both (for different groups of staff).
Formal flexible retirement grew with organisation size and was more common in the public sector and in establishments with a recognised union.

The most common youngest compulsory retirement age was 65 (27 per cent of establishments); six per cent had a younger age and two per cent an older age. Thus, only six per cent of establishments should be affected by the introduction of the national default retirement age of 65. Public sector establishments and establishments in the financial services industry would be most often affected.

Were the national default retirement age to be raised in the future, it would affect about one-third of establishments. Those most often affected would be larger organisations, the public sector and establishments with a recognised union.

Only one-third of those with a fixed retirement age could give a reason for this and most of these said it was historic. Otherwise the only reason advanced by more than one per cent of establishments was that it was due to pension scheme rules.

The large majority of establishments with a compulsory retirement age would, in fact, employ people above this age (27 per cent of all establishments, compared with seven per cent which would not). However, this would nearly always be at the discretion of management and only if there were a business need which could not otherwise be met.
5 Recruitment

5.1 Introduction

Age discrimination in recruitment has serious consequences for the employment of discriminated against groups, leading to higher unemployment and, at the older end, in particular, withdrawal from the labour market. It is also likely to result in loss to the individual and to the economy through occupational downgrading.

Discriminatory practice in recruitment can take many forms. The most obvious are age criteria in advertisements or person specifications. Even without stated age criteria, advertising and other literature may strongly suggest favoured age ranges. Other criteria may be indirectly discriminatory, where the criteria are not essential to the job and are less likely to be found amongst some age groups: qualifications can fall into this group (as older people tend to have fewer qualifications and the validity of older qualifications is not always recognised), as can periods of experience (as younger people are less likely to have these). Advertising methods themselves can be indirectly discriminatory, if the method is less likely to reach one age group than another. However, much discrimination is likely to be unconscious, based on selectors’ attitudes and preconceptions. Processes need to be in place to guard against these, for example, Equal Opportunities training of recruiters and removal of age information from application forms (other than for monitoring purposes).

In a survey covering a wide range of employment policy and practice, only selected aspects of recruitment could be examined. Some of those selected were practices which could be clearly distinguished as discriminatory (e.g. age requirements). However, others we have termed ‘potentially hazardous’. These are practices where the discriminatory nature depends on the circumstances. For example, previous experience (or qualifications) is essential for many jobs: the requirement becomes discriminatory if experience does not affect ability to do the job or the length sought is greater than that required. Thus, without detailed knowledge of the job, for many practices, it is not possible to determine whether the practice is discriminatory, merely potentially so.
The focus for recruitment was practice, rather than policy. Therefore, to try to ensure respondents reported current actual practice, questions about recruitment were restricted to establishments which had tried to recruit in the last five years. This excluded 11 per cent of the sample (where either no recruitment had been conducted or respondents did not know if it had). In order to reduce the problem of respondents replying in generalities (or restricting their response to selected, but unstated, groups only), respondents were asked about the largest occupational group or, for ten per cent of the sample, managers or senior officials (both referred to as the largest occupational group) (see Section 1.4).

This chapter looks at various stages of the recruitment process: First, the advertisement: the extent to which advertising methods are accessible to all age groups (Section 5.2) and their inclusion of age-based selection criteria (Section 5.3). Section 5.4 describes the extent to which employers target young people and older people in their recruitment. Section 5.5 turns to the selection process and, specifically, the way in which age data is collected and used. Age and age-related selection characteristics are then discussed (Section 5.6). Finally, the chapter turns to whether age affects starting salaries for those recruited (Section 5.7).

5.2 Recruitment: advertising method

As discussed above, an important aspect of discrimination in recruitment is whether advertising methods will tend to reach some age groups only (or disproportionately). For example, vacancies notified to university careers services disproportionately reach those in their early 20s, whereas advertisements in newspapers tends to be open to all ages. The survey asked about open recruitment methods (including newspapers and magazines; notices visible to the public; Jobcentre Plus) and age-restrictive methods (universities and colleges; Connexions (which superseded the Careers Service); schools). The age-bias of a number of advertising methods is not self-evident. These we grouped into those which probably had some age-bias (the internet, which is more often used by younger people; radio (depending on the station and programming) and job fairs) and those which possibly had an age-bias. These included internal advertising (the age-bias of which would depend on the composition of the workforce); word-of-mouth (the age-bias of which would depend on the composition of the workforce and their attitudes about age of recruits) and private employment agencies. The latter were included as the methods they used were unknown to the study.

For recruitment in the previous five years for their largest occupational group, 47 per cent of those who had recruited had used an advertising method which was likely to reach certain age groups disproportionately: 34 per cent advertised vacancies through universities and colleges and 27 per cent used Connexions or schools (Table 5.1). Forty-six per cent used a method which was probably age-biased (primarily the internet). Ninety-five per cent used a method which was possibly age-biased (through using internal methods and private employment agencies). As we have said, whether these methods were indeed age-biased was not determined by the
survey and it would certainly be wrong to assume that all internal advertising and all recruitment agencies introduce an age-bias. Ninety-four per cent used methods which were unlikely to have an age bias (particularly advertising in newspapers and journals and in Jobcentre Plus).

Table 5.1 Recruitment: advertising methods used for the largest occupational group

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments recruiting in previous five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age-related advertising method</td>
<td>41</td>
<td>47</td>
</tr>
<tr>
<td>universities/colleges</td>
<td>30</td>
<td>34</td>
</tr>
<tr>
<td>Connexions (previously the careers service) and schools</td>
<td>24</td>
<td>27</td>
</tr>
<tr>
<td>Probable age-related advertising method</td>
<td>41</td>
<td>46</td>
</tr>
<tr>
<td>the internet</td>
<td>41</td>
<td>46</td>
</tr>
<tr>
<td>radio*</td>
<td>*</td>
<td>1</td>
</tr>
<tr>
<td>jobs fairs/recruitment fairs</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Possible age-related advertising method</td>
<td>84</td>
<td>95</td>
</tr>
<tr>
<td>the internet</td>
<td>41</td>
<td>46</td>
</tr>
<tr>
<td>in-house, including internal notices, intranet</td>
<td>61</td>
<td>68</td>
</tr>
<tr>
<td>informal contacts/word of mouth</td>
<td>68</td>
<td>77</td>
</tr>
<tr>
<td>private employment agency</td>
<td>37</td>
<td>42</td>
</tr>
<tr>
<td>Non-age-related advertising method</td>
<td>83</td>
<td>94</td>
</tr>
<tr>
<td>advertisements in newspapers and magazines*</td>
<td>70</td>
<td>79</td>
</tr>
<tr>
<td>external notices (e.g. office and shop windows, factory gate)</td>
<td>33</td>
<td>37</td>
</tr>
<tr>
<td>Jobcentre/Employment Service</td>
<td>55</td>
<td>62</td>
</tr>
<tr>
<td>other, non-age related</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>No recruitment in the previous five years</td>
<td>11</td>
<td>-</td>
</tr>
</tbody>
</table>

Base 2,087 1,919

* Radio is liable to have an age bias due to differences in the age profile of listeners across radio stations.

b Whilst many general magazines tend to be aimed at certain age groups, those used for job advertisements tend to be specialist magazines which do not exhibit this age bias.

Multiple response.

Of course, more than one advertising method may be used. Taking the four groupings of age-bias (age-biased, probably age-biased, possibly age-biased and non-age-biased), 94 per cent of those recruiting used at least one non-age-biased method to advertise their vacancies, and only six per cent used only methods which were, or might be, age-biased (Table 5.2). Indeed, only one establishment had used only methods which were definitely age biased. Although the survey does not tell us whether the combination of methods were used each time there was a vacancy,
these findings suggest that advertising method is only very rarely likely to contribute to age discrimination. No difference was found by occupation in the use of age-discriminatory recruitment methods.

### Table 5.2 Recruitment: age-related recruitment methods used for the largest occupational group

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments recruiting in previous five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least one advertising method is not age-related</td>
<td>83</td>
<td>94</td>
</tr>
<tr>
<td>All advertising methods are possibly aged-relateda</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>All advertising methods are age-relatedb</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Don’t know advertising method</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>No recruitment in the previous five years</td>
<td>11</td>
<td>-</td>
</tr>
</tbody>
</table>

*Base 2,087 1,919

a All establishments which used an advertising method which was probably age-related also used a method which was not age-related.

b i.e. the establishment only used university/colleges and/or Connexions.

#### 5.3 Recruitment: age-based criteria in advertisements

The advertisement itself can result in age-bias in many ways. Statements of the suitable or preferred age groups or age limits is an obvious way in which advertisements may result in age bias, but other characteristics and the style of the advertisement may have the same effect. The advertisement style may encourage certain age groups and discourage others or suggest that certain age groups are suitable. Mentioning required or preferred characteristics, where not essential to the job and where these are more prevalent amongst some age groups than others, would also result in age bias in applications. This latter, together with stated age ranges, will clearly be unlawful under the draft Employment Equality (Age) Regulations 2006 and was the focus of the advertising content in the questionnaire.

Only six per cent of establishments which had recruited in the previous five years included age criteria in their advertisements for jobs for the largest occupational group (Table 5.3). However, 46 per cent mentioned years experience desired and 62 per cent qualifications. These latter two are potentially hazardous, as both are likely to be able to be fulfilled by some age groups more than others (with period of experience, the problem grows the longer the period). However, for many jobs, these factors are clearly important to the job. An implication of the draft Employment Equality (Age) Regulations 2006 is that recruiters would need to reassess the appropriateness of these (and other age-related) criteria to avoid falling foul of the regulations.
Table 5.3  Recruitment: criteria included in advertisements for the largest occupational group

<table>
<thead>
<tr>
<th>Type of criteria included in advertisements:</th>
<th>Percentage of establishments recruiting in previous five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>qualifications</td>
<td>55 62</td>
</tr>
<tr>
<td>years experience desired</td>
<td>41 46</td>
</tr>
<tr>
<td>preferred age range</td>
<td>6 6</td>
</tr>
<tr>
<td>No recruitment in the previous five years</td>
<td>11 -</td>
</tr>
</tbody>
</table>

*Base* 2,087 1,919

- The use of preferred age ranges was slightly more common for **routine unskilled jobs** (11 per cent of those which had recruited);

- Amongst those which had recruited, stating qualification criteria was highest for **professionals** (81 per cent) and **associate professional and technical staff** (79 per cent), but was used by 70 per cent or more for all occupations, other than **sales and customer service staff** (34 per cent), **process, plant and machine operatives and drivers** (56 per cent) and **routine unskilled staff** (37 per cent);

- Amongst those establishments which had recruited, stating years of experience preferred was highest for **managers and senior officials** (58 per cent) and **associate professional and technical staff** (79 per cent), but was used by 43 per cent to 51 per cent for all occupations, other than **sales and customer service staff** (28 per cent) and **routine unskilled staff** (27 per cent).

5.4  Recruitment: targeting age groups

As a measure to counter age discrimination against older people, employers have been encouraged to target this age group. Targeting was not common and mainly focused on younger people. Few had targeted older workers (seven per cent of those recruiting) for the largest occupational group (Table 5.4). Eleven per cent of those recruiting had targeted young people (aged under 25 years old).
Table 5.4  Recruitment: targeting groups for the largest occupational group

<table>
<thead>
<tr>
<th></th>
<th>Percentage of establishments</th>
<th>Percentage of establishments recruiting in previous five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourage applications from selected age groups:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>aged 50 or older</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>aged under 25</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Encourage applications from disabled people</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>No recruitment in the previous five years</td>
<td>11</td>
<td>-</td>
</tr>
</tbody>
</table>

Base 2,087  1,919  

Multiple response possible.

Targeting older people was more common for caring, leisure and personal service staff (13 per cent of those recruiting) and for sales and customer service staff (15 per cent of those recruiting).

Targeting younger people did not differ greatly by largest occupational group, except it was rare for managers and senior officials (five per cent of those recruiting).

5.5  The application process

Recruiters can only discriminate directly on age if they know the age of applicants or believe they know their age. Unfortunately, approximate ages can often be estimated from qualification and employment histories. However, it is still useful to know the extent to which the application process presents selectors with age data directly. This section also examines the collection of disability data in the application process for comparison.

5.5.1  The application process: age data

In half of establishments recruiting, recruiters are given the age (or date of birth) of applicants and 21 per cent they are not (Table 5.5). However, it was not clear whether recruiters received this information in 29 per cent of establishments recruiting.
Table 5.5 Application process: provides recruiters with applicants’ ages for the largest occupational group

<table>
<thead>
<tr>
<th></th>
<th>Percentage of establishments</th>
<th>Percentage of establishments recruiting in previous five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age data seen by recruiters</td>
<td>44</td>
<td>50</td>
</tr>
<tr>
<td>Age data not seen by recruiters</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>Don’t know if age data seen by recruiters</td>
<td>26</td>
<td>29</td>
</tr>
<tr>
<td>No recruitment in the previous five years</td>
<td>11</td>
<td>-</td>
</tr>
</tbody>
</table>

Base 2,087 1,919

The availability of age data to recruiters tended to be more common for manual, lower-skilled jobs and less common for non-manual higher-skilled jobs:

- amongst manual jobs, age data were available for sales and customer service staff (57 per cent), process, plant and machine operatives and drivers (59 per cent) and routine unskilled staff (63 per cent);

- amongst non-manual jobs, age data were available for managers and senior officials (42 per cent), professionals (42 per cent), associate professional and technical staff (40 per cent).

- age data were most likely to be not available for associate professional and technical staff (31 per cent).

Most often, age data were provided to selectors on an application form: 38 per cent of those recruiting received information in this way (Table 5.6). However, for two per cent, age was not on the application form, but this information was gathered in the application process. For ten per cent, application forms were not used and age information was collected in another way. Thus to reduce the ability of recruiters to discriminate on the grounds of age (prior to interview) not only does age information need to be removed from application forms or not passed to recruiters from application forms, but also other systems collecting age information changed so that this information is either not collected or not passed to recruiters.
Table 5.6  Application process: sources of age data for the largest occupational group

<table>
<thead>
<tr>
<th>Source of Age Data</th>
<th>Percentage of Establishments</th>
<th>Percentage of Establishments Recruiting in Previous Five Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application forms are used</td>
<td>61</td>
<td>69</td>
</tr>
<tr>
<td>Age information is requested on the application form</td>
<td>48</td>
<td>54</td>
</tr>
<tr>
<td>Age information is seen by those shortlisting</td>
<td>34</td>
<td>38</td>
</tr>
<tr>
<td>Age information is not requested on the application form</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>Age information asked for in the application process</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Age information is seen by those shortlisting</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Application forms are not used</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>Age information is asked for in the application process</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Age information is seen by those shortlisting</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Don’t know if application forms are used</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>No recruitment in the previous five years</td>
<td>11</td>
<td>-</td>
</tr>
</tbody>
</table>

Base 2,087 1,919

Information on disability and health of applicants was collected on application forms by 47 per cent of those recruiting, although this was not always passed on to recruiters (passed to 30 per cent of those recruiting). It was also collected in other ways during the recruitment process (by 20 per cent of those recruiting). Twelve per cent of recruiters received disability and health information in this way. Thus, in total for 42 per cent of establishments recruiting, recruiters received information about the disability and health of applicants.

5.6  Recruitment selection characteristics

5.6.1  Introduction

The use of age as a selection criteria and of factors which differentially impact by age will be unlawful from October 2006 unless objectively justified. The survey examined the use of age and a selection of other age-related criteria. Some of these were potentially indirectly discriminatory (i.e. potentially hazardous), depending on their relationship with ability to do the job: qualifications (as qualifications, apart from for the youngest workers, tend to decline with age), related work experience and work experience of any kind (as length of experience grows with age, although the relationship is greater the longer the period of experience required). One was a proxy for age: implications for the pension fund. The final criterion, potential service
with the organisation, might also be used as a proxy for age (period prior to retirement) or might also be indirectly discriminatory (i.e. potentially hazardous), as turnover amongst young people and those very close to retirement tends to be higher than for other age groups.

5.6.2 Age and age proxies in selection

Twenty-nine per cent of establishments which had recruited in the previous five years had a maximum recruitment age for their largest occupational group (Table 5.7). However, an additional 13 per cent would not recruit above their normal retirement age and a further seven per cent (which did not have a retirement age for the largest occupational group) would not recruit above the state pension age. It is interesting that these latter respondents did not think of these restrictions as imposing a maximum recruitment age.

### Table 5.7 Maximum recruitment age for the largest occupational group

<table>
<thead>
<tr>
<th>Maximum Recruitment Age</th>
<th>Percentage of Establishments</th>
<th>Percentage of Establishments Recruiting in Previous Five Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has a maximum recruitment age</td>
<td>26</td>
<td>29</td>
</tr>
<tr>
<td>Stated had a maximum recruitment age:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>under 50 years old</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>50 – 59 years old</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>60 years old</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>61 – 64 years old</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>65 years old</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>over 65 years old</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>varies</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>don't know age</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Did not state had a maximum recruitment age, but:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>does not recruit above normal retirement age</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>does not recruit above state pension age</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>No recruitment in the previous five years</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td><strong>Base</strong></td>
<td><strong>2,087</strong></td>
<td><strong>1,919</strong></td>
</tr>
</tbody>
</table>

For those stating a maximum recruitment age, the most common was 65 (five per cent of those recruiting). However, four per cent had a maximum below this age, including one per cent with a maximum below 50. Reported maxima for recruitment were more common for professional jobs (18 per cent) and associate professional and technical staff (16 per cent) and less common for skilled trades staff (three per cent) and sales and customer service staff (four per cent).
Obviously, age may affect recruitment in other ways and ten per cent of establishments which had recruited in the previous five years said that age affected selection for the largest occupational group (Table 5.8). This was more common for skilled trades staff (14 per cent) and process, plant and machine operatives and drivers (17 per cent).

Table 5.8 Selection criteria: age and age-related criteria for the largest occupational group

<table>
<thead>
<tr>
<th>Factors affecting selection</th>
<th>Percentage of establishments recruiting in previous five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>9 10</td>
</tr>
<tr>
<td>Implications for pension fund</td>
<td>2 2</td>
</tr>
<tr>
<td>Expected length of service</td>
<td>43 49</td>
</tr>
<tr>
<td>require one year or less</td>
<td>20 23</td>
</tr>
<tr>
<td>require one to three years</td>
<td>9 10</td>
</tr>
<tr>
<td>require more than three years</td>
<td>4 5</td>
</tr>
<tr>
<td>don’t know period required</td>
<td>10 11</td>
</tr>
<tr>
<td>No recruitment in the previous five years</td>
<td>11 -</td>
</tr>
</tbody>
</table>

Base 2,087 1,919

* multiple responses could be given.

Eight per cent of establishments which had recruited in the previous five years said that certain ages would count against an applicant. Those most often disadvantaged were the young and the old, with those over 60 (and, especially those over 65) and those under 22 (and, especially, those under 18) most likely to find recruiters holding their age against them. There was little difference by occupation, except that being 65 and over was more likely to be a problem for professionals (20 per cent) and associate professional and technical staff (17 per cent).

Other criteria which were closely linked to age which affected selection, were implications for the pension fund (taken into account by two per cent of establishments recruiting) and potential length of service (taken into account by 49 per cent recruiting) (Table 5.8). Potential length of service might be expected to affect both young applicants (as turnover tends to be higher at the beginning of careers) and those nearing retirement. The shorter the period of service expected, the smaller the potential for discrimination (certainly in respect of those nearing retirement). For most jobs, the period tended to be short (when known by the respondent): 23 per cent were concerned that recruits stayed at least one year and ten per cent at least one to three years. However, five per cent of those recruiting were concerned about recruits staying three years or more.

The way that respondents judged potential length of service identified age-related criteria. Although 44 per cent (of establishments recruiting) judged from previous
employment history and 37 per cent from the applicant’s stated intentions, 21 per cent took into account the period before retirement and eight per cent age (Table 5.9). These approaches were particularly prevalent for:

- **process, plant and machine operatives and drivers** (time before retirement: 32 per cent recruiting; age: 17 per cent recruiting);
- **skilled trades staff** (time before retirement: 27 per cent recruiting; age: 13 per cent recruiting).

### Table 5.9 Recruitment: how recruiters judge expected length of service for the largest occupational group

<table>
<thead>
<tr>
<th>Expected length of service is a recruitment criteria</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments recruiting in previous five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>How expected length of service is judgeda:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>applicant's stated intention</td>
<td>33</td>
<td>37</td>
</tr>
<tr>
<td>previous employment history</td>
<td>39</td>
<td>44</td>
</tr>
<tr>
<td>time before retirement</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>age</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>likelihood of having children</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>No recruitment in the previous five years</td>
<td>11</td>
<td>-</td>
</tr>
</tbody>
</table>

* Base 2,087 1,919

a Multiple response.

### 5.6.3 Other age-related criteria in selection

The above has discussed the use of criteria which are clearly age-related. Other criteria examined were potentially indirectly discriminatory (i.e. potentially hazardous), depending on their relationship with ability to do the job: qualifications, related work experience and work experience of any kind. In many cases, these criteria will be legitimate. However, to ensure compliance with the draft regulations from October 2006, it will be important that employers review whether criteria are necessary. In addition, the influence of disability and health was examined (as a comparison and because these factors are believed to become more important with age).

Ninety-one per cent of establishments which had recruited in the previous five years had used period of related work experience as a selection criteria, 70 per cent had used period of work experience of any kind, 68 per cent qualifications and 26 per cent disability or health (Table 5.10).
Table 5.10  Other factors affecting selection for the largest occupational group

<table>
<thead>
<tr>
<th>Factors affecting selection</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments recruiting in previous five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period of related work experience</td>
<td>80</td>
<td>91</td>
</tr>
<tr>
<td>Minimum period required:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>one year or less</td>
<td>38</td>
<td>43</td>
</tr>
<tr>
<td>more than one year, up to three years</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>more than three years</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>don’t know period</td>
<td>19</td>
<td>22</td>
</tr>
<tr>
<td>Work experience of any kind</td>
<td>62</td>
<td>70</td>
</tr>
<tr>
<td>Minimum period required:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>one year or less</td>
<td>35</td>
<td>39</td>
</tr>
<tr>
<td>more than one year, up to three years</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>more than three years</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>don’t know period</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>Qualifications</td>
<td>60</td>
<td>68</td>
</tr>
<tr>
<td>Disability or health</td>
<td>23</td>
<td>26</td>
</tr>
<tr>
<td>No recruitment in the previous five years</td>
<td>11</td>
<td>-</td>
</tr>
</tbody>
</table>

*Base* 2,087 1,919

Multiple response.

For most establishments, the related experience or work period sought was one year or less (43 per cent and 39 per cent of those recruiting respectively). However, more than three years was sought by seven per cent for related work experience and by three per cent for work experience of any kind.

Not surprisingly, the use of these criteria reflected the occupational nature of skills:

- related work experience was more often important for non-manual jobs, for white collar jobs, for skilled trades staff and for caring, leisure and personal service staff (92 per cent or more, compared with 88 per cent or less for other occupations);

- work experience of any kind was more often important for process, plant and machine operatives and drivers (80 per cent) and less often important for skilled trades (56 per cent);

- qualifications were more often important for highly skilled jobs (managers and senior officials, professionals, associate professional and technical staff and skilled trades staff) and for administrative and secretarial staff.
5.7 Age and starting salaries

To avoid discrimination in the setting of starting salaries, employers will need to avoid taking age or age-related factors into account (unless these can be objectively justified). The influences considered in the survey were directly discriminatory (age) and indirectly discriminatory or potentially hazardous (notably, expected potential, experience, qualifications and current salary). Expected potential is potentially hazardous because assessments of potential may include age-related assumptions. Experience and qualifications will be legitimate so long as the criteria is objectively justified. Current salary runs the risk of embodying previous age-related discrimination, where this has occurred.

Although age was the least frequent of these factors to be taken into account in setting the initial salary, it was an influence for the largest occupational group in 15 per cent of establishments recruiting (Table 5.11). It was most common for sales and customer service staff (27 per cent) and for routine unskilled staff (22 per cent), where it is possible that youth rates are used. However, age influenced starting salary in all occupations. This suggests that many employers will need to reassess the way in which they set the starting salaries of recruits.

Table 5.11 Factors affecting recruit’s starting salary for the largest occupational group

<table>
<thead>
<tr>
<th>Percentage of establishments recruiting in previous five years</th>
<th>Percentage of establishments recruiting in previous five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting pay is influenced by:</td>
<td></td>
</tr>
<tr>
<td>experience</td>
<td>58</td>
</tr>
<tr>
<td>qualifications</td>
<td>42</td>
</tr>
<tr>
<td>current salary</td>
<td>42</td>
</tr>
<tr>
<td>expected potential</td>
<td>28</td>
</tr>
<tr>
<td>age</td>
<td>13</td>
</tr>
<tr>
<td>No recruitment in the previous five years</td>
<td>11</td>
</tr>
<tr>
<td>Base</td>
<td>2,087</td>
</tr>
</tbody>
</table>

Multiple response.

