

# Older people

Level of difficulty: ●●○

## Before you read

According to the one forecast, by the year 2050, the number of people in the world aged over 60 will rise from 600m to 2bn. What do you think will be the implications of this trend in terms of employment?

## Reading

Read this article from the *Financial Times* and answer the questions.

# Older people: Age and experience

by Sarah Murray

1 Demographics usually proves a powerful force for change in the business world, and the rapidly ageing world population looks likely to continue the pattern. By the year 2050, according to the International Labour Organisation, the number of people aged over 60 will rise from 600m to 2bn. In less than 50 years, for the first time in history, there will be more people in the world over the age of 60 than under the age of 15. All this has profound implications for employers and, says the ILO, should provide an incentive for companies to fight age discrimination and accommodate older workers, creating challenging careers to persuade them to stay in their jobs longer.

2 However, changing demographics alone are unlikely to spark drastic changes in corporate policies and practices towards older workers. John Atkinson, who runs the Unemployment and Labour Market Disadvantage programme at the Institute for Employment Studies, says legislation is likely to provide a sharper stick with which to prod companies into action. In the UK, for example, the government is committed to implementing age legislation under the European Directive on Equal Treatment.

3 The exact form the new rules will take is not yet clear, but it is thought likely that it will be similar to existing legislation on race and gender. 'It wasn't until the law came in that most employers pulled their socks up and started to take it seriously,' says Mr Atkinson. 'So the best employers are thinking about their policies and practices towards age, but the vast majority are not.'

4 And yet, as savvy companies have realised, positive policies and practices on age diversity make good business sense. Because of the nature of its business, B&Q, the British DIY retailer, has found that having older workers on its staff has enhanced sales and customer loyalty. Older employees often have a basic knowledge of DIY, and customers, who tend to associate older people with this knowledge, feel comfortable asking their advice.

5 And for sectors such as financial services, the age profile of customers means it makes business sense to increase the average age of sales teams. Changing demographics was part of the reason that Halifax Bank of Scotland (HBOS) re-evaluated its diversity programmes. An ageing population was driving a need to put a greater focus on savings and retirement plans and the release of capital tied up in property – and at least half of the bank's customers are now over the age of 50. In response, the HBOS group policy was altered to allow people to work beyond the traditional retirement age of 60 or 62.

6 But permitting employees to work beyond traditional retirement age is one thing. It is quite another to persuade them to remain in work – particularly when private pensions and savings and the possibility of buying a house in the south of France provide a tempting alternative. Indeed, many workers, rather than staying on, are retiring early – either through desire or because of poor health.

7 At the same time, changing demographics present another challenge for employers that hope to persuade their staff to remain with

the company for longer. In a world where a higher proportion of employees are older, there will no longer be a sufficient supply of the sort of senior management positions that were once the goal of many in the workforce.

8 'People tend to look at older employees when they talk about age,' says Michael Stuber, founder of Mist Consulting, the Cologne-based diversity consultancy. 'What they often ignore is that the main clientele are people who are today 38 to 45. They are growing older and they have made their careers with an idea that they should be at a director's rank by the age of 43, otherwise they won't make it. And now it's obvious that, particularly in times of lean management, they cannot all be promoted to director level.'

9 With rates of promotion slowing and pay growth declining from about 35 onwards, working longer looks far less attractive than it did a couple of decades ago. 'What used to be a manual worker's earnings pattern – they earned their most at their fittest, and their earnings declined as they got worn out – has become the pattern for everyone,' says Mr Atkinson. Given such trends, simply abolishing the formal retirement age and removing age specifications from recruitment advertisements remain cosmetic initiatives. They fail to address a deeper underlying problem. That is the need to create an appealing working life for those growing older in a world where career structures, rather than being vertical, will look increasingly horizontal.

