

Learning, work and later life in the UK: the guidance needs of an ageing workforce

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Abstract

This chapter examines the impact of an ageing society on the nature of and need for career guidance and training, in the context of the UK Government's attempts to extend working life and of a major study of training and work in later life in the UK (McNair 2010). It considers the changing nature of the life course, and the older labour market, including the influence of sector, cohort, and gender. It notes the distinction between older workers already in relatively secure jobs, whose employment prospects have improved in recent years, and those who become unemployed after 50 whose prospects of return remain very poor, and identifies areas of labour market failure which might be addressed by a combination of career guidance and training

Careers guidance and training for older workers

Careers guidance has traditionally been seen as a service for people in the first half of life, to help them to manage their entry into and progression through the paid labour market. Lack of attention to people in the second half reflects a general cultural assumption that older workers are marginal to the mainstream economy, and keen to retire as soon as possible, and that retirement itself is a relatively short period of leisure and dependency, with few, if any "career" implications. Although this is not a universal view, attempts to build careers services relevant to older people have been very small in scale, and often temporary (Brown 2010; Ford et al. 2008). The traditional view is increasingly under challenge as a result of demographic change, and its associated economic and social pressures.

Conversely, training is widely proposed as the solution to many ills of the labour market, including unemployment, and underuse, of older people. However, participation in training declines rapidly after 50, and the evidence of unmet demand is limited, as is the supply. To explore this issue a major study of the role of training and work in later life in the UK, the *Learning and Work in Later Life* project, was carried out between 2006 and 2009 (McNair 2010).

The UK policy context

Policy interest in the older workforce has been increasing over the last decade, in response to the economic and social implications of rising life expectancy and declining fertility rates. In the UK, as in most developed countries, demography confronts Governments with the economic challenge of deteriorating dependency ratios, and potential labour shortages. The latest projections suggest that, as a result of retirement and economic growth, there will be some 13 million vacancies to fill in the UK over a decade (UKCES 2008), but the school population which will enter the workforce in that time includes only 8 million, leaving a shortfall of several million people. Demography also creates cultural challenges: as “retirement” expands to become a third, and for some a half, of adult life, questions arise about the nature of the social contract, between the state and its older citizens and between generations, as well as questions of the meaning and purpose of life which are close to some of the traditional concerns of careers counsellors (DWP 2009).

By international standards the UK’s labour market participation rates are high. At the end of 2010 employment rates for people aged 50-64, and over 64 were both the highest since records began (Office of National Statistics 2011). Real average retirement ages continue to rise, and in 2011 reached 64.5 for men and 62.0 for women. State Pension Ages, currently 60 for women and 65 for men, are to be harmonised at 65 by 2018, and raised to 66 by 2020, and Ministers have proposed indexing them to (rising) life expectancy.

In its review of older labour market policies, the OECD found that the UK had gone further than most Member States to eliminate incentives to early retirement, and to create incentives to stay longer in work (OECD 2005). When age discrimination at work was outlawed in 2006, a “default retirement age” of 65 was created as an interim measure, allowing employers to dismiss people on grounds of age at that point (or later), subject to a process of appeal. This created a formal system for employers and employees to discuss retirement, and most requests to stay were, in the event, approved, suggesting that the process avoided a significant loss of human resource through premature retirement. However, the default retirement age was abolished in 2011, and older people now have a right to continue indefinitely, subject to normal employment law. There are financial incentives to defer drawing the state pension, and individuals are allowed to draw on occupational and state pensions while continuing in employment. However, UK state pensions are low by international standards (AVIVA 2010), with a significant minority of people supplementing these through more substantial company schemes.

Shape of life course

Despite these changes, policy and public attitudes, still tend to see 60/65 as the “normal” retirement age, and Government statistics still use these to define the “working age” population. This has been recently criticised in the report of an independent National Commission of Inquiry into the Future for Lifelong Learning (Schuller & Watson 2009). The Commission argued that the traditional model of the life course, with youth ending around 20, and retirement beginning at 60/65 fails to recognise the real nature of most people’s lives in the 21st century.

The Commission proposed a redefinition in public policy based around a four stage model, with the life course divided at 25, 50 (the point after which age discrimination begins to be powerful in the labour market, and ill health drives some people out of work), and 75 (by which point most people are to some degree dependent on others for some requirements of everyday life). Table 1 compares the traditional and proposed models.

