

The future of work is coming

Tangible benefits older workers bring to the workplace

The days of an employee turning 65, getting a gold watch or carriage clock and being ushered into a new world of golf, retirement communities and early-bird specials are rapidly disappearing. People are living longer and organisations are shifting their attitudes toward older workers as a result.

Rising life expectancies and an ageing workforce present organisations with unprecedented challenges and untapped opportunities. As talent markets grow more competitive, more organisations are finding it more valuable to keep older workers rather than replace them with younger ones. But although nearly three quarters (71%), or 23 million employees^[1], plan to work beyond the age of 65, two in five of these (41%) – equivalent to 9.5 million workers – are concerned their health will make it difficult to do so, according to new research^[2].

BENEFITS THAT OLDER WORKERS BRING TO THE WORKPLACE

Despite some negative perceptions, a significant proportion of employees recognise the tangible benefits that older workers bring to the workplace. Three in ten (28%) UK workers believe that a mix of older and younger workers is desirable because it creates a wider range of skills in the workforce.

Meanwhile, two in five say that their employer values the experience (43%) and loyalty (40%) of older workers. Demonstrating the latter, among survey respondents aged 55 and above, almost two thirds (62%) have been with their employer for ten years or more. A third of UK employees (32%) also acknowledge that older workers help younger staff by coaching and mentoring them.

OLDER WORKERS IN THE COUNTRY IS SET TO INCREASE

The UK's ageing population means that the number of older workers in the country is set to increase in the coming years, providing employers with the opportunity to tap into the value of this underused talent pool. For example, if half a million keen and able older workers who are currently out of work returned to employment, the UK's GDP would increase by £25 billion per year^[3].

Employers have a duty of care towards older workers, particularly as a majority (68%) of those

planning to work beyond 65 intend to stay in the same job. However, some employers could lose out on retaining valuable older workers because they do not do enough to support employee health. Among the 14% planning to switch jobs when working beyond the age of 65, a fifth say it is because their current job is either too physically demanding (22%) or too stressful (20%).

MOST HIGHLY VALUED BENEFITS FOR EMPLOYEES OVER 65

Employers keen to retain older workers must address these issues, especially considering it costs an average of £30,000 to replace an employee^[4]. The research reveals that flexible working (32%) and appropriate workplace benefits (16%) are the best ways to attract and support older workers and can help to resolve issues such as a stressful or excessive workload.

Employees planning to work beyond 65 indicate that income protection (17%) and life insurance (16%) would be the most highly valued benefits,

while one in ten value critical illness cover (13%) or an Employee Assistance Programme (10%).

INVALUABLE COMPONENT OF THE UK WORKFORCE

The research highlights the fact that older workers are an invaluable component of the UK workforce given their extensive industry knowledge and expertise that all colleagues – particularly younger generations – can benefit from. They also represent a valuable talent pool for employers as Britain struggles to counter a growing skills shortage. It's an unfortunate fact of life that health concerns tend to become more frequent as we age, and they will become more common in the workforce as we live and work for longer.

According to the research, workers over the age of 65 have a more immediate need for employee benefits that provide both financial and emotional support should they become ill or suffer an injury. Employers who want to keep and recruit these valuable workers should offer protection products that have the additional benefit of offering a wide range of support services – from early intervention to employee-assistance programmes and second medical opinion services. All of these can be used without having to make a claim, adding daily value and proving employers' commitment to their staff's health. ■

ACHIEVING A FULFILLING LIFE

As we get older, financial independence plays an increasingly vital role in ensuring we achieve a fulfilling life. But unforeseen life events and circumstances can potentially impact on our finances in a number of different ways.

To discuss any concerns you may have or to review your current situation, please contact us.

Source data:

[1] ONS Labour Market Statistics, May 2019. There are 32.70 million people aged 16 years and over in employment in total.

[2] Canada Life Group Insurance. Based on a survey of 1,002 full and part-time employees, carried out in April 2019.

[3] RSPH, That Age Old Question.

[4] Oxford Economics, The Cost of Brain Drain.

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