Starting pay was most often influenced by experience (65 per cent of those recruiting), qualifications (47 per cent) and current salary (47 per cent). Expected potential affected initial salary in 31 per cent of establishments recruiting.

- Experience was more often taken into consideration for professionals and skilled trades staff (83 per cent), managers and senior officials (77 per cent) and for other non-manual occupations (around 71 per cent to 73 per cent each).
• Current salary was more often taken into consideration for professionals (68 per cent), managers and senior officials (62 per cent) and for other non-manual jobs and skilled trades staff (53 to 58 per cent each).

• Qualifications were most often important for professionals (78 per cent) and somewhat more common for associate professional and technical staff, administrative and secretarial staff, skilled trades staff and caring, leisure and personal service staff (51 per cent to 55 per cent each).

• Expected potential was much more commonly used for managers and senior officials (45 per cent) and for skilled trades staff (46 per cent).

5.8 Recruitment: summary

Recruitment presents a wide range of opportunities for potentially hazardous practice under the draft Employment Equality (Age) Regulations 2006. Age as a selection criterion will be unlawful unless it is objectively justified. Many standard recruitment practices and selection criteria are age-related and so are potentially hazardous, and employers will need to consider whether and how to objectively justify their practices.

Eighty-nine percent of establishments had recruited in the previous five years and the findings in this section relate to these establishments only and to the largest occupational group within them.

The method of advertising vacancies seemed unlikely to present potentially hazardous practice. Although many establishments used advertising methods which would tend to reach a limited age range (e.g. universities and colleges), they tended to use a combination of methods, thereby reaching a wider age range. However, six per cent of establishments specified age ranges in their advertisements. Sixty-two per cent specified qualifications and 46 per cent years’ experience.

Recruiters were provided with age information of applicants in at least 50 per cent of establishments. Application forms were the main source, but in some establishments data was gathered separately.

Fourteen per cent of establishments targeted older or younger people in their recruitment: seven per cent older people and 11 per cent younger people;

Forty-nine per cent of establishments had a maximum recruitment age;

In addition, eight per cent of establishments said that certain ages counted against applicants: those disadvantaged tended to be under 22 and aged 60 and over.

The occupations where relatively high rates of use of age criteria were found were professionals, associate professional and technical staff, skilled trades staff, process, plant and machine operatives and drivers and routine unskilled staff. In addition, older people were most likely to be targeted in caring, leisure and personal service staff, sales and customer service staff.
Selection criteria which are correlated with age will continue to be acceptable if they are objectively justified. Criteria used in over 60 per cent of establishments included: period of related work experience, period of work experience and qualifications (68 per cent). Potential length of service was a criteria in 49 per cent of establishments, although only five per cent sought three years or more. However, to assess potential length of service, 21 per cent (of establishments) took into account time before retirement and eight per cent age. Potential length of service was more often important for skilled trades staff and plant and machine operatives and drivers.

Age was taken into account in setting starting salaries in 15 per cent of establishments. It was most frequently used for sales and customer service staff (27 per cent) and for routine unskilled staff (but, possibly, this was due to the use of youth rates). However, it was used across all occupations, including fairly commonly for managers and senior officials. Other potentially hazardous criteria used were: experience (65 per cent), qualifications (47 per cent), current salary (47 per cent) and expected potential (31 per cent).
6 Performance appraisal

6.1 Introduction

Good performance appraisal systems are seen as important safeguards against age discrimination in pay, promotion and redundancy. They would also be important if the retirement age were to be abolished in the future, should employers wish to compulsorily ‘retire’ staff. In which case, it would be desirable that appraisal were conducted for all staff to ensure that staff were treated similarly irrespective of age.

In this section the incidence of performance appraisal systems is described, together with the frequency of assessments and their main purposes.

6.2 Incidence of performance appraisal systems

Two-thirds (68 per cent) of establishments conducted performance appraisals (Table 6.1). Performance appraisals normally covered all staff, but 12 per cent of establishments conducted performance appraisals for some staff only. Amongst those with performance appraisal systems for some staff only, there was little difference between whether managers or other staff were appraised.

Table 6.1 Performance appraisal coverage

<table>
<thead>
<tr>
<th>Has formal performance appraisal</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>No formal performance appraisal</td>
<td>68</td>
<td>83</td>
</tr>
<tr>
<td>Don't know if have performance appraisal</td>
<td>32</td>
<td>17</td>
</tr>
</tbody>
</table>

Coverage of performance appraisal

| All staff | 56 | 70 |
| Some staff | 12 | 13 |
| Some staff, including all managers | 4 | 7 |
| Some staff, including some managers | 4 | 4 |

Continued
As might be expected, performance appraisals were more common in larger organisations, rising from 51 per cent of establishments in organisations with under 50 employees to 90 per cent of establishments in organisations with 10,000 employees or more. The pattern was very similar in respect of establishment size.

The public and voluntary sectors were more likely to have performance appraisal (84 per cent and 85 per cent of establishments respectively) compared with the private sector (62 per cent). The difference between sectors was smaller in terms of the percentage of employees working in establishments with performance appraisal (91 per cent of employees in the public sector, 88 per cent of employees in the voluntary sector and 79 per cent of employees in the private sector).

Reflecting the difference between the public and private sectors, a high percentage of establishments in public administration and defence, education and health and social work had performance appraisal (at least 88 per cent); a high percentage of establishments in financial Intermediation (86 per cent) also had performance appraisal; manufacturing, construction and hotels and restaurants had the lowest incidence of appraisal (54 per cent, 45 per cent and 46 per cent respectively);

Establishments with a recognised union were much more likely (87 per cent) to have appraisals compared with those which did not have a recognised union (60 per cent).

Head Office location and multi-nationality affected appraisals. Establishments in organisations wholly based in the UK were much less likely to have appraisals than multi-nationals. Amongst multi-nationals those with Head Offices in Europe (including the UK) were less likely to have appraisals than those based elsewhere (virtually all of which had appraisals).

Amongst those with performance appraisal, appraisal covering all managers was slightly less common in organisations with fewer than 50 employees, whereas appraisal of all non-managers was slightly more likely the smaller the organisation or establishment. Differences by sector, Head Office location, union recognition and industry were slight, except for a relatively low percentage of establishments in

### Table 6.1 Continued

<table>
<thead>
<tr>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some staff, including all non-managers(^a)</td>
<td>4</td>
</tr>
<tr>
<td>Some staff, including some non-managers(^a)</td>
<td>5</td>
</tr>
<tr>
<td>Don’t know coverage</td>
<td>*</td>
</tr>
</tbody>
</table>

\(^a\) Multiple response.

Base 2,087 2,087
education covering all non-managerial staff (77 per cent, compared with an average of 88 per cent of establishments with appraisal).

### 6.3 Frequency of performance appraisal

Nearly all establishments with performance appraisal, appraised annually or more frequently. Annual appraisals were the norm (in 49 per cent of establishments), although almost one-quarter (24 per cent) conducted appraisals more frequently than this (Table 6.2).

#### Table 6.2 Frequency of performance appraisal

<table>
<thead>
<tr>
<th>Frequency of performance appraisal</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with appraisals</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Half-yearly or more frequently</td>
<td>24</td>
<td>35</td>
<td>32</td>
</tr>
<tr>
<td>Annually</td>
<td>49</td>
<td>71</td>
<td>57</td>
</tr>
<tr>
<td>Every two years</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Less often than every two years</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>No fixed pattern</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Base 2,087 1,608 2,087

Multiple response.

Establishments with performance appraisals tended to have appraisals at least annually. However, more frequent (at least six-monthly) appraisals were found in establishments with a **UK Head Office (and with offices outside the UK)** (52 per cent) or a **US Head Office** (48 per cent), establishments in **hotels and restaurants** (54 per cent) and those with more developed **Equal Opportunities policy** (e.g. providing Equal Opportunities training).

### 6.4 Purpose of performance appraisals

One of the purposes of performance appraisals was nearly always to assess performance, competence or capability (97 per cent of establishments with performance appraisals) (Table 6.3). Nearly three-quarters (74 per cent) used performance appraisal for assessing suitability for promotion and half for pay increases. Almost all also used performance appraisal to assess training and development needs.
Table 6.3 Purpose of performance appraisals

<table>
<thead>
<tr>
<th>Purpose of performance appraisal</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with performance appraisals</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identifying training and development needs</td>
<td>68</td>
<td>99</td>
<td>83</td>
</tr>
<tr>
<td>Assessing performance, competence or capability</td>
<td>66</td>
<td>97</td>
<td>80</td>
</tr>
<tr>
<td>Assessing suitability for promotion or transfer</td>
<td>50</td>
<td>74</td>
<td>59</td>
</tr>
<tr>
<td>Assessing pay increase</td>
<td>34</td>
<td>50</td>
<td>38</td>
</tr>
<tr>
<td><strong>Base</strong></td>
<td><strong>2,087</strong></td>
<td><strong>1,608</strong></td>
<td><strong>2,087</strong></td>
</tr>
</tbody>
</table>

Multiple response.

Usage of performance appraisal to assess suitability for promotion and pay increases varied with establishments characteristics. Amongst those with performance appraisal, it was used for assessing suitability for promotion:

- less often in the **public** and **voluntary sectors** (57 per cent and 54 per cent, respectively) compared with 82 per cent in the **private sector**;
- less often in **public administration and defence** (32 per cent), **education** (64 per cent) and in **construction** (65 per cent); the difference in the percentage of employees working in these establishments was less, with the highest percentages in **education** (52 per cent) and **health and social work** (53 per cent);
- less often in establishments with **union** recognition (63 per cent compared with 79 per cent of establishments without union recognition); and
- less often in establishments **wholly based in the UK** (70 per cent compared with 89 per cent or more of others).

Amongst those with performance appraisal, its use to assess pay increases:

- declined with increasing **organisation** and **establishment size**; however, in terms of percentage of employees working in these establishments, this differed little by organisation size, except its use was relatively low in organisations with 250 to 999 employees (36 per cent);
was less common in the public sector amongst those with performance appraisal (40 per cent, compared with 57 per cent in the private sector), being particularly uncommon in public administration and defence (22 per cent) and in education (30 per cent); however, the pattern was different by percentage of employees working in different industry sectors: uncommon in construction (30 per cent of employees) and health and social work (32 per cent), but common in financial services (65 per cent);

was more often used in establishments with a US Head Office (73 per cent); in terms of employees covered, it was also particularly low for establishments wholly based in the UK (43 per cent);

was more often used in establishments in England (52 per cent, compared with 41 per cent of those in Wales and 37 per cent in Scotland).

6.5 Performance appraisal: summary

Good performance appraisal systems are seen as an important safeguard against discrimination. They would also be important if the retirement age were to be abolished in the future:

• 68 per cent of establishments conducted performance appraisals and these normally covered all staff;

• nearly all appraised at least annually;

• nearly all appraisals assessed performance, competence or capability (97 per cent of establishments with appraisal) and training and development needs (99 per cent), whilst 74 per cent assessed suitability for transfer and 50 per cent assessed for pay increases.

The use of appraisals increased with organisational and establishment size. Use was lower in the private sector, manufacturing, construction and hotels and restaurants had the lowest incidence of appraisal. Establishments without a recognised union were less likely to have appraisal systems than those with.
7 Training and promotion

7.1 Introduction
Ageism in training and promotion can have serious consequences for the individual, the employer and the economy. Where access to training and promotion is reduced due to age discrimination, not only will individuals see slower progression, but this may lead to their withdrawal from the labour market, for example, through early retirement. Employers may see both poorer performance and higher turnover amongst the discriminated against groups, whilst the economy loses both from reduced performance and also from lower labour market participation.

As support for training and promotion opportunities tend to differ by occupation, the survey examined training and promotion for the largest occupational group.

7.2 Training
Seventy-seven per cent of establishments supported off-the-job training for employees in their largest occupational group.

As expected, training support varied by occupation. It was least common for routine unskilled staff (62 per cent) and for sales and customer service staff (68 per cent). It was most common for caring, leisure and personal service staff (91 per cent), for professionals (89 per cent) and associate professional and technical staff (88 per cent).

The criteria for receiving training affect the likelihood and opportunities for discrimination. The survey examined a small number of general and specific criteria for selection which were either discriminatory or potentially hazardous.

In terms of general criteria, in 23 per cent of establishments training was provided automatically to all, i.e. ageism in selection for such training could not be an issue (Table 7.1). In 34 per cent of establishments training was supported where individuals had not received recent training. This approach should also minimise ageism in training.
Table 7.1  Support for training for the largest occupational group

<table>
<thead>
<tr>
<th>Establishment supports off-the-job training</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments providing training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment does not support off-the-job training</td>
<td>77</td>
<td>100</td>
</tr>
<tr>
<td>Don’t know if establishment supports off-the-job training</td>
<td>22</td>
<td>-</td>
</tr>
<tr>
<td>When off-the-job training is provided(^a):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to rectify performance problems</td>
<td>42</td>
<td>55</td>
</tr>
<tr>
<td>to prepare for promotion</td>
<td>38</td>
<td>49</td>
</tr>
<tr>
<td>because not had recent training</td>
<td>34</td>
<td>44</td>
</tr>
<tr>
<td>automatically i.e. provided to all in certain jobs</td>
<td>23</td>
<td>30</td>
</tr>
<tr>
<td>for good performance</td>
<td>19</td>
<td>24</td>
</tr>
</tbody>
</table>

Base 2,087 1,729

\(^a\) Multiple response.

Training was also provided based on an assessment of performance or potential: to rectify performance problems (42 per cent of establishments), to prepare for promotion (38 per cent) and for good performance (19 per cent). Whilst these general criteria for the provision of training may be appropriate for meeting organisations’ needs, they are potentially hazardous, as judgements may be affected by ageism. This is less likely to occur the more formalised the assessment and where selectors have had training in Equal Opportunities, particularly with respect to age. However, as we have seen, Equal Opportunities training covering age was only provided to any staff in 19 per cent of establishments (see Section 2.3).

In respect of specific selection criteria, only one per cent of establishments said that age was taken into account (Table 7.2). However, eight per cent used period to retirement as a criterion and eight per cent potential length of service. Age was a direct method of judging potential length of service in one per cent of establishments and time before retirement in five per cent (Table 7.3). Where potential length of service was considered, the length of service considered necessary tended to be short, most often a matter of months and rarely more than two years (Table 7.2). Significantly, the period prior to retirement was treated differently from potential length of service, with longer periods precluding access to training, with access affected in a small percentage of establishments by periods of four years or more.
Table 7.2  Age-related criteria affecting selection for training for the largest occupational group

<table>
<thead>
<tr>
<th>Factors affecting selection for training</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments providing training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Potential length of service</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Period of service required:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>six months or fewer</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>seven months to one year</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>more than one year up to two years</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>more than two years up to three years</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>more than three years up to five years</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>more than five years</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>don’t know</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Time left before retirement*</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Period before retirement required:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>under one year</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>one year</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>two years</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>three years</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>four years or more</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Expected ability to learn new tasks</td>
<td>27</td>
<td>36</td>
</tr>
<tr>
<td>Base</td>
<td>2,087</td>
<td>1,729</td>
</tr>
</tbody>
</table>

* includes four per cent of all establishments which did not explicitly state ‘time before retirement’ but used this to judge ‘potential length of service’.
Table 7.3  Criterion for training: how potential length of service is judged for the largest occupational group

<table>
<thead>
<tr>
<th>Potential length of service affects who is offered off the job training</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments providing training</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8</td>
<td>10</td>
</tr>
</tbody>
</table>

Criteria for judging potential length of service:
- Employee’s stated intentions about remaining: 6
- Previous employment history: 6
- Length of time before retirement: 5
- Likelihood of having children: 1
- Age: 1

Base 2,087 1,729

Multiple response.

The process of access to training may affect the opportunity for discrimination. Apart from when training was automatic, the most common process was for the manager alone to select individuals for training (22 per cent of establishments). Self-selection occurred in 15 per cent of establishments and in eight per cent of establishments both managers and the individual were involved in the decision. Manager (or personnel) selection carries the danger of the selectors’ attitudes and expectations affecting selection. Self-selection can result in less confident employees missing out on training. Certainly, where others select, Equal Opportunities training of selectors covering age is likely to reduce the incidence of discrimination.

Table 7.4  Training: process for selection for the largest occupational group

<table>
<thead>
<tr>
<th>Process for selection for off-the-job training</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments providing training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic, i.e. provided to all in certain jobs</td>
<td>23</td>
<td>30</td>
</tr>
<tr>
<td>Selected by manager</td>
<td>22</td>
<td>28</td>
</tr>
<tr>
<td>Self-selection or employee request</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Selected by individual employee and manager jointly</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Selected by the personnel department</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Don’t know</td>
<td>18</td>
<td>23</td>
</tr>
</tbody>
</table>

Base 2,087 1,729

Multiple response.
Establishments with the following largest occupational groups were most at hazard of potential discrimination and so were most in need of ensuring that appropriate assessment methods and training of selectors occurred:

- **professionals, associate professional and technical staff** and **administrative and secretarial staff** in respect of the general selection criteria, as over half of establishments provided training for these groups based on rectifying performance problems and in preparation for promotion, both of which require assessment;

- employers of **skilled trades staff** and **process, plant and machine operatives and drivers** were the most likely to use potential length of service as a criteria for selection (13 per cent and 12 per cent of establishments respectively) and employers of **process, plant and machine operatives and drivers** were particularly likely to use expected ability to learn new tasks (38 per cent);

- employers of **process, plant and machine operatives and drivers** were more likely to use age as a selection criteria for training for this group (nine per cent of establishments).

### 7.3 Promotion

Three-quarters of establishments had promoted within their largest occupational group in the previous five years. However, only half of these (37 per cent of establishments) had a formal assessment procedure for promotion (Table 7.5). This suggests that at least 38 per cent of establishments were in danger of discriminating in respect of age. Moreover, only 18 per cent of establishments provided Equal Opportunities training covering age to those involved in promotion (see Section 2.3).
Table 7.5  Promotion: process and age-related criteria for the largest occupational group

<table>
<thead>
<tr>
<th>Has a formal assessment procedure for promotion</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments with promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age-related promotion criteria</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Length of experience</td>
<td>52</td>
<td>70</td>
</tr>
<tr>
<td>Minimum years experience required:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>less than one year</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>one year</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>two years</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>three years</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>four to five years</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>six years or more</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>don’t know</td>
<td>15</td>
<td>20</td>
</tr>
</tbody>
</table>

Base 2,087 1,721

Promotion without a formal assessment process was more common for establishments with the following largest occupational groups: process, plant and machine operatives and drivers (45 per cent), managers and senior officials (41 per cent), associate professional and technical staff (42 per cent) and routine unskilled staff (41 per cent).

Four per cent of establishments had used age as a promotion criterion for the largest occupational group. There was no difference by occupation. The draft Employment Equality (Age) Regulations 2006 allow this only in rare circumstances.

The most common reason given for using age as a promotion criterion was that ‘older people have the right skills, approach or energy’ (one per cent of establishments). Other reasons for preferring an older person were: ‘younger people can’t supervise/manage people older than themselves’ and ‘younger people are unlikely to be able to do the job’ (each stated by fewer than 0.5 per cent of establishments). Preferences for younger people were explained in similar ways: ‘younger people have the right skills, approach or energy’ and ‘older people are unlikely to be able to do the job’, as well as concerns about older employees due to the period to retirement and the period required to learn the job. None of these were stated by more than 0.4 per cent of establishments.

Fifty-two per cent of establishments had used length of experience as a criterion for promotion within the largest occupational group. This is potentially discriminatory and employers might need to move to other criteria directly related to the job. Moreover, the draft Employment Equality (Age) Regulations 2006 will make the use of lengths of experience over five years particularly hazardous. Length of experience
was a particularly commonly used criterion for associate professional and technical staff (62 per cent of establishments).

7.4  Training and promotion: summary

7.4.1  Training

The study focused on off-the-job training for the largest occupational group and examined the criteria for receipt of off-the-job training and who was involved in the decision process for receipt of off-the-job training.

Seventy-seven per cent of establishments supported off-the-job training for their largest occupational group.

The general reasons for providing training to individuals were:

- training provided automatically to all staff in the largest occupational group (23 per cent of establishments);
- because an individual had not received training recently (34 per cent);
- to rectify performance problems (42 per cent);
- to prepare for promotion (38 per cent);
- for individual good performance (19 per cent).

The first two are not discriminatory; the last three are potentially hazardous reasons, unless all staff are properly appraised (because of the danger of discriminatory/stereotypical attitudes affecting judgement).

Criteria for receipt of training (where it was not automatic for all) included:

- age (one per cent of establishments);
- time before retirement (eight per cent of establishments); three per cent wanted at least two years or more;
- potential length of service (eight per cent); one per cent wanted at least two years or more; potential length of service was judged by age (one per cent) and time before retirement (five per cent);
- expected ability to learn new tasks (27 per cent).

All of the above are either discriminatory or potentially hazardous. Employers will need to reassess these type of criteria and only keep those which are not discriminatory or are objectively justified.

The process of access to training may influence which age groups receive training. Where there were gatekeepers to training these were, most frequently, the manager (22 per cent), self-selection (15 per cent) and joint manager/individual (eight per cent).
7.4.2 Promotion

Seventy-five per cent of establishments had promoted in the previous five years, but only half of these had had a formal assessment procedure for promotion.

Promotion criteria included:

- age (five per cent of those who had promoted);
- length of experience (70 per cent of those who had promoted); 11 per cent of those who had promoted sought at least four years’ experience.

Promotion without a formal assessment process was more common for process, plant and machine operatives and drivers (45 per cent), managers and senior officials (41 per cent), associate professional and technical staff (42 per cent) and routine unskilled staff (41 per cent).

Length of experience was a particularly commonly used criterion for associate professional and technical staff (62 per cent). Use of age as a criterion did not differ by occupation.
8 Other age-related practices

8.1 Redundancy

8.1.1 Introduction

Redundancy policies present scope for hazard in respect of selection for compulsory redundancy, eligibility for voluntary redundancy and redundancy payments (if enhanced above the statutory minimum). Age will no longer be a lawful criterion in respect of these, unless objectively justified. Length of service will continue to be a lawful criterion for calculating redundancy pay (DTI 2005).

Within the study, employers were asked about their redundancy policies. However, it was recognised that some employers may not have redundancy policies. In order to try to identify these employers’ approaches to redundancy, those who had had redundancies in the previous five years were asked about their redundancy practice. Those who neither had policies nor had had redundancies in the last five years were asked what they would expect to do, if they had redundancies. We would expect the information based on policies and recent practice to be more reliable than that based on hypothetical responses and data is presented for each group separately. However, differences may also be due to differences in types of organisations experiencing redundancies and in having criteria.

8.1.2 Compulsory redundancy

Thirty-one per cent of establishments had criteria for selecting for compulsory redundancy (Table 8.1). A further 16 per cent had no criteria for compulsory redundancies, but had had redundancies in the previous five years. (In total, 35 per cent had had redundancies over this period.) Just over half (52 per cent) had neither compulsory redundancy criteria, nor had recent redundancies – 35 per cent of employees worked in such establishments. Two-thirds of those with selection criteria had a collective or workplace agreement on redundancy (21 per cent of all establishments).
Table 8.1  Redundancy experience and processes

<table>
<thead>
<tr>
<th></th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has had redundancies in the previous five years</td>
<td>35</td>
<td>51</td>
</tr>
<tr>
<td>Has selection criteria for compulsory redundancy</td>
<td>31</td>
<td>44</td>
</tr>
<tr>
<td>Has no selection criteria for compulsory redundancy, but has had redundancies on the previous five years</td>
<td>16</td>
<td>21</td>
</tr>
<tr>
<td>Has eligibility criteria for voluntary redundancy</td>
<td>14</td>
<td>21</td>
</tr>
<tr>
<td>Has collective agreement or workplace agreement on compulsory redundancy criteria</td>
<td>21</td>
<td>29</td>
</tr>
</tbody>
</table>

Base 2,087 2,087

Multiple response.