	0-20	21-25	25-50	50-65	65-75	75+
Current model	Youth	Adult/Worker			Retired/Pensioner	
Proposed model	Extended youth		Adult/Worker	Third age		Fourth Age

The Commission argued that public policy, and statistical systems should use the four stage model because the traditional model:

- fails to reflect how people actually live now. Most people now do not establish themselves in full adult roles until their mid 20s, while most wish to (and are capable of) continuing contributing to society well into their 70s.
- produces dysfunctional imbalances in pressure across the lifecourse. The second phase puts extreme stress (evident in wellbeing studies) on people in the second phase (25-50) in building and maintaining careers while creating homes and raising families. After 50, they then find themselves underemployed, rejected by the labour market when they have the ability, willingness and time to contribute more.
- conceals imbalances in the use of resources. Around 2000, the UK Government dramatically increased spending on education for adults, but analysis of participation data shows that this was entirely concentrated on “adults” aged 18-25, while spending on people over 25 actually fell.

- conceals significant economic activity. The dramatic increases in labour market participation by people over 65 in recent years were sometimes overlooked, because they were excluded from the definition of “working age”.

The Commission carried out a major analysis of available data to examine participation and expenditure on learning from all sources (public, private and third sector). Table 2 shows “participation ratios”¹ and expenditure figures broken down by the four phases. Although it can be argued that young people require more time and resource, the scale of imbalance shown suggests that lifelong learning has yet to become a reality.

	18-24	25-49	50-74	75+
Formal learning participation index	3250	225	27	5.5
Informal learning participation index	325	90	27	5.5
Percentage of total expenditure	86%	11%	2.50%	0.50%
Expenditure per learner	£12,395	£633	£319	-

Learning and Work in Later Life

The Learning and Work in Later Life project was commissioned in 2006 by the Nuffield Foundation, from the Centre for Research into the Older Workforce at the National Institute of Adult Continuing Education. Its aim was to investigate the relationship between age, labour market participation and training for people over the age of 50, in the light of the broad demographic change. The key question was, how far, and in what ways, training contributes to the employability of older people, and to extending working life.

The study included a literature review; a short survey (which asked 15,500 adults about their skill levels and participation in training); an analysis of data from six major national sources²; and a reanalysis of qualitative interview data from two previous surveys of older people and one of employers. The findings were published in 2010 as *A Sense of a Purpose: a study of training and work in later life* (McNair 2010).

¹ Calculated from numbers participating multiplied by the average length of participation.

² UK Labour Force Survey (2009), Workplace Employment Relations Survey (2004), the English Longitudinal Study of Ageing (Wave 3, 2007), the National Adult Learner Survey (2005), the NIACE annual Adult Learning Survey (2009), and the Survey of Employer Policies, Practices and Preferences in relation to age (2006).

The report is the most extensive investigation to date into the role of training in the older labour market, but it should be noted that most of the research was undertaken during a very long period of economic growth, when attitudes to work might be expected to be positive, and employers unusually aware of labour shortages. It is possible that, were the research to be repeated after the recession which began in 2008 some responses would be different.

Research base

One important finding is the scarcity of research evidence on training and older workers in the UK and other English speaking countries³. This reflects the position of older workers on the margin of a number of distinct academic disciplines. Until recently, labour market economists have tended to treat older workers as a contingent workforce, to be retained or driven out of the active labour market in response to economic and business cycles, rather than a resource in their own right. Gerontologists, by contrast, have focused on ageing post employment, while those researching education and training have concentrated mainly on vocational education for young people and adults in mid career, or on education for “leisure” for those in retirement (McNair & Maltby 2007).

The one exception to this pattern is research into training and unemployment among older people, where there is a substantial body of work, mainly commissioned by Government to evaluate specific policy interventions and schemes (see, for example (Newton et al. 2005; Newton 2008)). This evidence is important, but concerns a small, and unrepresentative group of older people, engaged in (often short lived) pilot programmes, from which it would be difficult to extrapolate to the wider older population.

A further confusing factor in the research on this issue is the fact that much of the literature dates from the 1990s and before. The validity of this evidence a decade or more later is severely limited for several reasons. Firstly, generational change, which may make the experience of previous generations of retirees a poor guide to the future. Those now approaching state pension age are the first of the “baby boomers”, born after the second world war, and with a very different experience of life and work from those retiring twenty years before, although the empirical basis for such generational labels has been challenged (Parry & Urwin 2011). A further change is in the nature of the economy. During this period the UK economy has seen a major shift from heavy manufacturing and extractive industries to service work (and the automation of much heavy work), which means that far more jobs

³ Though one may suspect that this is true for other countries as well.

are now within the capabilities of older workers, and older workers themselves are healthier, more physically capable, and better educated (Harper 2011). Thirdly, data is often difficult to compare, because of the exclusion from surveys of people over State Pension Age (which is different for men and women). A fourth factor is change in the impact of gender (see below). Finally, life expectancy has risen significantly during this period. Many older people are now aware that “retirement” may last decades, rather than years, and as a result think differently about how quickly they want to leave work.

Nevertheless, in the last decade the body of research has been growing, and more detailed survey evidence is becoming available, with the development of the English Longitudinal Survey of Ageing (Banks 2008), and the arrival at retirement age of the subjects of the first of the large longitudinal cohort surveys: all born in one week of March 1946 and surveyed regularly since then ⁴.