FINANCIAL TIMES

- 1 Read the article quickly. Who are these people and organisations?
  - a) ILO
  - b) John Atkinson
  - c) B&Q
  - d) HBOS
  - e) Michael Stuber
  - f) Mist Consulting
  
- 2 Read paragraphs 1 and 2 again and correct these sentences.
  - a) The Institute for Employment Studies says that, by the year 2050, the number of people over 60 will increase from 600m to 2bn.
  - b) In 50 years' time, it is predicted there will be more over-60s than teenagers in the world.
  - c) Employers should deal with race discrimination at work and provide incentives for senior workers to agree to early retirement.
  - d) John Atkinson from the ILO says changes in demographics will force companies to take action.
  - e) The British government is hesitant about implementing age legislation under the European Directive on Equal Treatment.
  
- 3 Choose the best alternatives to replace the words in *italics*, according to the context of paragraphs 3 and 4.
  - a) It wasn't until the law *came in* ... (paragraph 3)
    - i) was involved in a plan or deal
    - ii) came into effect
    - iii) became fashionable or popular
  - b) ... most employers *pulled their socks up* (paragraph 3)
    - i) made more of an effort
    - ii) criticised someone or something
    - iii) showed disapproval
  - c) ... *savvy* companies (paragraph 4)
    - i) smart and wise
    - ii) ignorant or lacking in ability
    - iii) high-tech and up-to-date
  - d) ... enhanced sales and *customer loyalty* (paragraph 4)
    - i) the length of time customers stay with a company
    - ii) the act of consumers refusing to change their purchasing habits
    - iii) the degree to which people buy a brand or use a company's services
  
- 4 Read paragraphs 4 and 5 again and complete these sentences (a-h) using the expressions in the box (1-8).
  - a) For many supermarket chains, it ..... to employ older people as checkout attendants.
  - b) B&Q prefers more experienced workers ....., as they can explain their products more effectively.
  - c) If you ..... of something, you understand the main principles behind it, but you are certainly not an expert.
  - d) I didn't ..... applying for that job, as I didn't think I had the necessary skills.
  - e) ..... should ensure that a variety of people of different race, age and background are recruited by a company.
  - f) What is really ..... to employ older people for longer is the change in demographics in the world.
  - g) He had always put money towards ..... in case he was suddenly made redundant.

- h) The business had gone bankrupt, but managed to pay off its workers, as it had money ..... in property.

- 1 because of the nature of its business
- 2 diversity programmes
- 3 driving a need
- 4 feel comfortable about
- 5 have a basic knowledge
- 6 makes good business sense
- 7 savings and retirement plans
- 8 tied up

- 5 Match the words and expressions (1-6) from paragraphs 7-9 with the correct definitions (a-f).
 

<ol style="list-style-type: none"> <li>1 demographics (paragraph 7)</li> <li>2 workforce (paragraph 7)</li> <li>3 lean (paragraph 8)</li> <li>4 earnings (paragraph 9)</li> <li>5 abolish (paragraph 9)</li> <li>6 recruitment (paragraph 9)</li> </ol>	<ol style="list-style-type: none"> <li>a) all the people who work in a country, industry or factory</li> <li>b) money a person receives for work for a particular period</li> <li>c) using the most effective methods and the fewest possible employees</li> <li>d) process of finding new people to work for an organisation</li> <li>e) officially end a law, system or organisation</li> <li>f) details concerning age, sex and income of a particular group of people</li> </ol>
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- 6 Read paragraph 9 again and choose the best summary.
  - A Working longer is now more appealing than it was in the past, and all workers now earn most when they are in their forties. A change in legislation is not the answer. There is a need to create a more attractive working life for older employees whose careers are more likely to develop horizontally, rather than going up the career ladder.
  - B Working longer is now less appealing than it was in the past, and all workers now earn most when they are in their physical prime. Changing the retirement age and not mentioning age requirements in job advertisements are only minor changes. We need to find ways of working for longer and accept that careers may develop horizontally.

### Over to you

- Do you agree with the formal retirement age in your country? Why (not)?
- At what age would you expect to retire?
- Do you think older employees should earn more or less or the same as younger workers? Why (not)?