The majority of establishments (54 per cent) had (or expected to use) competence as a criterion for redundancy. This is a potentially hazardous approach if competence is assessed informally and if assessors do not receive Equal Opportunities training for assessment, particularly in respect of age. Twelve per cent of establishments had, or expected they would use age, as a criterion for selection for redundancy (Table 8.2). This criterion will become unlawful from October 2006, unless objectively justified. Forty per cent had, or expected they would use, length of service and 28 per cent ‘last in first out’ (LIFO). In many organisations these criteria are likely to be linked to age and so may be indirectly discriminatory and unlawful. All three of these approaches were most common amongst those with redundancy criteria and least common amongst establishments which had had redundancies but had no criteria. Other criteria which will be potentially hazardous were the use (or expected use) of sickness absence records (41 per cent) and current salary (eight per cent).
Table 8.2  Compulsory redundancies: selection criteria, percentage of establishments

<table>
<thead>
<tr>
<th>Compulsory redundancy criteria</th>
<th>No compulsory redundancy criteria</th>
<th>With compulsory redundancy criteria</th>
<th>Had recent redundancies&lt;sup&gt;a&lt;/sup&gt;</th>
<th>No recent redundancies&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competence</td>
<td>63</td>
<td>46</td>
<td>51</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>Length of service</td>
<td>49</td>
<td>25</td>
<td>39</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Last in first out (LIFO)</td>
<td>28</td>
<td>20</td>
<td>30</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>Sickness absence records</td>
<td>48</td>
<td>35</td>
<td>39</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>14</td>
<td>6</td>
<td>13</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Current salary</td>
<td>6</td>
<td>4</td>
<td>9</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Percentage of all establishments</td>
<td>31</td>
<td>16</td>
<td>52</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Base unweighted: 835  386  866  2,087
Base weighted: 660  347  1,105  2,112

<sup>a</sup> In the previous five years.
Multiple response.

The percentage of employees working in establishments with each of these criteria was similar to the percent of establishments (Table 8.3).

Table 8.3  Compulsory redundancies: selection criteria, percentage of employees

<table>
<thead>
<tr>
<th>Compulsory redundancy criteria</th>
<th>No compulsory redundancy criteria</th>
<th>With compulsory redundancy criteria</th>
<th>Had recent redundancies&lt;sup&gt;a&lt;/sup&gt;</th>
<th>No recent redundancies&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competence</td>
<td>70</td>
<td>47</td>
<td>46</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Length of service</td>
<td>51</td>
<td>27</td>
<td>33</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Last in first out (LIFO)</td>
<td>25</td>
<td>22</td>
<td>26</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Sickness absence records</td>
<td>57</td>
<td>39</td>
<td>37</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>11</td>
<td>7</td>
<td>10</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Current salary</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Percentage of all establishments</td>
<td>44</td>
<td>21</td>
<td>35</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Base unweighted: 835  386  866  2,087

<sup>a</sup> In the previous five years.
Multiple response.
Employers may also fall foul of the draft Employment Equality (Age) Regulations 2006 if redundancy payments above the statutory minimum are calculated according to age. One-third of employers made (or expected they would make) enhanced payments (Table 8.4). These establishments accounted for just under half of employees (45 per cent) (Table 8.5).

### Table 8.4 Compulsory redundancies: payment enhancements and criteria, percentage of establishments

<table>
<thead>
<tr>
<th></th>
<th>With redundancy criteria or recent redundancies</th>
<th>No redundancy criteria no recent redundancies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Makes redundancy payments above the statutory minimum</td>
<td>46</td>
<td>21</td>
<td>33</td>
</tr>
<tr>
<td>Enhancements based on c,d:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>16</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Length of service</td>
<td>38</td>
<td>17</td>
<td>27</td>
</tr>
<tr>
<td>Percentage of all establishments</td>
<td>48</td>
<td>52</td>
<td>100</td>
</tr>
</tbody>
</table>

| Base unweighted                      | 1,221                                          | 866                                         | 2,087 |
| Base weighted                        | 1,006                                          | 1,105                                       | 2,112 |

a In the previous five years.
b There was little difference between those which had criteria and those which did not have criteria but had had redundancies in the previous five years.
c Those without criteria, but with redundancies in the previous five years reported what they had done; those without criteria and no redundancies in the previous five years, reported what they would expect they would do.
d Multiple choice.
Table 8.5  Compulsory redundancies: payment enhancements and criteria, percentage of employees

<table>
<thead>
<tr>
<th></th>
<th>Percentage of employees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With redundancy</td>
<td>No redundancy</td>
</tr>
<tr>
<td></td>
<td>criteria or recent</td>
<td>criteria no recent</td>
</tr>
<tr>
<td></td>
<td>redundancies(^{a,b})</td>
<td>redundancies(^{a})</td>
</tr>
<tr>
<td>Makes redundancy payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>above the statutory</td>
<td>56</td>
<td>25</td>
</tr>
<tr>
<td>minimum(^{c})</td>
<td></td>
<td>45</td>
</tr>
<tr>
<td>Enhancements based on(^{c,d}):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>22</td>
<td>9</td>
</tr>
<tr>
<td>Length of service</td>
<td>47</td>
<td>20</td>
</tr>
<tr>
<td>Percentage of all</td>
<td>65</td>
<td>35</td>
</tr>
<tr>
<td>employees</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Base</td>
<td>1,221</td>
<td>866</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,087</td>
</tr>
</tbody>
</table>

\(^{a}\) In the previous five years.

\(^{b}\) There was little difference between those which had criteria and those which did not have criteria but had had redundancies in the previous five years.

\(^{c}\) Those without criteria, but with redundancies in the previous five years reported what they had done; those without criteria and no redundancies in the previous five years, reported what they would expect they would do.

\(^{d}\) Multiple choice.

Enhanced payments were more common amongst those establishments which had redundancy criteria or which had experienced recent redundancies. Length of service was used (or was expected to be used) to assess the value of the enhancement by over 80 per cent of those who made (or expected to make) enhanced payments (27 per cent of all establishments). As stated above, length of service criteria for determining the value of the enhancement will continue to be lawful under the draft Employment Equality (Age) Regulations 2006. However, age will only continue to be a lawful criterion if objectively justified and ten per cent of establishments used (or expected to use) age as a factor to assess enhanced payments. This was more common amongst those with redundancy criteria or with no criteria but experience of redundancies (16 per cent) than those with neither of these (five per cent).

8.1.3 Voluntary redundancy

Fourteen per cent of establishments had eligibility criteria for voluntary redundancy (Table 8.1). A further 28 per cent had no voluntary criteria, but had had redundancies in the previous five years. Over half (58 per cent) had neither eligibility criteria, nor had had recent redundancies.

For voluntary redundancy the only eligibility criteria examined were length of service and age. Length of service was a criterion (or was expected to be used as a criterion)
in 11 per cent of establishments (Table 8.6). Age was a criterion (or was expected to be used as a criterion) in five per cent of establishments. The percentage of employees working in these establishments was similar (Table 8.7).

### Table 8.6 Voluntary redundancies: selection criteria and payments, percentage of establishments

<table>
<thead>
<tr>
<th>Eligibility criteria for voluntary redundancy includes¹,²:</th>
<th>With voluntary redundancy criteria</th>
<th>Redundancies in previous five years</th>
<th>No recent redundancies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>8</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Length of service</td>
<td>15</td>
<td>10</td>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>

| Enhances voluntary redundancy payments¹                    | 48                                | 39                                | 19                     | 29    |

<table>
<thead>
<tr>
<th>Enhancements based on¹,²:</th>
<th>With voluntary redundancy criteria</th>
<th>Redundancies in previous five years</th>
<th>No recent redundancies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length of service</td>
<td>41</td>
<td>33</td>
<td>15</td>
<td>23</td>
</tr>
<tr>
<td>Age</td>
<td>21</td>
<td>12</td>
<td>4</td>
<td>9</td>
</tr>
</tbody>
</table>

| Percentage of all establishments | 14 | 28 | 58 | 100 |

<table>
<thead>
<tr>
<th>Base unweighted</th>
<th>393</th>
<th>694</th>
<th>1,000</th>
<th>2,087</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base weighted</td>
<td>298</td>
<td>583</td>
<td>1,230</td>
<td>2,112</td>
</tr>
</tbody>
</table>

¹ Those without criteria, but with redundancies in the previous five years reported what they had done; those without criteria and no redundancies in the previous five years, reported what they would expect they would do.

² Multiple choice.
Table 8.7 Voluntary redundancies: selection criteria and payments, percentage of employees

<table>
<thead>
<tr>
<th>Eligibility criteria for voluntary redundancy includes(^a):</th>
<th>Percentage of employees in establishments</th>
<th>No voluntary redundancy criteria</th>
<th>With voluntary redundancy criteria</th>
<th>Redundancies in previous five years</th>
<th>No recent redundancies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>11</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Length of service</td>
<td>15</td>
<td>8</td>
<td>10</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhances voluntary redundancy payments(^b):</td>
<td>62</td>
<td>52</td>
<td>22</td>
<td>42</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhancements based on(^a):</td>
<td>Length of service</td>
<td>54</td>
<td>42</td>
<td>17</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>28</td>
<td>19</td>
<td>7</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of all establishments</td>
<td>21</td>
<td>38</td>
<td>42</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base unweighted</td>
<td>393</td>
<td>694</td>
<td>1,000</td>
<td>2,087</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) Those without criteria, but with redundancies in the previous five years reported what they had done; those without criteria and no redundancies in the previous five years, reported what they would expect they would do.

\(^b\) Multiple choice.

Twenty-nine per cent of establishments enhanced (or would expect to enhance) payments for voluntary redundancy. However, 42 per cent of employees worked in these establishments. Enhancement was much more common amongst those with voluntary redundancy criteria or with recent experience of redundancy.

As with compulsory redundancy, length of service was a common criteria for voluntary redundancy enhancements (23 per cent of establishments). Thirty-four per cent of employees worked in these establishments. Age was used, or was expected to be used, as a criterion for enhancements by nine per cent of establishments. Almost twice as many employees (16 per cent) worked in these establishments. Amongst those expecting to make enhancements, an age criterion was more common amongst those with voluntary redundancy criteria and without redundancy criteria, but with recent experience of redundancy compared with those with neither. This criterion will no longer be lawful once the draft Employment Equality (Age) Regulations 2006 are implemented.
8.2 Flexible working

Flexible working arrangements receive most attention in relation to childcare, enabling parents (and, particularly, mothers) to combine employment and childcare. It has also been regarded as a desirable option in the run up to retirement to allow employees to enter retirement gradually. The need for flexible working to assist caring for dependent adults, including elderly parents, has received rather less attention as has the need for flexibility to allow further training and education. In part, the government is seeking to address this through the Work and Families Bill, currently before Parliament, which extends the right to request flexible working to carers of adults. As these different needs for flexible working are indirectly related to age (gradual retirement and care of elderly dependent adults is concentrated amongst workers in their 50s and 60s; childcare is concentrated amongst workers in their 20s, 30s and 40s), this study examined how likely employers were to allow flexible working for these purposes. It also examined the likelihood of allowing flexible working for any reason, a measure which is seen as an inclusive approach to diversity by some employers.

8.2.1 Flexible working, retirement and care of elderly dependent relatives

Over three-quarters (78 per cent) of establishments were likely to allow flexibility in the run up to retirement, including 37 per cent which were very likely (Table 8.8). This may be seen as a benefit to those approaching retirement. A similar percentage of employees worked in establishments expecting to offer flexible working in the run up to retirement (Table 8.9). The figures were similar for the likelihood of allowing flexible working in response to eldercare needs.

Table 8.8 Availability of flexible working, percentage of establishments

<table>
<thead>
<tr>
<th>Whether would offer flexible working</th>
<th>In the run up to retirement</th>
<th>For childcare</th>
<th>To look after elderly parents or other relatives</th>
<th>For any reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very likely</td>
<td>37</td>
<td>49</td>
<td>34</td>
<td>18</td>
</tr>
<tr>
<td>Likely (very or quite likely i.e. including previous row)</td>
<td>78</td>
<td>82</td>
<td>74</td>
<td>51</td>
</tr>
<tr>
<td>Not very or not at all likely</td>
<td>12</td>
<td>9</td>
<td>14</td>
<td>27</td>
</tr>
<tr>
<td>Depends on the circumstances</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Base</strong></td>
<td><strong>2,087</strong></td>
<td><strong>2,087</strong></td>
<td><strong>2,087</strong></td>
<td><strong>2,087</strong></td>
</tr>
</tbody>
</table>
Table 8.9  Availability of flexible working, percentage of employees

<table>
<thead>
<tr>
<th>Whether would offer flexible working</th>
<th>To look after elderly parents or other relatives</th>
<th>For any reason</th>
<th>For childcare</th>
<th>In the run up to retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very likely</td>
<td>38</td>
<td>37</td>
<td>52</td>
<td>18</td>
</tr>
<tr>
<td>Likely (very or quite likely i.e. including previous row)</td>
<td>79</td>
<td>79</td>
<td>87</td>
<td>53</td>
</tr>
<tr>
<td>Not very or not at all likely</td>
<td>12</td>
<td>9</td>
<td>6</td>
<td>25</td>
</tr>
<tr>
<td>Depends on the circumstances</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Base</strong></td>
<td><strong>2,087</strong></td>
<td><strong>2,087</strong></td>
<td><strong>2,087</strong></td>
<td><strong>2,087</strong></td>
</tr>
</tbody>
</table>

Allowing flexible working in the run up to retirement varied little with establishments’ characteristics, although it was more likely to be allowed in establishments with a US Head Office and was less likely in education. The existence and nature of Equal Opportunities policies and training did not affect this. In terms of the percentage of employees allowed flexible working in the run up to retirement, there was little difference by establishment characteristics.

8.2.2  Variation in flexible working by employee needs

The likelihood of allowing flexible working for childcare may be seen as a benchmark of the possible availability of flexible working, as, since April 2003, legally, most employees with children under six or with disabled children under 18 have the right to request a flexible working pattern and their employer has a duty to consider their requests seriously (DTI, undated).

Establishments were more likely to allow flexibility for childcare needs than for the run up to retirement or for eldercare. The difference was most noticeable in the percentage very likely to allow flexible working for each of these reasons (49 per cent for childcare, 37 per cent in the run up to retirement and 34 per cent to look after elderly relatives).

Differences in the likelihood of allowing flexible working for childcare compared with the run up to retirement and eldercare varied little with establishment characteristics, except:

- establishments with a Head Office in Europe (outside the UK) were less likely to allow flexible working for adult care than for childcare;
- establishments in financial intermediation were less likely to allow flexible working in the run up to retirement than for childcare;
- establishments in public administration and defence were more likely to allow flexible working for childcare than for other reasons, particularly for the run up to retirement.
Of the four reasons examined, employers were least likely to allow flexible working irrespective of reason. Half of establishments (51 per cent) thought it likely that they would allow flexible working for any reason, although only 18 per cent saw this as very likely. A further 20 per cent thought it would depend on the circumstances.

Permitting flexible working for any reason:

- increased with organisational size (from 52 per cent of small organisations to 60 per cent of those with 10,000 or more employees); it also increased with establishment size;
- was more likely in the public (55 per cent) and voluntary (62 per cent) sectors than the private (49 per cent);
- was least likely in establishments with a Head Office in Europe (outside the UK) (37 per cent);
- was more likely in hotels and restaurants and public administration and defence (67 per cent each).

8.3 Other age-related practices: summary

8.3.1 Redundancy

For compulsory redundancy, 31 per cent had compulsory redundancy selection criteria, a further 16 per cent had had redundancies in the previous five years and 52 per cent had neither. Selection criteria included the following discriminatory or potentially hazardous criteria:

- age (12 per cent of establishments);
- last in first out (28 per cent);
- sickness absence records (41 per cent);
- length of service (40 per cent);
- current salary (eight per cent);
- competence (54 per cent).

Thirty-three per cent of establishments enhanced statutory redundancy payments (or expected they would). The criteria for enhancement included age (ten per cent) and length of service (27 per cent). (The latter will be allowed under the legislation.)

For voluntary redundancy, 14 per cent had eligibility criteria, a further 28 per cent had had redundancies in the previous five years and 58 per cent had neither. Selection criteria included age (five per cent) and length of service (11 per cent).
Twenty-nine per cent of establishments enhanced payments for voluntary redundancy (or expected they would). The criteria for enhancement included: age (nine per cent) and length of service (23 per cent). (The latter will be allowed under the legislation.)

### 8.3.2 Flexible working

Flexible working was likely to be allowed in the following circumstances:

- the run up to retirement (78 per cent of establishments);
- childcare (82 per cent);
- eldercare (74 per cent);
- for any reason (51 per cent).
9 Attitudes

The study concentrated on policies and practices which had an age dimension. However, the reason for some discriminatory policies and practices (and the need for policies and practices to curb these) is discriminatory attitudes. The survey tried to identify discriminatory attitudes by asking respondents whether certain jobs were more suitable for certain ages. This approach is not ideal, and is likely to underestimate discriminatory attitudes. However, it will provide a baseline measure from which changes can be measured after introduction of the draft Employment Equality (Age) Regulations 2006. It should be remembered that respondents were selected as the most senior person at the workplace with responsibility for human resource issues and nearly all were managers or directors (and half were of general manager/chief executive officer seniority) (see Table 1.8). Thus, although the attitudes described are the personal attitudes of the respondents, these are liable to influence practice in the workplace.

9.1 Age suitability of jobs generally

Twenty-one per cent of respondents said that some jobs in their establishment were more suitable for some age groups than others (Table 9.1). Similar percentages thought this for managerial and senior administrative jobs as for other jobs (11 per cent and 13 per cent respectively).

Table 9.1 Attitudes: belief that age affects suitability for some jobs

<table>
<thead>
<tr>
<th>Attitudes: belief that age affects suitability for some jobs</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some jobs in the establishment are more suitable for certain ages</td>
<td>21</td>
<td>19</td>
</tr>
<tr>
<td>Some managerial and senior administrative jobs in the establishment are more suitable for certain ages</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>Some jobs, other than managerial and senior administrative jobs in the establishment are more suitable for certain ages</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>Base</td>
<td>2,087</td>
<td>2,087</td>
</tr>
</tbody>
</table>

Multiple response.
The belief that age affected suitability for some jobs varied with establishment characteristics:

- declined with organisational size (from being held by 26 per cent of respondents in small organisations to eight per cent of those in organisations with 10,000 or more employees);
- differed little by establishment size except those in the largest size range (200 or more employees) were much less likely to consider suitability varied with age (eight per cent); this resulted in little difference by establishment size in the percentage of employees working in establishments where the respondent thought that age affected suitability for some jobs;
- was less often reported in the public sector (13 per cent) than the private sector (24 per cent);
- was more commonly held by respondents in construction (34 per cent) and manufacturing (28 per cent) and was rarely reported by respondents in public administration and defence (six per cent), and education (12 per cent);
- was less commonly reported by respondents in establishments with a US Head Office (11 per cent); however, in terms of the percentage of employees working in such establishments, it was employees working in establishments with a UK Head Office (but not wholly based in the UK) which were least likely to have a respondent expressing the view that age affected suitability for some jobs (11 per cent compared with an average of 19 per cent);
- less commonly reported in establishments with union recognition (13 per cent, compared with 25 per cent of establishments without union recognition);

Equal Opportunities policies and practices appeared to be related to respondents’ attitudes, as 20 per cent of respondents in establishments with Equal Opportunities policies considered some jobs more suitable to certain age groups, compared with 27 per cent in those without such policies. The difference was similar (19 per cent and 27 per cent) where the Equal Opportunities policy explicitly covered age. Assuming that these policies had not always been introduced by the respondent, this suggests such policies may reduce discriminatory attitudes.

As attitudes relate to the individual respondent, unlike policies and practices, attitudes may vary with respondents’ personal characteristics. This was examined in respect to age, gender and job title.

- The belief that some jobs in the establishment were more suitable to certain ages grew with the age of the respondent, particularly in relation to managerial and senior administrative jobs.
The belief differed with the respondent’s job; it was more often held by owners/partners (33 per cent) and Managing Directors/Chairs/CEOs (30 per cent); it was less often held by human resource managers (16 per cent) and other human resource staff (13 per cent), although 20 per cent of human resource directors held this view.

There was little difference by respondent’s gender.

9.2 Attitudes: largest occupational group, details of age suitability

Respondents were asked about the age suitability of jobs in their largest occupational group in more detail. Eight per cent felt that such jobs were more suitable for certain age groups (Table 9.2). There was little difference in this attitude for different largest occupational groups.

Table 9.2 Attitudes: job suitability by age for the largest occupational group

<table>
<thead>
<tr>
<th>Jobs in the largest occupational group are considered more suitable for certain ages</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments where age affects suitability for largest occupational group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age ranges that are most suitable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 25 years</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>25–39 years</td>
<td>5</td>
<td>64</td>
</tr>
<tr>
<td>40–49 years</td>
<td>4</td>
<td>54</td>
</tr>
<tr>
<td>50 years or older</td>
<td>3</td>
<td>38</td>
</tr>
<tr>
<td>Don’t know most suitable ages</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Age ranges that are less suitable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 25 years</td>
<td>5</td>
<td>66</td>
</tr>
<tr>
<td>25–39 years</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>40–49 years</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>50 years or older</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>Don’t know less suitable ages</td>
<td>1</td>
<td>15</td>
</tr>
</tbody>
</table>

Base 2,087 133

There was a tendency for respondents to favour prime age workers (aged 25 to 49) for their largest occupational group. Those under 25 years old were more likely to be looked on as less suitable. However, the percentage reporting these views was small. The percentage favouring or finding certain ages less suitable was similar
across occupational groups, except that compared with other occupations:

- 25 to 49 year olds were more likely to be favoured (and under 25s more often considered less suitable) for process, plant and machine operatives and drivers;
- 25 to 39 year olds were more likely to be favoured for skilled trades.

The reasons given for certain age groups being considered more suitable are listed in Table 9.3. The percentage giving each reason for favouring or finding less suitable age groups was similar across occupational groups, except that compared with other occupations:

- the need for certain skills and for reliability was more often a rationale for favouring certain age groups for skilled trades;
- skill attributes were also more often mentioned for caring, leisure and personal service staff.

Table 9.3  Attitudes: factors affecting the suitability of different ages for the job for the largest occupational group

<table>
<thead>
<tr>
<th>Why suitability varies with age</th>
<th>Percentage of establishments</th>
<th>Percentage of establishments where age affects suitability for largest occupational group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills and attributes required</td>
<td>6</td>
<td>80</td>
</tr>
<tr>
<td>Reliability</td>
<td>6</td>
<td>77</td>
</tr>
<tr>
<td>Customers expectations</td>
<td>4</td>
<td>56</td>
</tr>
<tr>
<td>Matching workforce to customer profile</td>
<td>4</td>
<td>55</td>
</tr>
<tr>
<td>Time taken to train/be fully productive</td>
<td>3</td>
<td>44</td>
</tr>
<tr>
<td>The need for succession planning</td>
<td>3</td>
<td>36</td>
</tr>
<tr>
<td>Job normally done by a certain age group</td>
<td>3</td>
<td>44</td>
</tr>
<tr>
<td>Job not appropriate for someone older/younger</td>
<td>3</td>
<td>40</td>
</tr>
</tbody>
</table>

Base 2,087 133

The importance of certain skills and attributes for each occupational group was ascertained in the survey. These were physical strength, people skills, management skills, computer skills and adaptability and skills which tend to be associated with certain age groups. No difference was found between the importance of these skills and attributes and whether certain age groups were considered more suitable for jobs in the largest occupational group.
9.3 Attitudes: summary

Although the study focused on employers’ policies and practices, as much age discrimination stems from individual attitudes, the study also investigated these within the survey. Many of the respondents were important influencers of practice (and policy).

Twenty-one per cent believed some jobs in their establishment were more suitable for certain ages than others:

- 11 per cent believed this of managerial jobs;
- 13 per cent believed this of other jobs.

Eight per cent believed that jobs in their largest occupational group were more suitable for certain ages than others. For these jobs, there was a tendency to favour prime age workers (25–49 years old).

The reasons for preferring particular age groups included: skills and attributes required, reliability, customers expectations, matching workforce to customer profile, time taken to train/be fully productive, the need for succession planning, job normally done by a certain age group and job not appropriate for someone older/younger.
10 Awareness and information

10.1 Introduction

It is important in the run up to the implementation of the draft Employment Equality (Age) Regulations 2006 that employers are aware of the impending legislation and of the changes they will need to have made to their policies and practices prior to its implementation in October 2006. The study sought to assess the current degree of awareness and the sources of information which had informed employers (including the Department for Work and Pensions (DWP’s) Age Positive campaign and website) and might be used to provide further information.

10.2 Awareness of the draft Employment Equality (Age) Regulations 2006

Two-thirds of respondents said they were aware of the draft Employment Equality (Age) Regulations 2006 (Table 10.1). However, only 28 per cent of respondents thought they knew when the legislation would come into effect and only seven per cent correctly stated this was October 2006.
Table 10.1  Awareness of draft Employment Equality (Age) Regulations 2006

<table>
<thead>
<tr>
<th>Respondent action</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent said they were aware of the legislation</td>
<td>66</td>
<td>77</td>
</tr>
<tr>
<td>Respondent was unaware of the legislation</td>
<td>33</td>
<td>22</td>
</tr>
<tr>
<td>Respondent thought it already existed</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Respondent believed they knew when the legislation</td>
<td>28</td>
<td>34</td>
</tr>
<tr>
<td>would be implemented</td>
<td></td>
<td></td>
</tr>
<tr>
<td>When expected legislation to be implemented:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>thought it already existed/2004</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2005</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>2006 month other than October or month unknown</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>2006 October</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>2007 or later</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Aware of the legislation, but did not know when it</td>
<td>39</td>
<td>33</td>
</tr>
<tr>
<td>would be implemented</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,087</td>
<td>2,087</td>
</tr>
</tbody>
</table>

- Knowledge of the legislation grew with organisational size: 55 per cent of small organisations were aware, 77 per cent of medium-sized organisations and 82 per cent of large organisations; a similar pattern was found for knowledge of the date of implementation: only one per cent of small organisations knew this and nine per cent of medium-sized, compared with 16 per cent to 20 per cent in larger size groups. The pattern was similar by establishment size.

- The public and voluntary sectors were slightly more aware of the forthcoming legislation (70 per cent and 74 per cent aware, compared with 64 per cent of the private sector). About twice as many establishments in the public sector were aware of the date (26 per cent, compared with 14 per cent of the private sector and 17 per cent of the voluntary). In terms of the percentage of employees working in establishments where the respondent was aware of the legislation and its date of introduction, the differences across sectors was smaller.

- Awareness was lowest in manufacturing, construction, hotels and restaurants and the wholesale and retail trade (58 per cent to 63 per cent). It was very high in public administration and defence (94 per cent). Knowledge of the date of introduction was low (four to ten per cent) except in transport, storage and communication (15 per cent) and public administration and defence (27 per cent). In terms of the percentage of employees working in establishments where the respondent was aware of the legislation and its date of introduction, the differences across sectors was smaller.
• Awareness was greater amongst establishments with a **UK Head Office (and with offices outside the UK)** (83 per cent) and those with a **Head Office elsewhere in Europe** (77 per cent). These types of establishments were also more likely to know the date of implementation (13 per cent and 15 per cent, respectively). In terms of the percentage of employees working in establishments where the respondent knew the date of introduction of the legislation, this was high for establishments with a **UK Head Office (and with offices outside the UK)** (21 per cent of employees) and very low in those with a **US Head Office** (six per cent of employees).

• Establishments with **union** recognition were slightly more aware of the legislation (76 per cent compared with 62 per cent of establishments without union recognition) but were much more likely to know the date of implementation (16 per cent compared with four per cent).

The importance of Equal Opportunities and the role of human resource specialists for ensuring knowledge of legislation was apparent from the survey:

• Establishments with an **Equal Opportunities policy** were more aware of the legislation (71 per cent compared with 52 per cent of those without) and also more likely to know when the legislation comes into effect (ten per cent compared with two per cent); however, amongst those with Equal Opportunities policies there was no variation in whether the policy covered age.

• Awareness was lower amongst respondents who were not **human resource specialists** (52 per cent to 63 per cent across different jobs) compared with **human resource directors** (90 per cent), **human resource managers** (91 per cent) and **others in human resources** (74 per cent); only three per cent or fewer of **non-human resource specialists** knew the date of implementation, compared with **human resource directors** (22 per cent), **human resource managers** (24 per cent) and others in **human resources** (15 per cent).

**10.3 Current response to the legislation**

One-third (31 per cent) of establishments had already made some changes to their policies in anticipation of the draft Employment Equality (Age) Regulations 2006. These establishments employ 44 per cent of the workforce.

• **Larger organisations** were more likely to have changed policies as a result of the forthcoming legislation: ranging from 17 per cent of small organisations, 38 per cent to 49 per cent of organisations with between 50 and 9,999 employees and 65 per cent of those with 10,000 or more employees; the pattern was similar by **establishment size**.
• Public sector establishments were more likely to have changed policies in anticipation of the legislation (47 per cent, compared with 26 per cent of the private sector and 35 per cent of the voluntary). In terms of the percentage of employees working in establishments which had changed policies, there was no difference between the private and voluntary sectors (38 per cent and 39 per cent compared with 54 per cent in the public sector).

• Reflecting this, policy change had occurred in 20 per cent to 33 per cent of private-sector dominated industries, except for hotels and restaurants (13 per cent) and financial intermediation (54 per cent); it occurred most in public administration and defence (67 per cent).

• Establishments with a UK Head Office (and with offices outside the UK) were more likely to have changed policies (51 per cent) than those wholly based in the UK or with a Head Office elsewhere.

• Establishments with union recognition were twice as likely to have changed policies (50 per cent compared with 24 per cent of establishments without union recognition).

• Establishments with an Equal Opportunities policy were more likely to have changed policies (39 per cent compared with ten per cent of those without). Those which provided training in respect of age discrimination were also more likely to have changed policies.

Respondents who were human resource specialists were more likely to report policy changes in anticipation of the legislation. This might be because they were more aware of the changes made, but may also indicate that where establishments have human resource specialists, change is greater.

10.4 Information sources

The survey explored how respondents gained their information about the legislation and, for those unaware of the legislation, their normal sources of human resource information.

10.4.1 The age positive campaign

Over one-quarter of respondents had heard of the Age Positive Campaign (Table 10.2). Three per cent had used its website and nearly all of these had found the website useful (91 per cent of users).
Table 10.2  Awareness of the Age Positive campaign

<table>
<thead>
<tr>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent had heard of the Age Positive campaign</td>
<td>29</td>
</tr>
<tr>
<td>Respondent had used the Age Positive website</td>
<td>3</td>
</tr>
</tbody>
</table>

Respondent considered the information on the Age Positive website:
- very useful: 1 | 2
- quite useful: 2 | 3
- not very useful: * | *
- don’t know: * | *

Base unweighted: 2,087 | 2,087
Base weighted: 2,087 | 2,087

- **Larger organisations** were more likely to have heard of the Age Positive campaign: 20 per cent of small organisations, 34 per cent of medium and around 45 per cent of larger organisations.

- Awareness grew with **establishment size**, from around 20 per cent of those with fewer than 50 employees to 57 per cent of those with 200 or more employees.

- **Public sector** and **voluntary sector** establishments were more likely to be aware (39 per cent and 35 per cent, respectively, compared with 26 per cent of the **private sector**).

- Awareness was particularly low in **manufacturing** (19 per cent) and **construction** (15 per cent); 25 per cent to 35 per cent in other industries were aware, except for **public administration and defence** (61 per cent). In terms of the percentage of employees working in establishments where the respondent had heard of the Age Positive campaign, this was low for establishments in **hotels and restaurants, construction** and **transport, storage and communication** (under 30 per cent), highest for **public administration and defence** (58 per cent) and relatively high for **financial intermediation, education** and **health and social work** (in the range of 41 per cent to 48 per cent).

- Establishments **wholly based in the UK** (28 per cent) or with a **US Head Office** (25 per cent) were least likely top be aware of the campaign. In terms of the percentage of employees working in establishments where the respondent had heard of the Age Positive campaign, this was highest for establishments with a **Head Office in Europe (but outside the UK)** (50 per cent of employees) and was in the mid-30 per cent for those with Head Offices located elsewhere.

- Establishments in **Scotland** were most likely to be aware of the campaign (39 per cent, compared with 28 per cent each in **England** and in **Wales**).
Establishments with union recognition were more aware of the campaign (40 per cent compared with 25 per cent of establishments without union recognition).

Establishments with an Equal Opportunities policy were more aware of the campaign (34 per cent compared with 19 per cent of those without). In terms of the percentage of employees working in these establishments, the difference was greater (41 per cent and 20 per cent, respectively).

Human resource directors (66 per cent) and human resource managers (47 per cent) were more likely to have heard of the campaign than other respondents.

10.4.2 Sources of information
Sources of information were examined in relation to the extent of knowledge respondents had of the forthcoming legislation: those who knew the implementation date; those who thought they knew the date, but got it wrong; those who knew of the legislation, but had no idea of the date; and, finally, those who were unaware of the legislation. Using this classification, it is possible to identify which sources of information appear to have been useful (and, perhaps, which employers might be encouraged to use) and which have been used, but not resulted in knowledge of the forthcoming legislation (and so might be targeted to present more information).

The main source of information for those who knew the date of the legislation was human resource journals (40 per cent of those who knew the date of implementation) (Table 10.3). Other important sources were general newspapers and magazines (15 per cent), websites (other than Age Positive and the DTI) (ten per cent), other business journals, the CIPD and trade and business associations (other than the CBI) were also relatively important. A significant percentage had been informed by other parts of their organisation (Head Office etc) and through training.

Two important differences between the most informed and others were apparent: knowledge declined as the number of sources of information used declined and as use of human resource journals declined. The latter may reflect that the respondents who were most often well-informed about the legislation were human resource specialists.
Table 10.3  Sources of information on employment legislation

<table>
<thead>
<tr>
<th>Source</th>
<th>Not heard of legislation</th>
<th>Said had no idea of date</th>
<th>Gave wrong date</th>
<th>Gave right date (October 2006)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resource journals</td>
<td>6</td>
<td>8</td>
<td>28</td>
<td>40</td>
<td>14</td>
</tr>
<tr>
<td>General newspapers and magazines</td>
<td>4</td>
<td>15</td>
<td>23</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>Head Office/Human resource manager/internal communications</td>
<td>8</td>
<td>4</td>
<td>8</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>Other website</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Other business journals</td>
<td>4</td>
<td>6</td>
<td>11</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Training</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Chartered Institute of Personnel and Development (CIPD)</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Other trade or business association</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>DTI website</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Legal adviser</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Accountant</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Age Positive website</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>TV</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Radio</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>6</td>
<td>3</td>
<td>7</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Percentage of all establishments</td>
<td>34</td>
<td>39</td>
<td>19</td>
<td>7</td>
<td>66</td>
</tr>
</tbody>
</table>

*Base unweighted* 699 762 526 239 1,527  
*Base weighted* 724 829 403 156 1,388

Other sources were mentioned by one per cent or fewer of each group: CBI, legal journals and briefings, Croner Information Services, other government department, trade union, work colleague, employee, LEA, jobcentre, local council, ACAS, job applicant, friend/relative, human resource consultant, DWP, Inland Revenue.

Multiple response.
10.5 Awareness and information: summary

Although 66 per cent of respondents said they were aware of the impending legislation, only 28 per cent thought they knew when it would be implemented and only seven percent correctly stated this was October 2006.

Awareness was lowest amongst:

• smaller organisations and establishments;
• the private sector;
• manufacturing, construction, hotels and restaurants and the wholesale and retail trade;
• organisations with a US Head Office or wholly based in the UK;
• establishments without union recognition.

Respondents who were not human resource specialists (and, particularly, human resource directors or managers) were much less likely to be aware of the legislation and its implementation date.

Thirty-one per cent claimed to have changed policies in anticipation of the legislation. The pattern of change reflected the pattern of awareness.

Twenty-nine per cent of respondents said they had heard of the Age Positive campaign, but only three per cent said they had used the website. Those who had used the website tended to find it useful. The pattern of awareness tended to reflect awareness of the legislation.
11 Conclusions and overview

11.1 Introduction

This study has identified the incidence of a range of policies and practices which are age discriminatory. It has also identified the incidence of policies and practices which may be discriminatory, depending on the detailed circumstances (‘potentially hazardous’ policies and practices). For some of the discriminatory and potentially hazardous practices, the specific age groups disadvantaged (or at risk of disadvantage) have been identified. However, this has not been done for all and, in some cases, the sample size has not permitted identification of the specific age groups disadvantaged. The study has only touched on employers’ attitudes. An indication of the extent of discriminatory attitudes was the belief of 21 per cent of respondents (nearly all of whom were senior members of staff) that job suitability differed by age. Irrespective of policies and declared practice, it is the attitudes of recruiters and managers which will finally shape the degree of direct discrimination. Thus, the study can give only a partial picture of the extent of discrimination based on age and the disadvantage that specific age groups suffer. Below, we identify the groups most likely to be disadvantaged based on the evidence of the study (Section 11.2).

Throughout the report, we have described policies and practices in which age is a direct influence and those in which age-related factors are at work. Age-related policies and practices are potentially hazardous (i.e. they may result in indirect discrimination) if they have a differential effect due to factors correlated with age unless they have an objective justification. However, many will have an objective justification (and so be lawful) and, despite their correlation with age, will be an appropriate human resource policy or practice. The degree to which different factors are in fact correlated with age and to which they are likely to be objectively justified will vary (e.g. the use of qualifications and related experience will often be an essential prerequisite to competence in many jobs). Many of the potentially hazardous policies and practices are related to time (e.g. length of service and period of experience) and their degree of hazard partly depends on the time periods of
importance. In the following sections, we discuss the policies and practices grouped into three types: age (Section 11.3), time (Section 11.4) and other hazards (Section 11.5).

Various policies and practices can help guard against discrimination, notably Equal Opportunities policies and related practices and formal assessment procedures. The findings on these are summarised in Section 11.6.

The occupations and establishments least likely to be prepared for the implementation of the draft regulations and the ways in which awareness might be improved are discussed in Section 11.7 and Section 11.8.

11.2 Ages experiencing discrimination

The study mainly identified disadvantageous treatment for older people and some for young people. However, we suspect that disadvantage for young people and for older people aged over 65 has been underestimated, including for the policies and practices examined. Respondents did not always mention lack of opportunity for those after retirement or state pension age (because, we suspect, it was thought this group was irrelevant). However, we would expect that the same overlooking of very young workers (particularly under 18 year olds) occurred in responses. Whilst we suspect this was a problem, it is impossible to identify the degree to which it affected responses and so impossible to estimate the real degree to which policies and practices disadvantaged younger people.

11.3 Age as a direct factor in employment policies and practices

For each aspect of employment (recruitment, terms and conditions, training, promotion and leaving), age was a direct influence for some employers (Table 11.1). In recruitment, six per cent of establishments specified an age range in the job advertisements. Twenty-six per cent of employers had a maximum age for recruitment. Selectors were given age information in almost half of establishments (44 per cent). Age was part of the recruitment decision directly (nine per cent), in respect of the period of service to retirement (18 per cent) and in respect of potential length of service (seven per cent). Others targeted recruitment at specific age groups.
Table 11.1  Age as a direct factor in employment policies and practices

<table>
<thead>
<tr>
<th>Attitudes</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belief that job suitability differs by age</td>
<td>21</td>
<td>19</td>
</tr>
<tr>
<td>Recruitment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target older people for recruitment</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Target younger people for recruitment</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Recruitment advertisements specify age</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Has a maximum recruitment age</td>
<td>49</td>
<td>-</td>
</tr>
<tr>
<td>Selection criteria include age</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Selection criteria include potential length of service, judged by age</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Selection criteria include potential length of service, judged by period to retirement</td>
<td>18</td>
<td>-</td>
</tr>
<tr>
<td>Recruiters given age information</td>
<td>44</td>
<td>-</td>
</tr>
<tr>
<td>Pay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starting salary takes into account age</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td>Affected by age (other than youth rates)</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Youth rates</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>Sick pay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level of sick pay affected by age</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Minimum age for eligibility</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Maximum age for eligibility</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Other benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum age for eligibility for other benefits</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Maximum age for eligibility for other benefits</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Annual leave affected by age</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selection criteria include age</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Selection criteria include period to retirement</td>
<td>8a</td>
<td>-</td>
</tr>
<tr>
<td>Selection criteria include potential length of service, judged by age</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Promotion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affected by age</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Retirement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have a compulsory retirement age</td>
<td>37</td>
<td>50</td>
</tr>
<tr>
<td>Early retirement is encouraged</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

Continued
Table 11.1  Continued

<table>
<thead>
<tr>
<th>Redundancy</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compulsory redundancy selection criteria include age</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Level of compulsory redundancy pay affected by age</td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td>Voluntary redundancy eligibility criteria include age</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Level of voluntary redundancy pay affected by age</td>
<td>9</td>
<td>16</td>
</tr>
</tbody>
</table>

* Three per cent two years or more.
- No employee estimates, as data refers to largest occupational group.

Once recruited, age affected starting salary (13 per cent). Age continued to affect pay directly for those on youth rates (11 per cent) and others (five per cent). It affected a small number of benefits, including sick pay and annual leave.

Training (which will affect pay, promotion and employment) was affected by time to retirement (eight per cent), age directly (one per cent) and potential length of service judged by age (one per cent). Promotion was directly affected by age for four per cent.

In 37 per cent of establishments, employees had to retire at a given age. Early retirement was encouraged by two per cent, but selection for redundancy could be based on age (12 per cent for compulsory redundancy, five per cent for voluntary redundancy), with payments affected by age (ten per cent for compulsory redundancy nine per cent for voluntary redundancy).

Given the prevalence of potentially hazardous practices, the direct role of age in recruitment and the degree of compulsory retirement are likely to have the greatest impact on the age composition of employment. Given the details of these practices discussed elsewhere in the report, these two areas are particularly important for the employment and labour market participation of older people. Many of the other policies and practices are in use in a small number of establishments. However, across the country, they affect a large number of staff.

11.4 Time-related factors in employment policies and practices

Time-related factors (length of service, periods of experience) can be indirectly discriminatory because the ability to meet the criteria grows with age. The age-related aspect grows with the length of the period and so short periods may be regarded as unimportant. Certainly, the draft Employment Equality (Age) Regulations 2006 exempt periods of five years or less in relation to benefits. Time may be an
objectively justifiable aspect of some (and sometimes many) employment policies and practices\textsuperscript{21}.

Time appears as a recruitment selection criterion (years experience, 62 per cent of establishments, and related work experience, 80 per cent of establishments) and starting salary criterion (experience, 58 per cent) (Table 11.2). Depending on the periods and the job, these may be justified as essential indicators of competence. Length of service has an impact on pay (five per cent of establishments had incremental pay scales rising for more than five years) and on eligibility for other benefits (sick pay, health insurance and staff discounts), although these tended to be based on short time periods. Perhaps more importantly, annual leave was related to length of service (44 per cent). Long service awards were common (33 per cent), although the economic benefit derived from these was rarely great. Length of experience could also be a factor affecting promotion (eight per cent requiring four years or more).

\textbf{Table 11.2} Time-related factors in employment policies and practices

<table>
<thead>
<tr>
<th></th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recruitment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selection criteria</td>
<td></td>
<td></td>
</tr>
<tr>
<td>include years of work</td>
<td>62</td>
<td>-</td>
</tr>
<tr>
<td>experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>include at least three</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>years of work experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>require related work</td>
<td>80</td>
<td>-</td>
</tr>
<tr>
<td>experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>require at least three</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>years related work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pay</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starting salary</td>
<td>58</td>
<td>-</td>
</tr>
<tr>
<td>takes experience into</td>
<td></td>
<td></td>
</tr>
<tr>
<td>consideration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has length of service</td>
<td>21</td>
<td>-</td>
</tr>
<tr>
<td>increments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automatic increments</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>continue for more than</td>
<td></td>
<td></td>
</tr>
<tr>
<td>five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sick pay</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum length of</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>service for eligibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>over one year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{21} Under the draft Employment Equality (Age) Regulations 2006 employers will be able to justify the provision of benefits based on longer periods of length of service if it reasonably appears to them that there will be an advantage to them from rewarding the loyalty, encouraging the motivation or recognising the experience of workers.
### Table 11.2 Continued

<table>
<thead>
<tr>
<th>Other benefits</th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health insurance eligibility based on length of service</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Staff discounts eligibility based on length of service</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Long service award</td>
<td>33</td>
<td>54</td>
</tr>
<tr>
<td>Annual leave based on length of service</td>
<td>44</td>
<td>58</td>
</tr>
<tr>
<td><strong>Promotion</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affected by length of experience, four years or more</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td><strong>Redundancy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compulsory redundancy selection criteria include ‘last in first out’</td>
<td>28</td>
<td>25</td>
</tr>
<tr>
<td>Compulsory redundancy selection criteria include length of service</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Level of compulsory redundancy pay affected by length of service</td>
<td>27</td>
<td>38</td>
</tr>
<tr>
<td>Voluntary redundancy eligibility criteria include length of service</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Level of voluntary redundancy pay affected by length of service</td>
<td>23</td>
<td>34</td>
</tr>
</tbody>
</table>

- No employee estimates, as data refers to largest occupational group.

Perhaps most importantly, length of service affected selection for compulsory redundancy (40 per cent) and eligibility for voluntary redundancy (11 per cent). The survey did not collect details of the length of service criteria, but as 28 per cent used last in first out (LIFO), this aspect of length of service is likely to impact more on younger workers. Length of service also affected redundancy pay (compulsory redundancy pay (27 per cent) and voluntary redundancy pay (23 per cent)). Using length of service as a criteria for calculating the amount of redundancy pay will continue to be lawful under the draft Employment Equality (Age) Regulations 2006 provided the policy mirrors Statutory provisions. Again, details were not collected but the practice is likely to increase the attractiveness of the package with age, thus encouraging older workers to take redundancy.

### 11.5 Other potentially hazardous employment policies and practices

Several of the other potentially hazardous policies and practices were related to using qualifications as criteria (for recruitment, starting salary and pay) (Table 11.3). The age aspect of qualifications is that their incidence declines with age and that older qualifications may no longer be given adequate recognition. However, as with experience, qualifications may be essential requirements of the job or strong indicators of competence and so, in many cases, their use will be objectively justified.
Other potentially hazardous practices were more likely to be problematic. Using current salary to set the starting salary of recruits (42 per cent) is problematic, in that salary will embody any previous age discrimination against that individual. Most of the other factors listed in the table are potentially hazardous because of the use of criteria which require judgements which are likely in many cases to include an age-bias. In this category are included merit pay without formal assessment, potential length of service, expected potential, ability to learn new tasks, likelihood of leaving and preparation for promotion. The lack of training of selectors in Equal Opportunities with respect to age (Table 11.4) increases the likelihood of this occurring.

Table 11.3 Other potentially hazardous employment policies and practices

<table>
<thead>
<tr>
<th></th>
<th>Percentage of establishments</th>
<th>Percentage of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recruitment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selection criteria include qualifications</td>
<td>60</td>
<td>-</td>
</tr>
<tr>
<td>Selection criteria include expected length of service more than three years</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td><strong>Pay</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starting salary takes qualifications into consideration</td>
<td>42</td>
<td>-</td>
</tr>
<tr>
<td>Starting salary takes current salary into consideration</td>
<td>42</td>
<td>-</td>
</tr>
<tr>
<td>Starting salary takes expected potential into consideration</td>
<td>28</td>
<td>-</td>
</tr>
<tr>
<td>Merit pay without formal assessment</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>Pay affected by qualifications</td>
<td>33</td>
<td>-</td>
</tr>
<tr>
<td>Pay affected by expected likelihood of leaving</td>
<td>16</td>
<td>-</td>
</tr>
<tr>
<td><strong>Training</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provided to rectify performance problems</td>
<td>42</td>
<td>-</td>
</tr>
<tr>
<td>Provided to prepare for promotion</td>
<td>38</td>
<td>-</td>
</tr>
<tr>
<td>Selection criteria include good performance</td>
<td>19</td>
<td>-</td>
</tr>
<tr>
<td>Selection criteria include expected length of service</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Selection criteria include expected ability to learn new tasks</td>
<td>27</td>
<td>-</td>
</tr>
<tr>
<td><strong>Redundancy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compulsory redundancy selection criteria include sickness absence</td>
<td>41</td>
<td>46</td>
</tr>
<tr>
<td>Compulsory redundancy selection criteria include current salary</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Compulsory redundancy selection criteria include competence</td>
<td>54</td>
<td>57</td>
</tr>
</tbody>
</table>

- No employee estimates, as data refers to largest occupational group.
11.6 Policies guarding against discrimination

Greater understanding by both employers and by employees of the nature of age discrimination and greater implementation of policies and practices to identify and remedy discrimination would help reduce the plethora of age-related practice described above. Equal Opportunities policies and practices and formal appraisal systems tend to guard against discrimination.

The belief that some jobs were more suited to certain age groups was less common in establishments with an Equal Opportunities policy (held in 20 per cent of establishments compared to 27 per cent of establishments without an Equal Opportunities policy). Those with an Equal Opportunities policy were more often aware of the draft Employment Equality (Age) Regulations 2006 (71 per cent of establishments compared with 52 per cent of those without an Equal Opportunities policy) and to have already made some adjustments to their policies in anticipation of the implementation of the regulations (39 per cent of establishments compared with ten per cent of those without an Equal Opportunities policy).

Fifty-six per cent of establishments had a current Equal Opportunities policy related to age, fewer than those with Equal Opportunities policies relating to groups already covered by anti-discrimination legislation (Table 11.4). Monitoring occurred in 49 per cent of establishments, but training in Equal Opportunities relating to age was only conducted in 19 per cent of establishments. We would expect these to grow with the introduction of the draft Employment Equality (Age) Regulations 2006. However, for many practices, the study found little relationship between the existence of anti-discrimination policies relating to age and the age-related policies and practices.

<table>
<thead>
<tr>
<th>Table 11.4 Policies guarding against or promoting age discrimination</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Has an Equal Opportunities policy</strong></td>
</tr>
<tr>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Has an Equal Opportunities policy</td>
</tr>
<tr>
<td>Has an Equal Opportunities policy which explicitly addresses age</td>
</tr>
<tr>
<td>Has Equal Opportunities training which includes age</td>
</tr>
<tr>
<td>Monitors by age</td>
</tr>
<tr>
<td>Has formal performance appraisal</td>
</tr>
</tbody>
</table>

For many of the potentially hazardous practices (and as a replacement for criteria based on age or length of service), a greater use of formal appraisal would reduce the opportunity for age-biased assessments. That two-thirds of establishments already had performance assessment systems, suggests that there are no major blockages to the wider use of formal assessment within more aspects of employment practices and by more establishments.
11.7 Where is change most needed?

Throughout the study, we identified the establishments which were most and least at risk of potentially hazardous policies and practices. Here, this information is summarised to indicate which types of organisations most need to examine their policies and practices to ensure they comply with the draft Employment Equality (Age) Regulations 2006 by October 2006. Only a small percentage of the policies and practices are clearly discriminatory and would be unlawful under the draft regulations. Most are potentially hazardous, i.e. they are policies and practices which are likely to have a differential impact by age but might be objectively justified. Therefore, it may not be necessary for employers to change these policies and practices, but it would be advisable for them to check that they are objectively justified in their particular circumstances and to change them if not.

11.7.1 Occupations

All occupations had at least one potentially hazardous practice which was relatively more common.

**Professionals** stood out as being at most risk of potentially hazardous practices:

- The main potential problems were with pay systems and pay criteria and with training selection criteria. For professionals, many more establishments used either incremental pay scales with length of service increments continuing for more than five years (21 per cent of establishments) and merit pay with no formal assessment process (18 per cent). Both of these are potentially hazardous under the draft regulations: the first would need to be objectively justified, the second runs the risk of allowing discriminatory attitudes to affect pay awards. In addition, this group was particularly subject to potentially hazardous pay criteria, with pay being affected by age-related criteria (length of service, years of relevant experience, qualifications and likelihood of leaving) and a criterion which was liable to age bias in assessment (likelihood of leaving).

- For selection for training, more than half of establishments where professionals were the largest occupational group provided training to counter performance problems and in preparation for promotion. These criteria are potentially hazardous, unless systems are formalised and selectors are trained to ensure lack of age bias in the choice.

- A maximum recruitment age was more likely for this group.

**Associate professional and technical staff** were relatively at risk for the same practices, except in respect of pay systems. The use of incremental pay systems with pay scale increments continuing for more than five years was still relatively high, but much lower than for professionals (11 per cent of establishments) and the use of merit pay with no formal assessment process was no higher than average.
Other occupations exhibited fewer high rates of potentially hazardous practices and relatively low rates were found for some practices:

- **managers and senior officials** (relatively high use of merit or performance pay without a formal assessment system);

- **administrative and secretarial staff** (selection for training based on assessment of performance problems and in order to prepare for promotion);

- **skilled trades staff** (pay criterion: period of relevant experience; selection for training criteria: potential length of service; however, this occupation was less likely to have a maximum recruitment age);

- **caring, leisure and personal service staff** (target older people for recruitment);

- **sales and customer service staff** (target older people for recruitment; however, this occupation is relatively less likely to have a maximum recruitment age);

- **process, plant and machine operatives and drivers** (selection for training criteria: age, period before retirement, potential length of service, judgement of ability to learn new tasks; recruitment advertisements contain possible age-related criteria);

- **routine unskilled** (recruitment advertisements contain age criterion).

### 11.7.2 Establishments

The incidence of many of the policies and practices described above is similar throughout establishments in Britain. However, some were concentrated in certain types of establishments. The different patterns described below are intended to identify which type of establishments might be most at risk of falling foul of the draft regulations. This should not be interpreted to mean that many other establishments are not at risk and do not have substantial need for knowledge and to review policies and practices to ensure compliance with the regulations.

**Larger organisations**, the **public sector**, the **financial intermediation industry** and establishments with a recognised **union** were more likely to have potentially hazardous practices (notably, annual leave entitlement based on length of service, long service awards and, in the public sector and financial intermediation, compulsory retirement before the age of 65).

The **financial intermediation industry** and, in the public sector, **public administration and defence**, appeared less likely to offer flexible working for eldercare and in the run up to retirement, respectively, compared with their relatively high levels of flexible working for childcare.

However, these types of establishments were also more likely to have policies and practices which safeguarded against discrimination (such as Equal Opportunities policies, and training, including in respect of age, Equal Opportunities monitoring and formal performance appraisal) and it was noticeable that respondents in these
organisations were less likely to consider certain age groups to be more suitable for some jobs, suggesting discriminatory attitudes were less prevalent. Respondents also tended to be more aware of the draft Employment Equality (Age) Regulations 2006 and of the Age Positive campaign, and to have started to change policies to comply with the regulations. Thus, whilst it may be important to ensure that such establishments are aware of the implications of the draft regulations in respect of annual leave entitlement (and, perhaps, long service awards), it might be assumed that the processes and procedures in place in these types of establishments will mean that they are more likely than other types of establishments to comply with the regulations without additional help and guidance.

The situation for a number of private sector industries (manufacturing, construction, transport, storage and communication, hotels and restaurants and wholesale and retail trade) was very different. Although discriminatory and potentially hazardous practices were not identified as being more pervasive in these industries, awareness of the regulations was particularly low in most of these industries, whilst many did not have the policies and procedures which tend to counter discrimination (Equal Opportunities policies and training, Equal Opportunities monitoring and formal performance appraisal). Awareness of the Age Positive campaign was extremely low in manufacturing and construction, the same two industries which were identified as having the greatest prevalence of discriminatory attitudes (as measured through respondents believing that some jobs were more suitable for certain age groups).

One further difference was found, with multi-national organisations. Establishments with a European (including UK) Head Office were more likely than average to be aware of the regulations, whereas those with a US Head Office were no more aware than average and were less aware of the Age Positive campaign. Those with a UK Head Office were also more likely to have started to change their policies. The lack of a high level of awareness amongst the establishments with a US Head Office is slightly puzzling, given that they were more likely than average (along with the UK Head office establishments) to have the Equal Opportunities policies and practices, including with respect to age, which should tend to go hand, in, hand with knowledge of Equal Opportunities legislation. It may be that targeting information at US-owned establishments might be useful.

Finally, it is worth noting that pension provision and early retirement provision were greater in larger organisations, the public sector and establishments with a recognised union. Due to these organisations being more likely to have a compulsory retirement age, these were also the type of establishments which would be most affected if the national default retirement age were to be raised above 65.
11.8 Improving awareness

Although two-thirds of establishments (covering 77 per cent of employees) said they were aware of the draft Employment Equality (Age) Regulations 2006, the lack of knowledge about when the draft regulations come into force (and of the Age Positive campaign) suggests a low level of detailed knowledge.

In the previous section we have suggested the types of establishments which might need to be targeted to raise awareness of the draft regulations. However, the other issue is how to target. Whilst this was not a central concern of the study, it does provide some useful information.

Human resource specialists were very much more aware of the draft regulations (and of the Age Positive campaign). The most common sources of information for those who were aware were human resource journals. Whilst it is important that these journals continue to inform about the age legislation (especially as they were used by a significant minority of those who did not know the date of implementation of the draft regulations) other sources appear necessary to reach the non-human resource specialists.

The study identified sources of employment information for those who were unaware of the legislation. Unfortunately, many did not name sources and a wide variety of sources were used by those who did. Tentatively, we would suggest that business and trade journals and business and trade organisations may be a relatively effective route for channelling information, as might accountants and legal advisers. Otherwise, given the plethora of sources, concentration on mainstream routes, such as general newspapers, TV and radio might be effective.

11.9 Summary

Those most likely to suffer discrimination in employment were young people and older people.

11.9.1 Most potentially hazardous practices

Age played a direct role in a wide range of policies and practices. The effects of the use of age as a criterion in recruitment and the degree of compulsory retirement are particularly important for the employment and labour market participation of older people. Many of the other policies and practices are in use in a small number of establishments. However, across the country, they are liable to affect a large number of staff.

Time-related factors (length of service and periods of experience) made a wide range of policies and practices potentially hazardous. In terms of their impact on equality of opportunity, their use in redundancy selection criteria and in enhanced redundancy payments (the latter which will remain lawful under the draft regulations) is important in affecting the labour market participation of older people. In terms of
benefits, the main effects are through incremental pay scales, annual leave entitlements and long service awards.

By occupation, policies and practices relating to professionals and associate professional and technical staff were most often potentially hazardous, particularly in relation to pay.

11.9.2 Raising awareness

Awareness of the draft regulations needs to be raised across all types of establishments. However, most in need of awareness raising are small establishments and establishments in manufacturing, construction and transport, storage and communication, hotels and restaurants and wholesale and retail trade. Establishments with a US-based Head Office also tend to lack awareness.

Larger organisations, the public sector, the financial intermediation industry and establishments with a recognised union seemed best placed to ensure that they complied with the draft regulations.

Raising awareness in establishments which do not have senior human resource specialists is most important. Business and trade journals and business and trade organisations might be the best channel, as might accountants and legal advisers. Main-stream routes, such as general newspapers, TV and radio might also be effective.
Appendix A
Technical report

A.1 Introduction

This technical report provides details of the survey, carried out by British Market Research Bureau (BMRB) Social Research, in conjunction with the National Institute of Economic and Social Research (NIESR), on behalf of the Department for Work and Pensions (DWP) and the Department of Trade and Industry (DTI).

The survey examines policies, practices and attitudes of employers towards their employees, specifically with respect to age. The interviews were carried out by telephone.

This report provides details on:

- methodological issues;
- sampling;
- questionnaire;
- fieldwork procedures;
- response rates;
- analysis;
- weighting.

A.2 Methodological issues

The survey presented a number of methodological challenges, which influenced the design.

Policies and practices vary within establishments (for example by occupation) and
this needed to be allowed for in the design. Where policy and practice were likely to be homogeneous, respondents were not only asked about establishment-wide policies and practices, but also whether these varied (and, for some issues, how). Where policy or practice was expected to be heterogeneous (e.g. recruitment criteria, pay systems), respondents were asked about a specific occupational group. In ten per cent of establishments, respondents were asked about Managers and senior officials and in the remainder respondents were asked about their largest occupational group. Throughout the report, the term ‘largest occupational group’ is used to refer to both groups.

Respondents may under-report the role of age in their practices. One way to reduce this problem is to focus questions on examples of recent practice, rather than on general practice (or hypothetical cases). Respondents are more likely to report accurately what they have done (especially recently) than to report accurately what they do generally (or might do) and, in respect of the latter, are more likely to report what they think they ought to do. However, this approach was not possible for all issues, as the respondent would not always have had recent experience of the practice (e.g. employees seeking flexible working; redundancies). Consequently, the use of age-explicit criteria is likely to be under-reported. We consider it less likely that respondents would have under-reported the use of age-related criteria (e.g. length of service) (as there is less likely to be knowledge that this is potentially problematic). In respect of providing a baseline, these inaccuracies are unlikely to prevent identification of change, although there may be some exaggeration of change, as the acceptability of both age and age-related criteria diminishes and so employers become less likely to report them.

Practice does not always accord with policy. For example, in some organisations, recruitment, promotion and training policies focus on assessment of fitness for the job and try to exclude the use of personal characteristics as a criteria, but, individuals implementing these policies may use personal characteristics; alternatively, some organisations may have policies based on age, which, at implementation, are flexibly applied. The disparity between policy and practice was addressed in the same way as the under-reporting of age in practices, i.e. by focusing questions on examples of recent practice.

There was concern that the response to a survey explicitly focusing on age-related practices would be biased towards employers with better age-related practices. Initially, we tried to avoid this by not making the age interest of the study explicit. However, owing to a low response rate during early stages of fieldwork, this was

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22 Establishments were randomly allocated to each group. Workplace Employee Relations Survey 1998 (WERS98) suggested that all groups except managers and senior administrators, would be adequately covered using the ‘largest occupational group approach’. The structuring was undertaken to ensure that an adequate sample focusing on managers and senior administrators was achieved.
changed. Comparison of survey respondents with the Workplace Employee Relations Survey 2004 (WERS04) suggested that there was some bias in response towards those with more developed Equal Opportunities policies. WERS04 found 74 per cent of establishments had an Equal Opportunities policy, only slightly more than in our survey (72 per cent) (Kersley et al., 2005). As the WERS04 figures related to establishments with ten or more employees and ours relates to those with five or more employees and as formal Equal Opportunities policies tend to increase with size, this suggests some bias in respondents in our survey towards establishments which had taken action towards Equal Opportunities. The evidence suggested that the bias may have been less in respect of Equal Opportunities relating to age, as WERS04 found 68 per cent had a policy covering age, whereas our survey found 56 per cent had a policy covering age.

A.3 Sampling

A3.1 Sample frame

It was intended that this survey would be representative of all workplaces in Great Britain with five or more employees. The Inter-Departmental Business Register (IDBR) was used as the sample frame.

A3.2 Sample selection

In order to ensure a representative sample was selected from the IDBR, and to accommodate analysis needs, the sample was stratified by country, size and industry sector, and a specified number was drawn randomly from each strata. Please see Appendices B and C for the detailed sample design.

The sample frame for this survey was the same as for the DTI’s Workplace Employer Relations Survey (WERS) (although WERS sampled workplaces with ten or more employees, whereas this survey sampled workplaces with five or more employees), and there was some concern that workplaces would be asked to participate in both surveys at the same time, and that this would affect the response rates on both surveys. To stop this from happening, the eligible sample for this survey was compared with the selected sample for WERS. WERS cases were only included in the sample for this survey where there were insufficient numbers (of non-WERS cases) in any stratification cells to meet the targets. WERS cases that were selected were contacted for this survey in the third batch of fieldwork, after the WERS fieldwork had been completed.

The sample taken from the IDBR was larger than the actual sample required (please see Appendices D and E for the specification for selecting the sample from the IDBR). This was because the IDBR does not have telephone numbers for most workplaces and so these needed to be looked up. Of the 11,443 cases taken from the IDBR, telephone numbers were found for 7,311.
Initially 4,372 workplaces were selected from this sample with telephone numbers. This sub-selection was made within the stratification cells to match the expected numbers required. As fieldwork progressed it became clear that not enough interviews would be achieved with this initial sample, so a further 2,527 workplaces were selected (6,899 in total).

**A.4 Questionnaire development**

The questionnaire (see Appendix F) was designed by NIESR, in consultation with BMRB, DWP and DTI. The average interview length was 30 minutes. The agreed questionnaire was programmed for use as a Computer Assisted Telephone Interviewing (CATI) questionnaire, using Quantum software. The programming was carried out by BMRB.

**A.4.1 Cognitive pilot**

The questionnaire was piloted prior to main fieldwork. Prior to the main pilot, a cognitive pilot was also undertaken. In this cognitive pilot, the research team at BMRB and NIESR conducted telephone interviews that did not include the entire questionnaire, but focused on particular questions of interest. The aim of this cognitive pilot was for the researchers to assess whether questions were being answered in the way they were intended, and how well respondents understood the questions.

This cognitive pilot involved six interviews, and was a useful tool in further developing the questionnaire. An important part of the feedback from the cognitive pilot was that filtering questions should be applied to each section of the questionnaire, so that workplaces for which those questions were not applicable would not be asked them. For example, in the cognitive pilot, one small business that was interviewed had never had anyone retire, and so was answering the retirement questions hypothetically. As a result, a filtering question was added at the beginning of the retirement section so that any workplace which had never had anyone retire, and which did not have a formal retirement policy, would not be asked the retirement questions. A summary of the report on the cognitive interviews that was prepared by BMRB is included in Appendix G.

**A.5 Fieldwork**

All fieldwork was carried out by BMRB’s telephone interviewers.

**A.5.1 Pilot**

A pilot was conducted to test both the questionnaire and the contact procedure. This was conducted by telephone interviewers using a CATI questionnaire. The pilot replicated the process undertaken in the mainstage, with a screening stage preceding the interview. The screening stage took place in September 2004, with
the interviews conducted in October 2004. Twelve interviews were conducted, and further details are included in Appendix H.

A.5.2 Main screening

The IDBR identified the workplaces where interviews were to be attempted, but it did not identify the individuals to interview. It was decided that the best person to interview at each workplace would be the person with responsibility for human resources or personnel issues. In order to identify this person, screening calls were made to each workplace in the sample.

During these screening calls, telephone interviewers asked for the name and telephone number of ‘the most senior person at this workplace with responsibility for human resources or personnel issues. This person did not need to be based at the workplace concerned, provided that they could answer questions about the workplace. The information gathered from these screening calls was then used to create the sample for the main interviews.

A.5.3 Advance letters

Advance letters were sent to respondents identified by the screening calls. These letters informed respondents that they would be contacted, gave them some background to the survey, and reassured them about confidentiality. The letter also gave them BMRB’s contact details should they have any questions about the survey.

Included with the advance letters was a datasheet. The datasheet comprised factual questions about the number of employees in different age groups. It was thought that respondents would not be able to give this information spontaneously during an interview. The purpose of the datasheet, therefore, was to get respondents to look up this information before their interview, so they would be able to read out their answers when the interviewer called.

The letter and datasheet are included as Appendices I and J.

A.5.4 Briefings

Telephone interviewers and supervisors were briefed personally by the BMRB research team. Written instructions were also provided to the interviewers. The briefing and instructions covered:

- background to the survey;
- contact procedures;
- ways of maximising the response rate;
- questionnaire.
A.5.5 Fieldwork timing

Fieldwork was split into three batches:

- Batch 1 fieldwork took place between November 2004 and February 2005;
- Batch 2 fieldwork took place between January 2005 and April 2005;
- Batch 3 fieldwork took place between March 2005 and May 2005.

This approach to fieldwork was taken so that a representative sample of interviews could be conducted by January 2005, in order to provide preliminary findings to the DWP and DTI.

The relatively long fieldwork period was determined by a number of factors:

- difficulties in achieving the expected number of interviews, which required fieldwork to be extended (discussed further under ‘Reasons for low response rate’ below);
- the timing of WERS: some workplaces had been selected for WERS, and so could not be contacted until after their WERS interview;
- the need to allow time for completion of the datasheet (in many cases, a second copy had to be faxed/emailed).

A.6 Response rates

A.6.1 Response rate

From the 6,899 workplaces selected to be interviewed, interviews were achieved at 2,087, corresponding to a total response rate of 30 per cent (see Table A.1 for further details). However, some of these workplaces were never contacted at all: the 727 workplaces that are listed as ‘no contact at screening stage’ can be considered out of scope as contact was never made with anyone from that workplace. This could be because the workplaces had moved or closed down, or because the telephone number lookup had yielded an incorrect number. There are also 43 workplaces that, having been selected, were excluded as being unusable; this could be due to the telephone number having an incorrect format. If these out of scope workplaces are excluded, then the response rate can be calculated as 34 per cent.
Table A.1  Outcomes for entire sample

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sample selected</td>
<td>6,899</td>
<td></td>
</tr>
<tr>
<td>Interviews</td>
<td>2,087</td>
<td>30</td>
</tr>
<tr>
<td>Refusals</td>
<td>2,068</td>
<td>30</td>
</tr>
<tr>
<td>Refused during interview</td>
<td>96</td>
<td>1</td>
</tr>
<tr>
<td>Unavailable during fieldwork&lt;sup&gt;1&lt;/sup&gt;</td>
<td>826</td>
<td>12</td>
</tr>
<tr>
<td>Exhausted sample&lt;sup&gt;2&lt;/sup&gt;</td>
<td>634</td>
<td>10</td>
</tr>
<tr>
<td>No contact at main stage</td>
<td>418</td>
<td>6</td>
</tr>
<tr>
<td>No contact at screening stage</td>
<td>727</td>
<td>11</td>
</tr>
<tr>
<td>Usable</td>
<td>43</td>
<td>1</td>
</tr>
</tbody>
</table>

<sup>1</sup> Given the length of the fieldwork period for this survey, respondents who said they were too busy/unavailable throughout the entire fieldwork period can reasonably considered to be refusals.

<sup>2</sup> Exhausted sample is respondents who have been called at least ten times, on different days, and while contact has been made, and the respondent has not refused, no interview has been achieved. In many cases, these were very busy respondents, who were willing to take part in the survey, but who keep telling the interviewer to call back another time.

The response rate was fairly consistent by workplace size, the lowest being 28 per cent (amongst workplaces with less than ten employees) and the highest being 34 per cent (amongst workplaces with between 200 and 499 employees). There was also little difference by region: the response rate was 29 per cent in England, 33 per cent in Scotland and 32 per cent in Wales. There were, however, some noticeable differences in response rate by industry sector (as shown in Table A.2).

Table A.2  Response rates in different industries

<table>
<thead>
<tr>
<th>Industry sector</th>
<th>Number of interviews</th>
<th>Response rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>314</td>
<td>32</td>
</tr>
<tr>
<td>Electricity, gas and water supply</td>
<td>24</td>
<td>30</td>
</tr>
<tr>
<td>Construction</td>
<td>113</td>
<td>31</td>
</tr>
<tr>
<td>Wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods</td>
<td>382</td>
<td>26</td>
</tr>
<tr>
<td>Hotels and restaurants</td>
<td>111</td>
<td>28</td>
</tr>
<tr>
<td>Transport, storage and communication</td>
<td>74</td>
<td>23</td>
</tr>
<tr>
<td>Financial intermediation</td>
<td>54</td>
<td>19</td>
</tr>
<tr>
<td>Real estate, renting and business activities</td>
<td>320</td>
<td>32</td>
</tr>
<tr>
<td>Public administration and defence; compulsory social security</td>
<td>108</td>
<td>33</td>
</tr>
<tr>
<td>Education</td>
<td>233</td>
<td>40</td>
</tr>
<tr>
<td>Health and social work</td>
<td>223</td>
<td>35</td>
</tr>
<tr>
<td>Other community, social and personal service activities</td>
<td>128</td>
<td>30</td>
</tr>
</tbody>
</table>
A.6.2 Reasons for low response rate

As previously mentioned, the response rate for this survey was lower than had been expected. This was mostly due to the high refusal rate; the reasons for this high refusal rate are as follows:

- 30 minutes is long for a telephone interview;
- larger organisations with multiple workplaces (such as banks, high street shops and restaurant chains) tended to be included in the sample more than once. In some of these cases the interviewer was referred to Human Resources (HR) at a Head Office location. In many cases the HR department was only prepared for one interview to be conducted, rather than multiple interviews about each workplace included in the sample;
- there appeared to be a problem with advance letters getting to the right respondents: either the letters were thrown away as junk mail, or the interviewers were referred to someone other than the person whose name was gathered at the screening stage (who the letter was sent to). Respondents who have not had an advance letter tend to be less likely to take part in a survey because they do not know what it is about, and because the survey seems less official if an interviewer calls unannounced;
- subject matter: we were unable to specify the reason for the survey in advance, or mention age discrimination as it was felt that this would influence responses. The survey was therefore introduced as being about ‘employment practices’, a vague and general phrase which may not have stimulated interest;
- businesses are, in general, rather over-researched, and this inevitably has an impact on refusal rates;
- some businesses make it company policy not to take part in surveys.

A.6.3 Steps taken to maximise response rate

The steps that were taken to maximise the response rate were as follows:

- the way the survey was introduced by interviewers was revised to try and make the survey sound more important;
- respondents who had refused to take part were re-contacted if they had been coded as a ‘soft’ refusal\(^\text{23}\) and another attempt was made to interview them;

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\(^{23}\) When a respondent refuses to take part in a survey, interviewers can code them as a ‘soft refusal’ or a ‘hard refusal’. The interviewer uses their experience to judge whether the respondent might be persuaded to take part if they were called at a better time (soft refusal) or whether further contact is only likely to annoy the respondent (hard refusal).
• in cases where interviewers were unable to contact someone on the number gathered as a result of the screening stage, calls would be made to the original number (used for the screening stage) to try and contact the respondent;
• extra copies of datasheets and advance letters were faxed or emailed to any respondents who had mislaid or not received the ones they were originally sent;
• the fieldwork period was extended so that busy respondents would have more time to be able to take part in the survey;
• a small team of experienced interviewers was installed to work throughout the survey.

A.7 Analysis

A.7.1 Coding
Open ended questions were coded by BMRB’s coding department. This comprised:
• coding of industry using Standard Industrial Classification (SIC);
• coding of occupation for the largest occupational group in each workplace using Standard Occupational Classification (SOC);
• coding of responses to open-ended questions using code frames designed by BMRB and agreed with the DWP and DTI.

A.8 Weighting
The interviewed sample was to be representative of the population of workplaces (with five or more employees) in Great Britain as a whole, and so was weighted to match the IDBR in terms of workplace size, industry sector and country. Weights reflected the probability of selection and variation in response.

A.8.1 Rim weighting
There were 12 different industry sectors, seven different workplace size classifications and three countries to be included in the weighting. This meant that 252 individual weighting categories needed to be defined. However, using 252 different weighting categories on a sample of only 2,087 workplaces would have been a very inefficient way to weight the data.

Instead, rim weighting was used. This involved applying separate weights for workplace size, industry sector and country, rather than having 252 individual weights based on a combination of the three.
Appendix B
Sample design

B.1 Overall sample profile

The target profile of achieved interviews was as follows:

Table B.1 Target profile of achieved interviews

<table>
<thead>
<tr>
<th></th>
<th>England</th>
<th>Scotland</th>
<th>Wales</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>5–9</td>
<td>420</td>
<td>75</td>
<td>75</td>
<td>570</td>
</tr>
<tr>
<td>10–24</td>
<td>280</td>
<td>50</td>
<td>50</td>
<td>380</td>
</tr>
<tr>
<td>25–49</td>
<td>180</td>
<td>35</td>
<td>35</td>
<td>250</td>
</tr>
<tr>
<td>50–99</td>
<td>180</td>
<td>35</td>
<td>35</td>
<td>250</td>
</tr>
<tr>
<td>100–199</td>
<td>180</td>
<td>35</td>
<td>35</td>
<td>250</td>
</tr>
<tr>
<td>200–499</td>
<td>180</td>
<td>35</td>
<td>35</td>
<td>250</td>
</tr>
<tr>
<td>*500+</td>
<td>180</td>
<td>35</td>
<td>35</td>
<td>250</td>
</tr>
<tr>
<td>Total</td>
<td>1,600</td>
<td>300</td>
<td>300</td>
<td>2,200</td>
</tr>
</tbody>
</table>

For the actual profile of achieved interviews, please see Appendix C.

* In the sample specification to Inter-Departmental Business Register (IDBR), within the 500+ band, individual targets were given for the following size bands: 500–999, 1,000–1,999 and 2,000+. The purpose of this was merely to control the number of cases selected in these specific bands, rather than to sample them disproportionately.

This profile provides robust sub-group samples for England, Scotland and Wales, as well as for the different size bands. This design also minimises the impact of the stratification on the design effect and effective sample size. The overall effective sample size is reduced from 2,200 to 1,311 (for workplace-based estimates) and 1,636 (for employee-based estimates), a relatively efficient design for workplace surveys. Please see Appendix C for achieved effective sample sizes.
In putting forward this design, it was recognised that the:

- number of interviews achieved in various cells will never correspond precisely to
  the targets, because of variation in response rates;

- data on number of employees obtained from the survey will not always match
  the IDBR data, not least because workplaces grow over time. In particular, the
  number of workplaces with five–nine employees tends to be smaller according
  to the interview data. Previous experience suggested that the number of interviews
  in the five–nine band could fall to 380, but this would still be sufficient for
  analysis purposes.

B.2 Stratification by industry

The above profile could be expected to provide a minimum of 100 interviews in each
of the 12 industry sectors, with the exceptions of sectors E and J (where around ten
and 90 interviews would be achieved respectively). The numbers in these sectors
were, therefore, boosted, so that the targets are adjusted to 80 interviews in E and
100 in J. The numbers in other sectors were reduced proportionately.

This approach is very similar to that adopted in Workplace Employer Relations Survey
(WERS 2004).

B.3 WERS sample

Where possible, cases in the WERS 2004 issued sample were excluded from the
eligible sample population, prior to selection. In a small number of stratification cells,
this approach did not leave sufficient cases for the required profile; in these
instances, as many ‘non-WERS’ cases were selected as possible, and then a random
top-up sample was made from the WERS sample cases to meet the required
number.

The removal of WERS cases meant that we needed to specify the number of cases in
the larger size bands (500–999, 1,000–1,999 and 2,000+), as well as in the industry
sectors F and O, since these were sampled disproportionately in WERS.

B.4 Number of cases to be selected

The above figures relate to achieved interviews. The number of cases selected from
IDBR needed to be larger, allowing for the telephone number search (not all cases
will be successfully matched) and non-response. It was also decided to allow for the
possible issuing of a reserve sample when making this selection (so as to avoid the
possibility of a second selection), and to allow for additional cases to be used in the
pilot sample.

For these reasons, the number of cases selected was around twice the size of the
expected issued sample; this would then allow for a sub-selection of cases,
following the telephone number search.
Appendix C
Achieved sample profile

The profile of achieved interviews was as follows:

**Table C.1  Profile of achieved interviews**

<table>
<thead>
<tr>
<th></th>
<th>England</th>
<th>Scotland</th>
<th>Wales</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-9</td>
<td>391</td>
<td>71</td>
<td>64</td>
<td>526</td>
</tr>
<tr>
<td>10-24</td>
<td>258</td>
<td>46</td>
<td>48</td>
<td>352</td>
</tr>
<tr>
<td>25-49</td>
<td>220</td>
<td>53</td>
<td>38</td>
<td>311</td>
</tr>
<tr>
<td>50-99</td>
<td>153</td>
<td>28</td>
<td>24</td>
<td>205</td>
</tr>
<tr>
<td>100-199</td>
<td>139</td>
<td>43</td>
<td>27</td>
<td>209</td>
</tr>
<tr>
<td>200-499</td>
<td>179</td>
<td>29</td>
<td>36</td>
<td>244</td>
</tr>
<tr>
<td>*500+</td>
<td>158</td>
<td>42</td>
<td>37</td>
<td>237</td>
</tr>
<tr>
<td>Total</td>
<td>1,498</td>
<td>312</td>
<td>274</td>
<td>2,084</td>
</tr>
</tbody>
</table>

Note: These size bands are taken from the Inter-Departmental Business Register (IDBR) classifications for each workplace for the sake of comparability with the table in Appendix B. The numbers are slightly different when looking at the workplace size as taken from questionnaire data.

The effective sample size for the total achieved sample was 1,201 for workplace based estimates, and 1,414 for employee based estimates.
Appendix D
Specification for sample selection from the IDBR

We request that Office for National Statistics (ONS)/Department of Trade and Industry (DTI) draw a sample of 11,517 local units (meaning sites or workplaces, i.e. retail outlets, factories) from the Inter-Departmental Business Register (IDBR).

**Coverage:** The sample should be selected from the population of local units with five or more employees, classified within Standard Industrial Classification (SIC) (2003) sections D to O and located within England, Scotland or Wales. The sample should **include** units from both the private and public sectors.

**Sample design:** A stratified variable probability sample, with units being randomly selected from within each cell of a 189-cell sampling matrix. The matrix will be formed from the cross tabulation of three stratifying variables:

1. Number of employees at the local unit – nine categories as follows:
   1. 5–9 employees
   2. 10–24 employees
   3. 25–49 employees
   4. 50–99 employees
   5. 100–199 employees
   6. 200–499 employees
   7. 500–999 employees
   8. 1,000–1,999 employees
   9. 2,000 or more employees


The sampling matrix provided at the end of this specification identifies the number of local units to be selected in each of the 135 cells.

When selecting units within each of the 189 cells, all available units should firstly be ranked by individual industry section (D to O), and then within industry section by the total number of employees at the local unit. A ‘1 in n’ sample should then be drawn within each cell.

Sample selection should be conducted using live variables.

**Additional requirements:** The 4,700 local units that formed part of the issued sample for WERS 2004 should be excluded from the register before the new sample is drawn. Steve Woodland (National Centre for Social Research) will provide a file listing all 4,700 IDBR Local Unit Reference Numbers for this purpose. If the number of local units in the population within a particular cell of the sampling matrix is insufficient to allow for both the exclusion of all WERS 2004 local units and the selection of the full complement of local units required for our new sample, the number of WERS 2004 units that are excluded should be reduced (through random selection) to a level that permits the required number of units to be drawn for the new sample.

**Population counts:** Please provide population counts at the time the sample is selected, both before and after the exclusion of the issued sample from the WERS 2004 survey. Please provide these population counts in a 324-cell matrix in which each of the 12 industry sections is separately identified (nine employment size bands * 12 industry sections * three countries = 324).

**Information required for each unit:** Please supply the following information on each sampled local unit:

- Local unit IDBR reference number
- Local unit name
- Local unit address
- Local unit postcode
- Local unit grid reference (or other equivalent geographical identifier)
- Local unit NUTS4 classification
- Local unit telephone number (if available)
- Reporting unit IDBR reference number
• Reporting unit name
• Reporting unit address
• Reporting unit postcode
• Reporting unit telephone number (if available)
• Reporting unit contact name
• Enterprise unit IDBR reference number
• Enterprise unit name
• Enterprise unit address
• Enterprise unit postcode
• Enterprise unit telephone number (if available)
• Number of employees at the local unit (total, and male/female by full/part-time)
• Number of employees in the reporting unit (total only)
• Number of employees in the enterprise unit (total only)
• SIC(2003) classification of the local unit
• SIC(2003) classification of the reporting unit
• SIC(2003) classification of the enterprise unit
• Government office region of the local unit
• Government office region of the reporting unit
• Trading style
• Legal status (of the enterprise)
• Country of ownership (of the enterprise)
• Indicator stating whether the local unit is itself a reporting unit, or whether it is part of a larger reporting unit with more than one local unit
• Number of local units that comprise the reporting unit
• Indicator stating whether the local unit is itself an enterprise, or whether it is part of a larger enterprise with more than one local unit
• A number representing the cell in the sampling matrix from which the unit was selected.

**Timing:** Please provide the data by 3 September at the latest.
Appendix E
Sampling matrix

Number of local units to be selected from the Inter-Departmental Business Register (IDBR):
### Table E.1  Sampling matrix - England

<table>
<thead>
<tr>
<th>SIC(2003) section of the local unit</th>
<th>5 to 9</th>
<th>10 to 24</th>
<th>25 to 49</th>
<th>50 to 99</th>
<th>100 to 199</th>
<th>200 to 499</th>
<th>500 to 999</th>
<th>1000 to 1999</th>
<th>2000+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>235</td>
<td>172</td>
<td>124</td>
<td>97</td>
<td>115</td>
<td>126</td>
<td>86</td>
<td>26</td>
<td>10</td>
<td>991</td>
</tr>
<tr>
<td>E</td>
<td>19</td>
<td>18</td>
<td>24</td>
<td>23</td>
<td>32</td>
<td>63</td>
<td>47</td>
<td>10</td>
<td>0</td>
<td>236</td>
</tr>
<tr>
<td>F</td>
<td>159</td>
<td>89</td>
<td>47</td>
<td>27</td>
<td>32</td>
<td>24</td>
<td>13</td>
<td>10</td>
<td>5</td>
<td>406</td>
</tr>
<tr>
<td>G, H, I</td>
<td>1,098</td>
<td>634</td>
<td>320</td>
<td>198</td>
<td>178</td>
<td>182</td>
<td>120</td>
<td>26</td>
<td>13</td>
<td>2,769</td>
</tr>
<tr>
<td>J</td>
<td>108</td>
<td>65</td>
<td>41</td>
<td>23</td>
<td>28</td>
<td>40</td>
<td>51</td>
<td>17</td>
<td>10</td>
<td>383</td>
</tr>
<tr>
<td>K, L, M, N</td>
<td>819</td>
<td>575</td>
<td>450</td>
<td>291</td>
<td>292</td>
<td>249</td>
<td>188</td>
<td>73</td>
<td>60</td>
<td>2,997</td>
</tr>
<tr>
<td>O</td>
<td>229</td>
<td>107</td>
<td>59</td>
<td>39</td>
<td>36</td>
<td>28</td>
<td>13</td>
<td>10</td>
<td>5</td>
<td>526</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,667</td>
<td>1,660</td>
<td>1,065</td>
<td>698</td>
<td>713</td>
<td>712</td>
<td>518</td>
<td>172</td>
<td>103</td>
<td>8,308</td>
</tr>
</tbody>
</table>

### Table E.2  Sampling matrix - Scotland

<table>
<thead>
<tr>
<th>SIC(2003) section of the local unit</th>
<th>5 to 9</th>
<th>10 to 24</th>
<th>25 to 49</th>
<th>50 to 99</th>
<th>100 to 199</th>
<th>200 to 499</th>
<th>500 to 999</th>
<th>1000 to 1999</th>
<th>2000+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>25</td>
<td>18</td>
<td>18</td>
<td>16</td>
<td>20</td>
<td>20</td>
<td>21</td>
<td>10</td>
<td>0</td>
<td>148</td>
</tr>
<tr>
<td>E</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>24</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>74</td>
</tr>
<tr>
<td>F</td>
<td>32</td>
<td>18</td>
<td>12</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>102</td>
</tr>
<tr>
<td>G, H, I</td>
<td>210</td>
<td>113</td>
<td>65</td>
<td>39</td>
<td>32</td>
<td>24</td>
<td>17</td>
<td>5</td>
<td>0</td>
<td>505</td>
</tr>
<tr>
<td>J</td>
<td>19</td>
<td>12</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>13</td>
<td>10</td>
<td>5</td>
<td>99</td>
</tr>
<tr>
<td>K, L, M, N</td>
<td>140</td>
<td>107</td>
<td>89</td>
<td>54</td>
<td>55</td>
<td>51</td>
<td>39</td>
<td>17</td>
<td>13</td>
<td>565</td>
</tr>
<tr>
<td>O</td>
<td>44</td>
<td>24</td>
<td>12</td>
<td>10</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>480</td>
<td>302</td>
<td>216</td>
<td>149</td>
<td>147</td>
<td>149</td>
<td>105</td>
<td>47</td>
<td>18</td>
<td>1,613</td>
</tr>
</tbody>
</table>
### Table E.3 Sampling matrix - Wales

<table>
<thead>
<tr>
<th>SIC(2003) section of the local unit</th>
<th>Number of employees at the local unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5 to 9</td>
</tr>
<tr>
<td>D</td>
<td>32</td>
</tr>
<tr>
<td>E</td>
<td>10</td>
</tr>
<tr>
<td>F</td>
<td>32</td>
</tr>
<tr>
<td>G, H, I</td>
<td>216</td>
</tr>
<tr>
<td>J</td>
<td>13</td>
</tr>
<tr>
<td>K, L, M, N</td>
<td>140</td>
</tr>
<tr>
<td>O</td>
<td>38</td>
</tr>
<tr>
<td>Total</td>
<td>481</td>
</tr>
</tbody>
</table>
Appendix F
The questionnaire

Good morning/afternoon, my name is .......... and I am calling from BMRB Social Research. Recently you should have received a letter from the Department for Work and Pensions saying you would receive a phone call from us on their behalf.

QA Did you receive a letter and datasheet (sent by the Department for Work and Pensions)?

And have you completed the datasheet?

- Have filled in datasheet – CONTINUE WITH INTERVIEW
- Have datasheet but have not filled it in – QB
- Have not got datasheet – QD

IF HAVE DATASHEET BUT NOT FILLED IT IN

QB Would you be able to fill in the datasheet?

- Yes – MAKE AN APPOINTMENT TO CALL BACK
- No – ASK QC
- Don’t know – MAKE AN APPOINTMENT TO CALL BACK

IF NOT ABLE TO FILL IN DATASHEET AT QB

QC We can do the interview without this information. TRY TO CONTINUE OR MAKE APPOINTMENT

IF HAVE NOT GOT DATASHEET

RD Can I e-mail or fax a copy through to you?

- Yes: RECORD E-MAIL/FAX NUMBER AND SEND THROUGH. FIX APPOINTMENT TIME
- No – ASK QE
IF NO AT QD (NOT WILLING TO E-MAIL/FAX A COPY)

QE We can do the interview without this information. TRY TO CONTINUE OR MAKE APPOINTMENT

AT INTRODUCTION, ADD IF NECESSARY:

The Department for Work and Pensions are interested in finding out about employment practices in different organisations.

Anything that you tell us will be treated in the strictest confidence. Information you give me will not be passed on to anyone, including the Department for Work and Pensions, in such a way that you or your organisation will be identified.

**Respondent**

First a few questions about you and your job

1. Which of these most closely describes your job title?

   PROBE TO PRECODES
   Owner
   Managing director
   Director of personnel/human resources
   Other director
   General Manager
   Personnel/human resources manager
   Other manager
   Personnel or training officer
   Other (PLEASE SPECIFY)

2. Would you mind telling me how old you are?

   <> years
   refused

3. RECORD SEX. DO NOT ASK

   male
   female

**Organisational background**

CODE WHETHER DATASHEET COMPLETED

   Yes
   No

IF NO
4 Can I just ask why you were not able to fill in the datasheet?
DO NOT PROMPT. CODE ALL. CODE BELOW
- I was too busy/no time to do it
- Information not easily available/not recorded
- Too much information/too many questions
- Other (TYPE IN)

IF DATASHEET COMPLETED: Firstly, can I take the details from the datasheet
IF DATASHEET NOT COMPLETED: ASK DATASHEET Qs AS INDICATED BELOW

<table>
<thead>
<tr>
<th>Note: question to be asked if datasheet not completed</th>
<th>Currently how many employees do you have on the payroll at this establishment?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;n&gt;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How many of these are aged under 25</th>
<th>25 to 39</th>
<th>40 to 49</th>
<th>50 and over</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>How many of these are over state pension age (where state pension age is 60 for women and 65 for men)?</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>How many new employees have started with your establishment in the last 12 months? (Do not include transfers from other parts of the organisation or employees returning from maternity leave or career breaks.)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Note: question to be asked if datasheet not completed</th>
<th>IF SELECTED FOR LARGEST OCCUPATIONAL GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>In your establishment, which of the following occupational groups has the largest number of employees on the payroll? [IF DATASHEET NOT COMPLETED: I can explain any of the groups if this is helpful. READ OUT]</td>
<td></td>
</tr>
<tr>
<td>Managers and senior officials</td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td></td>
</tr>
<tr>
<td>Associate professional and technical</td>
<td></td>
</tr>
<tr>
<td>Administrative and secretarial</td>
<td></td>
</tr>
<tr>
<td>Skilled trades</td>
<td></td>
</tr>
<tr>
<td>Caring, leisure and personal service</td>
<td></td>
</tr>
<tr>
<td>Sales and customer service</td>
<td></td>
</tr>
<tr>
<td>Process, plant and machine operatives and drivers</td>
<td></td>
</tr>
<tr>
<td>Routine unskilled</td>
<td></td>
</tr>
</tbody>
</table>

<p>| Currently how many employees do you have on the payroll in the largest occupational group/managers and senior officials? |</p>
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many of these are: under 25 to 3940 and over</td>
<td></td>
</tr>
<tr>
<td>How many of these are over state pension age (where state pension age is 60 for women and 65 for men)?</td>
<td></td>
</tr>
<tr>
<td>How many new employees in the largest occupational group/managers and senior officials have started with your establishment in the last 12 months?</td>
<td>(Do not include transfers from other parts of the organisation or employees returning from maternity leave or career breaks.)</td>
</tr>
<tr>
<td>Note: question to be asked if datasheet not completed</td>
<td></td>
</tr>
<tr>
<td>Is this establishment a</td>
<td></td>
</tr>
<tr>
<td>...single independent establishment</td>
<td></td>
</tr>
<tr>
<td>...part of a larger organisation?</td>
<td></td>
</tr>
<tr>
<td>Note: question to be asked if datasheet not completed</td>
<td></td>
</tr>
<tr>
<td>If part of a larger organisation</td>
<td></td>
</tr>
<tr>
<td>How many employees <strong>in total</strong> are there within the whole organisation in the UK?</td>
<td><strong>in total</strong></td>
</tr>
<tr>
<td>0 to 49</td>
<td></td>
</tr>
<tr>
<td>50 to 249</td>
<td></td>
</tr>
<tr>
<td>250 to 499</td>
<td></td>
</tr>
<tr>
<td>500 to 999</td>
<td></td>
</tr>
<tr>
<td>1,000 to 1,999</td>
<td></td>
</tr>
<tr>
<td>2,000 to 4,999</td>
<td></td>
</tr>
<tr>
<td>5,000 to 9,999</td>
<td></td>
</tr>
<tr>
<td>10,000 to 49,999</td>
<td></td>
</tr>
<tr>
<td>50,000 to 99,999</td>
<td></td>
</tr>
<tr>
<td>100,000 or more</td>
<td></td>
</tr>
<tr>
<td>dk</td>
<td></td>
</tr>
</tbody>
</table>

You said that the largest occupational group at your establishment was `<largest occupational group>`. I’d now like to find out a bit more about the jobs that these people do.

5 What is their (main) job?

(Open)

What do they mainly do in their job?

(Open)

CHECK SPECIAL QUALIFICATIONS/TRAINING NEEDED TO DO THE JOB

(TO BE CODED TO SOC)
6 What is the main activity of this establishment?
IF NECESSARY, PROBE FOR CLARIFICATION
OPEN - ENDED (To be coded to SIC 2003)

7 Is this establishment in .. READ OUT
the private sector
the public sector
or the voluntary sector?
Don’t know – PROMPT AS BELOW AND CODE AS APPROPRIATE, IF POSSIBLE

INCLUDE CATI CHECK AGAINST IDBR CLASSIFICATION.
IF RESPONSE AND CATI DO NOT TALLY, INTERVIEWER PROMPT TO CHECK.
Public sector such as Local Authority, Council, government, civil service, fire service, state school, NHS.
Private sector, such as partnership, public limited company (PLC), private limited company.
Voluntary sector, such as a charity or not-for-profit organisation

IF CONTINUE TO DISAGREE, CODE RESPONDENT’S ANSWER.

8 Is the organisation
…wholly based in the UK
…or also based abroad?
dk

IF ALSO BASED ABROAD

9 In which country is the controlling Head Office or the whole organisation?

10 Is any union recognised by management for negotiating pay and conditions
for any sections of the workforce in this establishment?
INTERVIEWER NOTE – if agreements are negotiated at a higher level in the organisation or by an employers’ association, but apply to union/staff association members here, count as recognised.

yes
no
dk
Non-pay benefits

I would now like to ask you about a range of human resource policies and practices in this establishment starting with pensions.

11 Are any employees entitled to be a member of an employer pension scheme to which the organisation contributes? PROMPT: Is that all or some employees?

BRIEF INTERVIEWERS ON TYPES OF PENSIONS – AND THAT ONLY INTERESTED IF EMPLOYER CONTRIBUTES (NB: If the respondent says they have Stakeholder pension, probe to find out if the employer contributes to these or just arranges them.)

- entitlement for all staff
- entitlement for some staff
- no pension scheme to which employer contributes
- dk

IF PENSION SCHEME

12 Does the establishment contribute to one or more than one pension scheme?

- one
- more than one
- dk

13 Are the eligibility rules the same for all those entitled to join a pension scheme to which the organisation contributes?

- yes
- no
- dk

14 Is there a minimum length of service for eligibility?

IF YES

15 What is the minimum length of service? RECORD LONGEST MINIMUM LENGTH OF SERVICE IF MORE THAN ONE MENTIONED. PROMPT: Is that for all eligible? If not, do any have a longer minimum. RECORD LONGEST MINIMUM.

- years <> OR months <>
- dk

16 Is there a minimum age for eligibility?

- yes
- no
- dk
IF YES

17 What is the minimum? RECORD OLDEST MINIMUM AGE IF MORE THAN ONE MENTIONED. PROMPT: Is that for all eligible? If not, do any have an older minimum. RECORD OLDEST MINIMUM.

age <>
dk

18 Is there a maximum age for eligibility? PROMPT IF NO, SO PEOPLE COULD JOIN EVEN OVER YOUR NORMAL RETIREMENT AGE? IF NO, SO WHAT WOULD BE THE MAXIMUM?

yes
no
dk

IF YES

19 What is the maximum? RECORD YOUNGEST MAXIMUM AGE IF MORE THAN ONE MENTIONED. PROMPT: Is that for all eligible? If not, do any have a younger maximum. RECORD YOUNGEST MAXIMUM.

age <>
dk

20 Are <largest occupational group> entitled to join a pension scheme to which the organisation contributes? PROMPT: Is that all <largest occupational group> are entitled or some?

all
some
none
dk

21 Are any employees entitled to sick pay in excess of statutory requirements? PROMPT: Is that all or some employees?

entitlement for all staff
entitlement for some staff
not offered
dk

IF ENTITLEMENT FOR SOME OR ALL STAFF

22 Are the eligibility rules the same for all those entitled to sick pay in excess of statutory requirements?

yes
no
dk
23 Is there a minimum length of service for eligibility?  
   yes  
   no  
   dk  
   IF YES  
24 What is the minimum length of service? RECORD LONGEST MINIMUM LENGTH OF SERVICE IF MORE THAN ONE MENTIONED. PROMPT: Is that for all eligible? If not, do any have a longer minimum. RECORD LONGEST MINIMUM.
   years <> OR months <>  
   dk  
25 Is there a minimum age for eligibility?  
   yes  
   no  
   dk  
   IF YES  
26 What is the minimum? RECORD OLDEST MINIMUM AGE IF MORE THAN ONE MENTIONED. PROMPT: Is that for all eligible? If not, do any have an older minimum. RECORD OLDEST MINIMUM.
   age <>  
   dk  
27 Is there a maximum age for eligibility? PROMPT IF NO, SO PEOPLE COULD BE ELIGIBLE EVEN OVER YOUR NORMAL RETIREMENT AGE? IF NO, SO WHAT WOULD BE THE MAXIMUM?  
   yes  
   no  
   dk  
   IF YES  
28 What is the maximum? RECORD YOUNGEST MAXIMUM AGE IF MORE THAN ONE MENTIONED. PROMPT: Is that for all eligible? If not, do any have a younger maximum. RECORD YOUNGEST MAXIMUM.
   age <>  
   dk  
29 Does age affect the level of sick benefit?  
   yes  
   no  
   dk
30 Are <largest occupational group> entitled to sick pay above the statutory minimum? PROMPT: Is that all <largest occupational group> are entitled or some?

all
some
none
dk

31 Thinking about annual leave, does annual leave entitlement for any employees depend on

...age
...long service, increasing after five years or more (INTERVIEWER: IF INCREASES ONLY AT LESS THAN FIVE YEARS, TREAT AS NO)
...neither of these

FOR EACH
yes
no
dk

32 Do you make any long service awards or payments to any employees?

yes
no
dk

IF YES

33 Are these CODE ALL THAT APPLY
a pay rise
a one-off payment
additional time off
other, please specify
dk

34 Do you have any [other] non-pay benefits for which the eligibility criteria includes:
CODE ALL THAT APPLY
a minimum length of service
a minimum age
a maximum age
none of these
dk

FOR EACH:
Yes
No
dk
FOR EACH, IF YES

35 What are these benefits?
DO NOT READ OUT

OPEN ENDED, PRECODES:
CODE ALL THAT APPLY
Private health insurance
Share schemes
company cars
Other (specify)

Retirement

I would now like to ask you about your organisation’s policy on retirement.

36 Do you offer any of your employees flexibility over the age at which they can retire?
INTERVIEWER: you can code ‘yes’ even if no formal policy or previous experience.

yes
no
dk
Never been retirements

IF DK

36a Can I ask, did you answer ‘don’t know’ because this issue has not arisen at your organisation?

yes
no
dk

IF YES AT 36a OR NEVER BEEN RETIREMENTS AT 36

36b In principle, would you offer any of your employees flexibility over the age at which they can retire?

yes
no
dk

IF YES AT 36

37 Is this flexibility available to all or some employees?

all
some
dk
38 And [for those who are offered flexibility,] is there a minimum age at which employees can retire?
  yes
  no
  dk

  IF YES

39 Is this the same for all employees?
  yes
  no
  dk

  IF YES

40 What is the lower age limit?
  age <>
  dk

  IF NO

41 What is the range for the lower age limit?
  age<> to age <>
  dk

42 And [for those who are offered flexibility,] is there a maximum age at which employees must retire?
  yes
  no
  dk

  IF YES

43 Is this the same for all employees?
  yes
  no
  dk

  IF YES

44 What is the upper age limit?
  age <>
  dk
IF NO

45 What is the range for the upper age limit?

age<> to age <>
dk

IF NOT THE SAME FOR ALL EMPLOYEES $Q39 OR Q43

46 Does this differ by…
CODE ALL THAT APPLY
…occupation
…sex
…something else?

FOR EACH
yes
no
dk

IF NO FLEXIBLE RETIREMENT SCHEME OR FLEXIBLE RETIREMENT SCHEME FOR SOME EMPLOYEES ONLY

47 So, do you have a fixed retirement age for any of your [other] employees?

yes
no
dk

IF YES

48 Is that for all [of these] employees or for some [of these] employees?

all
some
dk

IF ALL OR SOME

49 Is this the same age for all these employees or does it differ?

same
diffs
dk

IF SAME

50 What is the retirement age?

<> years
dk
IF DIFFERS

51 Does this differ by
CODE ALL THAT APPLY
….occupation
….sex
….something else?

FOR EACH
yes
no
dk

IF DIFFERS

52 What is the lowest retirement age for any of those with a fixed retirement age?
<-> years
dk

IF DIFFERS

53 And what is the highest [RETIREMENT AGE FOR ANY OF THOSE WITH A FIXED RETIREMENT AGE]?
<-> years
dk

IF HAVE A FIXED RETIREMENT AGE

54 Do you have any specific reasons for having a fixed retirement age?

yes
no
dk

IF YES

55 What are they?
PRECODES (DO NOT READ OUT)
historical/just do
other, specify

IF (NO FLEXIBLE RETIREMENT SCHEME OR ONLY AVAILABLE TO SOME) AND (NO FIXED RETIREMENT AGE FOR ALL [OTHER] EMPLOYEES)

56 So for [some of] your employees am I right in saying that there is no specified retirement age?

yes (no specified retirement age)
no (there is a specified retirement age)
dk
IF NO, THEN REROUTE TO FIXED AGE.

IF NOT (NO FIXED RETIREMENT AGE FOR ALL EMPLOYEES)

57 For staff with a fixed or flexible retirement age, is this part of their employment contract? (INTERVIEWER BRIEFING: Contract does not need to be written. If they have a written contract and retirement age is written separately, this counts as part of their contract)

- yes
- no
- no, no written contract
- dk

IF HAVE RETIREMENT AGE FOR SOME OR ALL STAFF WHETHER FLEXIBLE OR NOT

58 Do you currently employ any staff who are older than the normal maximum retirement age for their job?

- yes
- no
- dk

IF YES, SKIP TO $Q60

IF HAVE RETIREMENT AGE FOR SOME OR ALL STAFF (WHETHER FLEXIBLE OR FIXED)

59 Can any staff stay on beyond the maximum normal retirement age for their job?

- yes
- no
- dk

IF YES

60 Is staying on after the normal retirement age…CODE ALL WHICH APPLY
- an entitlement for all staff
- an entitlement for some staff
- at management discretion
- dk

IF AN ENTITLEMENT FOR SOME STAFF

61 Is this an entitlement for managers and senior administrative staff? IF YES Is that all or some managers and senior administrative staff?
all managers and senior administrative staff
some managers and senior administrative staff
no managers and senior administrative staff
dk

IF AN ENTITLEMENT FOR SOME STAFF

62 Is that an entitlement for other employees? IF YES Is that all or some other employees?
all other employees
some other employees
no other employees
dk

IF AT MANAGEMENT DISCRETION

63 Where this is discretionary, would you say that it would normally be allowed: …READ OUT …only where there is a business need which would be difficult to otherwise meet …or if possible to meet the employee’s preferences
IF RESPONDENT CANNOT CHOOSE, PROMPT ‘WHICH IS MOST LIKELY?’.
IF STILL WILL NOT CHOOSE, CODE ALL WHICH APPLY OR varies
neither
dk

IF CONTRIBUTES TO A PENSION SCHEME

64 You told me earlier that the organisation contributes to a pension scheme/to pension schemes Do the rules of the pension scheme(s) allow for early retirement in some circumstances?
yes
no
don’t know

IF YES

65 Is this limited to early retirement on health grounds?
yes
no
dk

IF NO
66 Under the pension schemes rules, is early retirement ...READ OUT AS INDICATED. CODE ALL WHICH APPLY.

a right for all staff IF YES SKIP TO $Q68

a right for some staff

not available for some staff in the pension scheme(s)

IF NOT A RIGHT FOR SOME STAFF
at management discretion for all staff

IF A RIGHT FOR SOME STAFF OR IF NOT AT MANAGEMENT DISCRETION FOR ALL STAFF
at management discretion for some staff

IF NOT A RIGHT FOR SOME STAFF
at pension fund trustee discretion for all staff

IF A RIGHT FOR SOME STAFF OR IF NOT AT PENSION FUND TRUSTEE DISCRETION FOR ALL STAFF
at pension fund trustee discretion for some staff

67 IF AT MANAGEMENT OR TRUSTEE DISCRETION
Is age a factor in making the decision?

yes
no
dk

68 For early retirement, does/(do any of) the pension scheme(s) have provisions for ...READ OUT
CODE ALL
voluntary early retirement?
compulsory early retirement?

yes
no
dk

69 Is early retirement actively encouraged at your establishment for any staff?

yes
no
dk
Appraisal

I’d now like to turn to appraisal and performance assessment

70  Is there a formal performance appraisal system in this establishment for any employees?
    yes
    no
    dk

IF NO FORMAL APPRAISAL SYSTEM, SKIP TO $Q75

IF YES

71  Do managers and senior administrative staff have their performance formally appraised? PROMPT: Is that all or some?
    all
    some
    none
    dk

72  Do other employees have their performance formally appraised? PROMPT: Is that all or some?
    all
    some
    none
    dk

73  Generally, how frequently are performance assessments conducted for?
    IF INSISTENT THAT DIFFERENT PERIODS, CODE ALL WHICH APPLY
    Half-yearly or more frequently
    Annually
    Every two years
    Less often than every two years
    No fixed pattern
    Other (please specify)

74  Does performance appraisal do any of the following …?
    provide an assessment for pay increases? (INCLUDING CONTRIBUTING TO THIS ASSESSMENT)
    assess performance, competence or capability
    identify training and development needs
    assess suitability for promotion or transfers
FOR EACH
yes
no
dk

Redundancy

75 Have you had any redundancies at this establishment in the last five years?
yes
no
dk

76 Do you have standard criteria for selecting people for compulsory redundancy?
yes
no
dk

IF YES

77 Is this part of a collective agreement or workplace agreement
yes
no
dk

78 IF YES TO Q75 OR Q76
Which of the following criteria do you have for selecting people for compulsory redundancy?
ALL OTHERS
In a situation where you needed to make compulsory redundancies, which of the following would you use for selecting people for redundancy?

READ OUT
CODE ALL THAT APPLY
(IF RESPONDENT SAYS: WOULD BE BASED ON THE JOB, ASK WHAT THEY WOULD DO IF ONLY SOME OF THE JOBS WERE REDUNDANT, I.E. NEEDED TO CHOOSE BETWEEN PEOPLE)
Length of service
Age of employee
Current salary
Competence
Sickness absence records
none of these

FOR EACH:
yes
no
dk
79  Do/Would you use last in/first out as a standard criteria?
    yes
    no
    dk

80  Do/Would you provide redundancy payments above the statutory minimum for those made compulsorily redundant?
    yes
    no
    dk

IF YES

81  Are/would these enhanced payments [be] based on either of the following……..
    READ OUT
    age
    yes
    no
    dk
    length of service
    yes
    no
    dk
    or neither of these?

82  Do you have standard eligibility criteria for voluntary redundancy?
    yes
    no
    dk

83  In a situation where you needed to make voluntary redundancies is/has/would eligibility be restricted to …? READ OUT
    …those over (or under) a certain age?
    …those with more than (or less than) a given length of service?
    FOR EACH:
    yes
    no
    dk
84 In a redundancy situation would you provide payments above the statutory minimum for voluntary redundancy?

yes
no
dk

IF YES

85 Would these enhanced payments be based on either of the following:…READ OUT

age
yes
no
dk

length of service
yes
no
dk

or neither of these?

Working time

I’d now like to ask you about the circumstances, if any, in which you would allow an employee to reduce their hours of work.

86 How likely is it that you would allow an employee to reduce their hours in the run up to retirement?

very likely
quite likely
not very likely
not at all likely
depends on the circumstances
dk

87 How likely is it that you would allow an employee to reduce their hours so they could meet childcare responsibilities?

very likely
quite likely
not very likely
not at all likely
depends on the circumstances
dk
88 How likely is it that you would allow an employee to reduce their hours so they
could look after elderly parents or other relatives?

very likely
quite likely
not very likely
not at all likely
depends on the circumstances

89 How likely is it that you would allow an employee to reduce their hours for any
reason at all?

very likely
quite likely
not very likely
not at all likely
depends on the circumstances

Equal Opportunities policies

90 Does this workplace [or organisation of which it is a part] have a formal written
policy on equal opportunities or managing diversity?

yes
no
dk

IF YES

91 Does the policy specifically address equality of treatment or discrimination on
any of the following grounds? READ OUT

Sex/Gender
Ethnicity/race
Disability or health
Age
None of these

FOR EACH:

yes
no
dk
92 Are any staff given training in Equal Opportunities? IF YES : Is that all or some?
  all
  some
  none
  dk

IF ALL OR SOME

93 Does this include training in Equal Opportunities in respect of age specifically?
  yes
  no
  dk

94 Does this include training in Equal Opportunities in respect of disability or health specifically?
  yes
  no
  dk

95 For relevant staff, does the training cover Equal Opportunities in:
  …recruitment and selection?
  …promotion?
  …appraisal?

AFTER EACH, IF YES: Does this include Equal Opportunities training respect of age explicitly?

FOR EACH:
  conducted       age
  yes             yes
  no              no
  dk              dk
  not applicable

96 Do you collect and monitor data on any of the following to identify whether there may be any direct or indirect discrimination in respect of age?
  …the age profile of your workforce
  …your recruitment
  …pay at your establishment

FOR EACH:
  yes
  no
  dk
  not applicable (only for recruitment)
IF YES TO ANY OF THE ABOVE

97 Have you ever taken any action to address or guard against age discrimination as a result of monitoring your policies or your statistics?

yes
no
dk

Recruitment

I’d like to turn now to the subject of recruitment and to focus on your largest occupational group: <largest occupational group>.

98 In the last five years, have any <largest occupational group> been recruited to your establishment? IF MULTI-SITE: Do not include internal transfers.

yes
no
dk

IF NO OR DK

99 Did the establishment try to recruit any <largest occupational group> in the last five years? (Even if it was unable to recruit)

yes
no
dk

IF NO or DK, SKIP TO $Q121

100 When your establishment has a vacancy for <largest occupational group>, which of these do you use to attract potential employees? READ OUT. CODE ALL THAT APPLY

Advertisements in newspapers and magazines
External notices (e.g. in office or shop window, factory gate)
Internal notices
Informal contacts/Word of mouth
Job centre/Employment Service office,
Fee charging, private employment agency
Universities/colleges
Connexions (previously the Careers Service)
The internet
Other (PLEASE SPECIFY)

FOR EACH:

yes
no
dk
IF ADVERTISE VACANCIES

101 Thinking just about **job adverts**, for your largest group which of the following information would you normally include in the advertisement?

READ OUT. CODE ALL THAT APPLY
ROTATE ORDER
Qualifications desired
Years experience desired
Preferred age range

FOR EACH:
yes
no
dk

102 For the <largest occupational group>, how important is each of the following for doing the job? Please say if each is very important, quite important not very important or not at all important.

physical strength
people skills
management skills
computer skills
adaptability

IF MORE THAN ONE VERY IMPORTANT OR IF NONE VERY IMPORTANT, BUT MORE THAN ONE QUITE IMPORTANT

103 Which is the most important?

CAPI SHOULD AUTOMATICALLY CODE ‘MOST IMPORTANT’ A) IF ONLY ONE IS VERY IMPORTANT OR B) IF NONE ARE VERY IMPORTANT AND ONLY ONE IS QUITE IMPORTANT.

104 When filling vacancies FOR <largest occupational group>, do you do anything to encourage applications from the following groups specifically?

People aged 50 or older
People aged under 25
Disabled people

FOR EACH:
yes
no
dk
105 For <largest occupational group>, do applicants usually fill in an application form?

yes
no
dk

IF APPLICATION FORM OR DK

106 Does the application form ask for: INTERVIEWER BRIEFING: If they say ‘it’s on the monitoring form’, record ‘yes’

date of birth or age
disability or health information

FOR EACH:

yes
no
dk

FOR EACH ASKED

107 Is <information> seen by those shortlisting and/or interviewing?

yes
no
dk
don’t shortlist/interview DO NOT READ OUT

IF APPLICANTS DO NOT COMPLETE AN APPLICATION FORM,

108 Do you ask for any of the following at some stage in the selection process

READ OUT

date of birth or age
disability or health information
don’t have a selection process DO NOT READ OUT

FOR EACH:

yes
no
dk

FOR EACH ASKED

109 Is <information> seen by those shortlisting and/or interviewing?

yes
no
dk
don’t shortlist/interview DO NOT READ OUT
As well as other factors which of the following affect whether you offer someone an interview or a job when recruiting new employees to <largest occupational group>? READ OUT

Qualifications
Related work experience
Work experience of any kind
Potential service with the organisation (i.e. how long they will stay)
Age
Disability or health
Implications for pension fund

FOR EACH:
yes
no
dk
not applicable

IF RELATED WORK EXPERIENCE

111 Normally, what would be the minimum acceptable length of related work experience?

months OR years
dk

IF WORK EXPERIENCE OF ANY KIND

112 Normally, what would be the minimum acceptable amount of work experience of any kind?

months OR years
dk

IF POTENTIAL SERVICE WITH THE ORGANISATION

113 Normally, what would be the minimum expected length of service you would accept?

months OR years
dk

IF POTENTIAL SERVICE WITH THE ORGANISATION
114 Which of the following do you take into account in deciding how long someone is likely to stay? READ OUT

- respondent’s stated intentions
- previous employment history
- closeness to retirement
- likelihood of having children
- age

FOR EACH:
- yes
- no
- dk

IF AGE Q110 OR AGE Q114

115 What ages would count against an applicant?

<> to <>
<> to <>
<> to <>
- dk

IF AGE Q110 OR AGE Q114

116 And what ages would count in favour of an applicant?

<> to <>
<> to <>
<> to <>
- dk

117 Is there a maximum recruitment age for <largest occupational group>?

PROMPTS
- IF NO OR DON’T KNOW AND HAVE A MAXIMUM RETIREMENT AGE ($Q42 or Q47 or $Q56): ‘So might you recruit someone above your normal retirement age?’
- IF NO OR DON’T KNOW AND DO NOT HAVE A MAXIMUM RETIREMENT AGE ($Q42 or Q47 or $Q56: ‘So might you recruit someone above state pension age?’

AND CODE ACCORDINGLY.

- yes
- no
- dk

IF YES
118  What is the maximum recruitment age?
    <> year
    IF SAYS MORE THAN ONE, CODE LOWEST and code varies
    <> varies

119  About how long does it normally take before new [employee in the largest
    occupational group] are able to do their job as well as more experienced
    employees already working here?
    one month or less
    more than one month, up to six months
    more than six months, up to one year
    more than one year, up to three years
    more than three years
    dk

120  Which, if any, of these factors affect the starting pay offered to a <largest
    occupational group> recruit: READ OUT
    current salary
    experience
    age
    qualifications
    expected potential
    None of these, pay fixed, no discretion
    FOR EACH: yes
        no
        dk

Promotion

121  Has anyone been promoted in this establishment in the last five years?
    (INTERVIEWER: include promotion from other parts of the organisation to this
    establishment or from this establishment to other parts of the organisation)
    yes
    no
    dk
    IF NO OR DK SKIP TO NEXT SECTION.

122  For the <largest occupational group>, do you have a formal assessment
    procedure for promotion?
    yes
    no
    dk
123 For the <largest occupational group>, is either of the following taken into consideration in the promotion decision? READ OUT

age
or length of experience
neither of these

FOR EACH:
yes
no
dk

IF AGE

124 What ages would count against promotion?

<> to <>
<> to <>
<> to <>
dk

IF AGE

125 And what ages would count in favour (of promotion)?

<> to <>
<> to <>
<> to <>
dk

IF AGE

126 Why does age matter? DO NOT READ OUT
time to learn the job
Older people are unlikely to be able to do the job
Younger people have the right skills, approach or energy
Younger people are unlikely to be able to do the job
Older people have the right skills, approach or energy
Younger people can’t supervise/manage people older than themselves
If someone was good they would have been promoted before this age
Too close to retirement
Other (specify)
dk

IF EXPERIENCE

127 Normally, How many years experience would be the minimum required? (INTERVIEWER: this need not be experience in the organisation)
<years>
dk
Training

Now I would like to ask you about training for <largest occupational group>. We are interested in off-the-job training paid for or supported by the organisation. By off-the-job training, we mean training for which employees are given a break from their normal work duties, whether the training takes place at their immediate work position or elsewhere.

128 Does the organisation pay for or support off-the-job training for <largest occupational group>‘.

    yes
    no
    dk

IF <LARGEST OCCUPATIONAL GROUP> OFFERED OFF THE JOB TRAINING

129 And how are <largest occupational group> usually selected for this off-the-job training? OPEN-ENDED, DON’T READ OUT.

    PRECODES
    Automatic – e.g. provided to all in certain jobs
    Selection by manager
    Self-selection or staff request
    By individual and manager together
    By personnel department
    Other (PLEASE SPECIFY)

    FOR EACH:
    yes
    no
    dk

IF NOT ONLY AUTOMATIC

130 Amongst other reasons, is off-the-job training given for the following reasons:

    READ OUT
    because of good performance
    to rectify performance problems
    to prepare for promotion
    because someone has not had recent training

    FOR EACH:
    yes
    no
    dk
131. Do any of the following factors affect who gets off-the-job training? READ OUT
CODE ALL THAT APPLY
Age
Potential length of service with the organisation (i.e. how long they will stay)
Time left before retirement (EXCLUDE IF ‘potential service with the organisation’=yes)
Expected ability to learn new tasks

FOR EACH:
yes
no
dk

IF POTENTIAL SERVICE WITH THE ORGANISATION

132. Normally, for training to be given, what would be the minimum expected length of service you would accept?
months OR years

IF POTENTIAL SERVICE WITH THE ORGANISATION,

133. Which of the following do you take into account in deciding how long someone is likely to stay?
respondent’s stated intentions
previous employment history
time before retirement
likelihood of having children
age
something else, please specify

FOR EACH:
yes
no
dk

IF TIME BEFORE RETIREMENT $Q131 or TIME BEFORE RETIREMENT $Q133

134. How many years before retirement would you be less likely to offer off-the-job training?
<> years
dk

IF AGE $Q131 or AGE Q133
For which age groups are you more likely to offer off-the-job training?

<> to <>
<> to <>
<> to <>
dk

IF AGE $Q131 or AGE Q133

For which age groups are you less likely to offer off-the-job training?

<> to <>
<> to <>
<> to <>
dk

Pay

I would now like to ask you about payment systems at this workplace.

Do all full-time <largest occupational group> receive the same rate of pay?

yes
no
dk

IF NO

Is the pay of employee’s in the <largest occupational group> affected by

years of service
years of relevant job experience
their age (other than youth rate)
youth rate
individual performance (including payment by result, merit and performance pay)
likelihood of leaving/need to retain
formal qualifications and completion of training courses
none of these

FOR EACH:

yes
no
dk

IF YOUTH RATE

What is the maximum age for receiving the youth pay rate?

<age in years>
dk
140 Which, if any, of the following are included in your payment systems for <largest occupational group>: MULTICODE

...merit pay/performance pay – that is, pay which is related to a subjective assessment of individual performance by a supervisor or manager
...payment by result/output-related pay – that is, any method of payment where the pay is determined by the amount done or its value, rather than just the number of hours worked. It includes commission, and bonuses that are determined by individual, establishment or organisation productivity or performance. it does not include profit-related pay schemes
...incremental pay scales (that is, pay scales with fixed points which people gradually move up – increases do not have to be automatic, nor awarded regularly)
...length of service bonuses

FOR EACH:
yes
no
dk

IF INCREMENTAL SCALE

141 Is progression up the incremental scales for <largest occupational group> based on: CODE ALL THAT APPLY

length of service (e.g. an automatic annual increment till reach the top of the scale)?
merit (i.e. assessed performance)?
or something else
dk

IF LOS

142 How long does it normally take to reach the[top of the scale]/[end of any length of service increments]: [*‘top of the scale’ to be used if los only; ‘end of any los increments’ to be used if merit or something else as well]
READ OUT TILL GET A RESPONSE
three years or less
five years or less
ten years or less
more than ten years
dk

IF MERIT PAY
143 Is there a formal process for assessing individual performance for pay (including written criteria) or not?

yes – formal assessment process
no – informal process
dk

Attitudes

144 Thinking about all the different types of jobs in this establishment, are there any jobs where you think employees in a certain age range are more suitable?

yes
no
dk

IF YES
REPEAT FOR EACH OCCUPATIONAL GROUPING

145 Do you think any <occupational grouping> jobs are more suited to people in a certain age range?

managerial and senior administrative jobs
other jobs IF NECESSARY EXPLAIN THIS MEANS ‘NON-MANAGERIAL AND NON-SENIOR ADMINISTRATIVE JOBS’
<largest occupational group jobs>

FOR EACH:
yes
no
dk

IF YES FOR LARGEST OCCUPATIONAL GROUP

146 For <largest occupational group> jobs which you think are more suited to certain age groups, which of these age ranges are most suitable? READ OUT. ALLOW MORE THAN ONE RESPONSE. INTERVIEWER NOTE: COULD COVER EVERY AGE GROUP, AS MAY BE THINKING OF A NUMBER OF JOBS

under 25
25 to 40
40 to 50
over 50
dk
147 And which of these age ranges are less suitable? READ OUT. ALLOW MORE THAN ONE RESPONSE INTERVIEWER NOTE: COULD COVER EVERY AGE GROUP, AS MAY BE THINKING OF A NUMBER OF JOBS

under 25
25 to 40
40 to 50
over 50
dk

148 Which of the following influence which age ranges are suitable? READ OUT

customers’ expectations
matching your workforce to your customer profile
time taken to train/be fully productive
skills and attributes required
need for succession planning
reliability
job normally done by certain age group
would not be appropriate for someone older/younger
none of these

FOR EACH:
yes
no
dk

149 Thinking about younger people managing older people, would you try to avoid any of the following:

a younger man managing much older men
a younger man managing much older women
a younger woman managing much older men
a younger woman managing much older women

FOR EACH:
yes
no
dk

Awareness of legislation

150 The government will be introducing legislation outlawing age discrimination in employment and vocational training, Prior to this survey, were you aware of this forthcoming legislation?

yes
no
don’t know
thought it already existed
IF YES

151 Do you know when it will be introduced?

  yes
  no
  approximately/vaguely

IF YES OR APPROXIMATELY

152 When [do you think it will be]? 

  month
  year

153 IF YES $Q150 Where did you find out this information
IF NOT YES $Q150 Where do you normally get information on employment legislation?

  CODE ALL WHICH APPLY
  IF MENTION NAME OF WEBSITE/JOURNAL THAT DO NOT KNOW, ASK WHAT IT IS TO TRY TO CODE
  Age Positive website
  other website/internet
  DTI website
  general newspapers and magazines
  human resource/personnel journals
  other business/industry journals
  TV
  radio
  CIPD (Chartered Institute of Personnel and Development)
  CBI
  other trade or business association
  trade union
  Head Office / HR manager /internal communications
  Work colleague
  Employee
  Job applicant
  Friend /relative
  Training
  Accountant
  Legal adviser
  Croner Information Services
  Don’t Know
  other, specify
154 To date, has your organisation reviewed any of its policies or practices in anticipation of the forthcoming legislation?

- yes
- no
- dk

155 Have you heard of the Age Positive Campaign?

- yes
- no
- dk

IF YES

156 Have you ever used the Age Positive website to access information?

- yes
- no
- dk/can’t remember

IF YES

157 How useful did you find the information on the website? Was it

- very useful
- quite useful
- not very useful
- not at all useful
- dk/can’t remember

158 Are you personally aware of any laws giving rights to employees and job applicants with long term health problems or disabilities? IF YES, PROBE FOR NAME. IF KNOW NAME AND IT IS NOT DISABILITY DISRIMINATION ACT, CHOOSE OTHER AND ENTER NAME THERE.

- Yes – Disability Discrimination Act
- Yes – don’t know name
- No
- Don’t know
- Yes – other specify

IF NOT ‘YES – DDA’

159 The Disability Discrimination act of 1995 introduced rights for employees and job applicants with long term health problems or disabilities. Prior to this survey, had you heard of this part of the act?

- yes
- no
- dk
Finally, since you have been employed in your current organisation, have you had any training on Equal Opportunities with regard to age?

- yes
- no
- dk
Appendix G
Cognitive pilot report

Six cognitive interviews were conducted with a variety of different respondents, with different job titles, and from differently sized workplaces. Feedback on sections of the questionnaire used for the pilot is provided below.

G.1 Datasheet

As might be expected respondents at smaller workplaces had little trouble filling this in as they knew the information because there were a limited number of people at the workplace. Respondents at larger workplaces took longer to find the information but the process was still relatively easy. However, we do not know how many respondents who refused the survey did so on the basis that the information required would have taken too long to collect.

G.2 Non-pay benefits

Following the cognitive pilot, the order of questions in this section was changed so that the questionnaire flowed better, and made more sense to respondents. The wording of some questions in this section was also altered slightly, to make the questions easier for respondents to understand and interpret correctly.

G.3 Retirement

One small business (five–ten employees) had never had anyone retire while they had been operating and as a result of this they were answering all the questions in a purely hypothetical manner. Other small or very new businesses also had trouble with this section as they had never had anyone retire early. It was therefore decided to add a filtering question at the beginning of this (and other) sections so that questions were not asked of people to whom they did not apply.

The wording of some questions in this section was also updated so that the questions were easier for respondents to understand.
G.4 Redundancy

Wording in this section was altered so that questions could be answered by referring to redundancies that had occurred already at a workplace, or they could be answered hypothetically with respect to company policy on redundancy. This change was made as few of the workplaces in the cognitive pilot had had a redundancy.

G.5 Working time

Again, some respondents had to answer questions in this section hypothetically as the situations had not arisen. It also became apparent that some respondents did not know how to answer one of the questions until they were prompted with the answer list, so it was decided that this question should have a read out list rather than being open-ended.

G.6 Largest occupational group

Some of the text fills for the largest occupational group were occasionally too long and sometimes broke the flow of the question text. It was decided to reduce the number of times the text fill was used and replace it with a more generic phrase, e.g. ‘largest group’ in most cases.

Even though we focused on the largest occupational group there were a number of cases where this incorporated a variety of different jobs. This meant that respondents sometimes replied ‘depends on the job’ at subsequent questions that tried to focus on this group.

G.7 Recruitment

This section of the questionnaire needed some refinement after the cognitive pilot for example:

- as with the section on retirement it was decided to incorporate a filter question at the beginning of this section for those workplaces that have not recruited recently (in the last five years);

- at some questions the wording was altered to make it more obvious to respondents what they were actually being asked. For example one question asked what information was included in job advertisements and one respondent seemed to answer this in respect of all information given to job applicants. The question was, therefore, altered to stress that it was asking about advertisements only.
• a question on characteristics important for doing the job did not work well at the cognitive pilot. Even though there were only six respondents, a wide range of answers were given; some very specific and some more general. It was decided not to use this question, but instead to ask whether a few specific characteristics were important or not;

• some respondents had said that they had no maximum recruitment age, but did have a maximum retirement age. It was, therefore, decided to add a check question to see whether they would be willing to recruit someone over their company’s maximum retirement age.

G.8 Training

Some question wording changes were made after the cognitive pilot. For example, one potential answer to a question on why training would be given was ‘because of performance problems’, one respondent did not want to give this answer (even though it did apply to their workplace) because it sounded too negative. It was, therefore, suggested that this option on the answer list be replaced by something less negative.

G.9 Attitudes

As with earlier questions some respondents found it hard to generalise about the largest occupational groups as this term covered a number of different job roles. For example, one felt that the only job where age mattered was for an office junior. Perhaps as a result of this they said that age did not matter for jobs in the largest occupational group, when for some roles it did.
Appendix H
Feedback from main pilot

H.1 Contact and response

Twelve interviews were conducted in total, with a range of different organisations. A breakdown of outcomes is as follows:

Table H.1 Breakdown of interview outcomes

<table>
<thead>
<tr>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews</td>
</tr>
<tr>
<td>Refused to complete interview</td>
</tr>
<tr>
<td>Refused during interview</td>
</tr>
<tr>
<td>Proxy review (refusal, not by respondent)</td>
</tr>
<tr>
<td>Unobtainable sample</td>
</tr>
<tr>
<td>Interview stopped (partial interview only)</td>
</tr>
</tbody>
</table>

There were additional cases which were issued for the pilot, but where no final outcome was achieved. This stemmed from the limited time available at the pilot, with a longer fieldwork period equivalent to the mainstage, many of these would be converted into a full interview. It should also be noted that some of the refusals were linked to the time available (ie refused to do the interview within the specified period).

The pilot raised the following issues relating to response:

- refusals were generally linked to an unwillingness to give up the time for the interview;
- in particular, small businesses tended to be more likely to refuse, as giving up time to answer a survey was seen as more of a problem for them;
people who had already filled in the datasheet tended to be more likely to agree to an interview. Where the datasheet had not been completed, this meant faxing through a new datasheet, and a future appointment made; however, in some cases, the respondent refused to take part at this point.

H.2 Questionnaire – general points

- The questionnaire generally worked OK; no major problems with clarity/interpretation.
- Some of the questions can seem very repetitive, e.g. minimum/maximum age/length of service for different benefits, minimum/maximum retirement age.
- Average interview length was 36 minutes – this needed to be reduced for the final questionnaire.
- Some question re wording and re ordering was made as a result of the pilot, although the cognitive pilot was more useful in improving the questionnaire.
- Both the pilot and the cognitive pilot were very useful in helping to create interviewer instructions as they identified questions that might need extra explanation when briefing interviewers.
Appendix I
Advance letter

«hr_name»
«hr_job_title»
«co_name»
«address»
«address2»
«pcode»

Dear «hr_name»

I am writing to ask for your help. The Department for Work and Pensions (DWP) and the Department of Trade and Industry (DTI) have commissioned BMRB Social Research, an independent social research company, to carry out an important survey of workplaces. We are interested in talking to managers about their employment practices. The survey is very important to us since it tells us about the current practices of workplaces and helps inform the provision of guidelines and support by Government.

Your organisation has been selected at random from the Inter-Department Business Register, a database kept by the Office for National Statistics.

An interviewer from BMRB will telephone you in the next few weeks to seek your cooperation in the current survey. I very much hope that you will agree to be interviewed. The information you provide will be used solely for research purposes and will be treated in strict confidence in accordance with the Data Protection Act. Neither individuals nor the workplace will ever be identified in the published results or to DWP and DTI.
The interview will last around half an hour and will cover the following:

- Basic information about the organisation.
- Information about practices covering issues such as retirement, appraisal, promotion and training.

We would appreciate your filling in the datasheet included with this letter in preparation for the interview. Please do not send the datasheet back – we will ask you to provide the information during the interview. If you feel that someone else at the organisation may be better suited to talk to us about these issues please pass this letter and datasheet onto that person.

In the meantime, if you would like any more information about the survey, please call Hannah Carpenter at BMRB on 0208 433 4040. If you have recently changed your telephone number we would be grateful if you could call us to let us know your new number.

I hope that you will be able to help with this important study.

Yours sincerely

xxxxx xxxxxx

Senior Research Officer
Appendix J
Data sheet (largest occupational group)

It would be of great help if this form could be completed before the interview. The interviewer will collect your answers at the beginning of the telephone interview so please keep this datasheet, do not send it back. Thank you for your help.

’Establishment’ refers to the premises indicated by the address on the covering letter. It does not include any other premises that may belong to your organisation or to establishments different and separate from yours.

’Employees’ should be understood in its strict sense: people with a contract of employment. The term excludes any freelance workers, home or out workers, and casual workers who do not have a contract of employment. Representatives, salesmen and similar employees should be included if this is the establishment to which they principally report.

<table>
<thead>
<tr>
<th>Currently, how many employees do you have on the payroll at this establishment? ...............</th>
<th>How many of these are:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aged under 25? ...............</td>
</tr>
<tr>
<td></td>
<td>Aged 25 to 39? ...............</td>
</tr>
<tr>
<td></td>
<td>Aged 40 to 49? ...............</td>
</tr>
<tr>
<td></td>
<td>Aged 50 or more? ...............</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How many employees are over state pension age (where state pension age is 60 for women and 65 for men)? ...............</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many new employees have started with your establishment in the last 12 months? (Do not include transfers from other parts of the organisation or employees returning from maternity leave or career breaks.) ...............</td>
</tr>
</tbody>
</table>
In your establishment, which of the following occupational groups has the largest number of employees on the payroll? (see the back of this sheet for definitions of occupational groups)

<table>
<thead>
<tr>
<th>Managers and senior officials</th>
<th>Caring, leisure and personal service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional</td>
<td>Sales and customer service</td>
</tr>
<tr>
<td>Associate professional and technical</td>
<td>Process, plant and machine operatives and drivers</td>
</tr>
<tr>
<td>Administrative and secretarial</td>
<td>Routine unskilled</td>
</tr>
<tr>
<td>Skilled trades</td>
<td></td>
</tr>
</tbody>
</table>

Currently, how many employees do you have on the payroll at this establishment in the largest occupational group?

<table>
<thead>
<tr>
<th>Aged under 25?</th>
<th>Aged 25 to 39?</th>
<th>Aged 40 to 49?</th>
<th>Aged 50 or more?</th>
</tr>
</thead>
<tbody>
<tr>
<td>................</td>
<td>................</td>
<td>................</td>
<td>................</td>
</tr>
</tbody>
</table>

How many of these employees in the largest occupational group are over state pension age (where state pension age is 60 for women and 65 for men)?

<table>
<thead>
<tr>
<th>................</th>
</tr>
</thead>
<tbody>
<tr>
<td>..................</td>
</tr>
</tbody>
</table>

How many new employees in the largest occupational group have started with your establishment in the last 12 months? (Do not include transfers from other parts of the organisation or employees returning from maternity leave or career breaks.)

<table>
<thead>
<tr>
<th>................</th>
</tr>
</thead>
<tbody>
<tr>
<td>................</td>
</tr>
</tbody>
</table>

Is this establishment

- a single independent establishment
- part of a larger organisation

If your workplace is part of a larger organisation: How many employees in total are there within the whole organisation in the UK?

<table>
<thead>
<tr>
<th>0 to 49</th>
<th>2,000 to 4,999</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 to 249</td>
<td>5,000 to 9,999</td>
</tr>
<tr>
<td>250 to 499</td>
<td>10,000 to 49,999</td>
</tr>
<tr>
<td>500 to 999</td>
<td>50,000 to 99,999</td>
</tr>
<tr>
<td>1,000 to 1,999</td>
<td>100,000 or more</td>
</tr>
</tbody>
</table>
Definitions of occupational groups:

A Managers and senior officials – Managers and senior officials head government, industrial, commercial and other establishments, organisations or departments within such organisations. They determine policy, direct and coordinate functions, often through a hierarchy of subordinate managers and supervisors. Occupations included are: general managers, works managers, production managers, marketing or sales managers, directors of nursing, catering managers and bank managers. This group also includes police inspectors and senior officers in the fire, ambulance and prison services. This group does not include supervisors or foremen. These employees should be grouped within their skill base e.g. a clerical worker supervising other clerical workers would be grouped with them. A fitter and turner acting as a supervisor or foreman would be classified as a craft or skilled worker.

B Professional occupations – Professionals perform analytical, conceptual and creative tasks that require a high level of experience and a thorough understanding of an extensive body of theoretical knowledge. They research, develop, design, advise, teach and communicate in their specialist fields. The specialist fields include: science, building, engineering, health and social sciences. Occupations include professionals in the above fields, as well as lecturers and teachers, doctors, lawyers and accountants.

C Associate professional and technical occupations – Employees in this group perform complex technical tasks requiring the understanding of a body of theoretical knowledge and significant practical skills. Technicians in medical, scientific, engineering, building, entertainment and transport industries are included in this group. This occupational group includes police, fire service and prison officers (other than senior officers), registered nurses, IT support technicians, insurance underwriters, artists and designers.

D Administrative and secretarial occupations – Clerical workers gather, record, order, transform, store and transmit information on paper or electronic media and require moderate literacy and numeracy skills. The main occupations covered in this group include civil service and local government clerical officers; data processing and business machine operators; accounting, insurance and broking clerks; filing and mail clerks; production and transport clerks; and receptionists, secretaries and storekeepers.

E Skilled trades occupations – Employees in this group perform complex physical tasks. They apply a body of trade-specific technical knowledge requiring initiative, manual dexterity and other practical skills. Trades in metal fitting and machining, motor mechanics, electrical and electronics, building, printing, vehicle production, food preparation and other recognised apprenticeship trades are included in this group. Trade apprentices and trainees are also to be included in this group.
F Caring, leisure and other personal service occupations – Employees in this group include care assistants, child carers, assistant auxiliary nurses, travel agents, hairdressers, domestic staff and undertakers.

G Sales and customer service occupations – This group includes all employees engaged in buying (wholesale or retail), broking and selling. Included are sales representatives, sales assistants, till operators, call centre agents, roundsmen and garage forecourt attendants.

H Process, plant and machine operatives and drivers – Plant and machine operators and drivers operate vehicles and other large equipment to transport passengers and goods, move materials, generate power, and perform various agricultural and manufacturing functions. Some of the occupations covered include: bus, truck and locomotive drivers; excavator, forklift and tractor drivers; boiler, chemical plant, crane and furnace operators as well as packers and machinists (including metal press or casting operators, sewing machinists, yarn or fabric manufacturing machine operators and food processing machine operators).

I Routine unskilled occupations – Workers in this group perform routine tasks, either manually or using hand tools and appliances. The group includes such occupations as factory hands, cleaners, construction and mining labourers, shelf fillers, postal workers and mail sorters, caretakers, waiters, kitchen hands and porters, car park attendants, traffic wardens, security guards and messengers.
Data sheet (managers)

It would be of great help if this form could be completed before the interview. The interviewer will collect your answers at the beginning of the telephone interview so please keep this datasheet, do not send it back. Thank you for your help.

The purpose of this questionnaire is to gather information about the size and structure of the workforce at your establishment.

‘Establishment’ refers to the premises indicated by the address on the covering letter. It does not include any other premises that may belong to your organisation or to establishments different and separate from yours.

‘Employees’ should be understood in its strict sense: people with a contract of employment. The term excludes any freelance workers, home or out workers, and casual workers who do not have a contract of employment. Representatives, salesmen and similar employees should be included if this is the establishment to which they principally report.

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currently, how many employees do you have on the payroll at this</td>
<td>How many of these are:</td>
</tr>
<tr>
<td>establishment?</td>
<td>Aged under 25? ..........</td>
</tr>
<tr>
<td></td>
<td>Aged 25 to 39? ..........</td>
</tr>
<tr>
<td></td>
<td>Aged 40 to 49? ..........</td>
</tr>
<tr>
<td></td>
<td>Aged 50 or more? ..........</td>
</tr>
<tr>
<td>How many employees are over state pension age (where state pension age is</td>
<td>How many employees are over state pension age (where state pension age is</td>
</tr>
<tr>
<td>60 for women and 65 for men)? ..................................</td>
<td>60 for women and 65 for men)? ..................................</td>
</tr>
<tr>
<td>How many new employees have started with your establishment in the last</td>
<td>How many new employees have started with your establishment in the last 12</td>
</tr>
<tr>
<td>12 months? (Do not include transfers from other parts of the organisation</td>
<td>months? (Do not include transfers from other parts of the organisation or</td>
</tr>
<tr>
<td>or employees returning from maternity leave or career breaks.) ..........</td>
<td>employees returning from maternity leave or career breaks.) ..........</td>
</tr>
<tr>
<td>Currently, how many employees do you have on the payroll at this</td>
<td>How many of these are:</td>
</tr>
<tr>
<td>establishment who are managers or senior officials? (please see the</td>
<td>Aged under 25? ..........</td>
</tr>
<tr>
<td>back of this sheet for definition of managers senior officials)</td>
<td>Aged 25 to 39? ..........</td>
</tr>
<tr>
<td></td>
<td>Aged 40 to 49? ..........</td>
</tr>
<tr>
<td></td>
<td>Aged 50 or more? ..........</td>
</tr>
<tr>
<td>How many of these managers or senior officials are over state pension</td>
<td>How many managers or senior officials are over state pension age (where</td>
</tr>
<tr>
<td>age (where state pension age is 60 for women and 65 for men)? ..........</td>
<td>state pension age is 60 for women and 65 for men)? ........................</td>
</tr>
<tr>
<td>How many new managers and senior officials have started with your</td>
<td>How many new managers and senior officials have started with your</td>
</tr>
<tr>
<td>establishment in the last 12 months? (Do not include transfers from</td>
<td>establishment in the last 12 months? (Do not include transfers from other</td>
</tr>
<tr>
<td>other parts of the organisation or employees returning from maternity</td>
<td>other parts of the organisation or employees returning from maternity</td>
</tr>
<tr>
<td>leave or career breaks.) ..................................................................</td>
<td>leave or career breaks.) ..................................................................</td>
</tr>
</tbody>
</table>
Is this establishment
- a single independent establishment
- part of a larger organisation

*If your workplace is part of a larger organisation: How many employees in total are there within the whole organisation in the UK?*

<table>
<thead>
<tr>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 49</td>
</tr>
<tr>
<td>50 to 249</td>
</tr>
<tr>
<td>250 to 499</td>
</tr>
<tr>
<td>500 to 999</td>
</tr>
<tr>
<td>1,000 to 1,999</td>
</tr>
<tr>
<td>2,000 to 4,999</td>
</tr>
<tr>
<td>5,000 to 9,999</td>
</tr>
<tr>
<td>10,000 to 49,999</td>
</tr>
<tr>
<td>50,000 to 99,999</td>
</tr>
<tr>
<td>100,000 or more</td>
</tr>
</tbody>
</table>

**Managers and senior officials** – Managers and senior officials head government, industrial, commercial and other establishments, organisations or departments within such organisations. They determine policy, direct and coordinate functions, often through a hierarchy of subordinate managers and supervisors. Occupations included are: general managers, works managers, production managers, marketing or sales managers, directors of nursing, catering managers and bank managers. This group also includes police inspectors and senior officers in the fire, ambulance and prison services. This group does not include supervisors or foremen. These employees should be grouped within their skill base, e.g. a clerical worker supervising other clerical workers would be grouped with them. A fitter and turner acting as a supervisor or foreman would be classified as a craft or skilled worker.
## Appendix K
Characteristics of respondents by country

### Table K.1  Characteristics of respondents by country

<table>
<thead>
<tr>
<th>Region (from sample)</th>
<th>England</th>
<th>Scotland</th>
<th>Wales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organisational size</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don’t know/not stated</td>
<td>7</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>1–49</td>
<td>53</td>
<td>42</td>
<td>46</td>
</tr>
<tr>
<td>50–249</td>
<td>12</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>250–999</td>
<td>8</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>1000–9,999</td>
<td>10</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>10,000+</td>
<td>10</td>
<td>18</td>
<td>8</td>
</tr>
<tr>
<td><strong>Establishment size</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>1–9</td>
<td>29</td>
<td>29</td>
<td>26</td>
</tr>
<tr>
<td>10–24</td>
<td>27</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>25–49</td>
<td>14</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>50–199</td>
<td>15</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>200+</td>
<td>15</td>
<td>21</td>
<td>25</td>
</tr>
<tr>
<td><strong>Sector</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>The private sector</td>
<td>74</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>The public sector</td>
<td>19</td>
<td>29</td>
<td>33</td>
</tr>
<tr>
<td>Or the voluntary sector</td>
<td>6</td>
<td>8</td>
<td>6</td>
</tr>
</tbody>
</table>

Continued
Table K.1  Continued

<table>
<thead>
<tr>
<th></th>
<th>England</th>
<th>Scotland</th>
<th>Wales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location of Head Office</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholly-based in the UK</td>
<td>87</td>
<td>87</td>
<td>88</td>
</tr>
<tr>
<td>UK</td>
<td>6</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Other Europe</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>USA</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Don’t know</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Union recognised by management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for negotiating pay and conditions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>26</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>No</td>
<td>73</td>
<td>60</td>
<td>56</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>87</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>n weighted</td>
<td>1,827</td>
<td>188</td>
<td>97</td>
</tr>
<tr>
<td>n unweighted</td>
<td>1,501</td>
<td>312</td>
<td>274</td>
</tr>
</tbody>
</table>
References


DTI (undated) Flexible working. The right to request and the duty to consider. A guide for employers and employees http://www.dti.gov.uk/er/individual/flexwork-pl520.pdf