The older labour market in the UK

In all recessions before 2008, older workers were treated as a disposable resource: the first to leave, encouraged by “early retirement” and generous redundancy schemes. Recently this position has changed strikingly. Between 2001 and 2010 the employment rate for people over 50 in employment rose from 62% to 64.5%, and for those over 65 it rose from 4.9% to 8.4%. Furthermore this trend has continued despite recession, with the 65+ rate reaching 9.1% at the end of 2010, while rates have fallen for “prime age workers” (Office of National Statistics 2011).

The age of 50 is an important dividing line in the labour market. After that point, age discrimination in recruitment begins to be relatively common, and ill health begins to drive people out of active employment in significant numbers. Although most of the latter are quite capable of some kinds of work, the market is not good at supporting such redeployment (Black 2008), and studies of occupation, life expectancy and health make it clear that those working in some industries have very much better chances than others (Marmot 2010).

However, the labour market continues to change after 50, becoming more part-time (and part-time working is, by European standards, relatively common), and concentrating after 60 increasingly in some sectors and occupations. During the 50s, the market loses its “top” and “bottom”. At the top a proportion of wealthy people retire to pursue other interests, while at the bottom, those in poor health and on very low pay are forced out, and unable to find

⁴ See Centre for Longitudinal Studies, at <http://www.cls.ioe.ac.uk/>

alternative forms of employment suited to their skills. During the 60s, on the other hand, the process reverses, with the disappearance of the middle range jobs, as the market divides increasingly between a minority in high skilled professional and technical occupations (around 25% of workers in their late 60s), and a much larger group in relatively low skilled ones. Among the latter are some who are continuing a lifetime of such work, while others have moved from more skilled and highly paid work, either because of failure to find a job which uses their skills and experience, or through a conscious choice to move to something less demanding.

A second important factor is the changing nature of women's work. The *Skills at Work* surveys have been studying the skills content of work regularly since the 1980s, examining the skills and qualifications required for entry to particular jobs, and the time taken to become fully proficient (Felstead et al. 2007). This is a much more subtle measure of skills in the labour market than formal qualifications, and it shows not only a steady rise in the skills of most jobs over thirty years, but a much more dramatic rise in the skills of older women's work. Where older women were, thirty years ago, almost exclusively concentrated in low skilled manual work, those in their 50s are now working at comparable levels (though not for comparable pay) to men (Felstead 2009).

Perhaps the most important division in the older market, however, is between "insiders and outsiders". For those in relatively secure employment, who are known to make a contribution, the chances of staying longer in work are now better than ever before, especially if they continue to do the same job. Employers increasingly appear to recognise the value of the tacit skills and experience they bring, and the costs and risks of recruiting new replacement staff (McNair, Flynn, & Dutton 2007). It is probably these "insiders" who account for the continuing rise in employment rates for older workers, reinforced by the existence of internal labour markets within organisations. For "outsiders", who have left work through redundancy or through career breaks, and who want to get back after 50, the situation does not appear to have changed. For them, prejudices about older workers remain a powerful barrier, employers continue to suspect that being unemployed indicates incompetence or lack of motivation, and the very factor which makes "insiders" employable - their tacit skills - is the one most difficult to demonstrate to a potential employer.

Attitudes and expectations

Perhaps the key factor in determining retirement behaviour is the expectations and aspirations of individuals, and the shifting balance of power in the employment relationship as people

approach “normal” retirement age, with the choice to leave if they do not like the work. It has been increasingly clear since surveys in the early 2000s began to examine the issue (McNair 2006) that most older people in work would be willing to work longer, although they may only be willing to do this if it can be more flexible or less stressful (Smeaton & Vegeris 2009). Most recently a survey by City and Guilds Development found that around half of all economically active people are unconcerned about having to work longer, especially if the work can be flexible or part-time⁵ (City & Guilds Centre for Skills Development 2011). However, faced with the opportunity to retire and live on a pension (albeit a limited one) their willingness to stay longer depends considerably on how they are managed, and how far the work, and the working environment, meet their own needs.

The reasons why people choose to stay in work when they could retire can be broadly grouped into intrinsic, social and financial. Intrinsic factors include the interest of the job, the chance to use one’s skills and knowledge, and the status of being seen as a contributing member of society. Social factors involve regular contact with other people, ranging from close relationships with colleagues and more casual contact with customers, clients and the general public. Financial reasons reflect the current and future value of pensions and other benefits, and range from concern to avoid poverty, to enjoying a little additional income. It is widely believed that the main reason why people stay longer in work is financial necessity, and there are undoubtedly people who do stay in unattractive jobs for this reason. There are also some who retire, and then return to work when they find that their pensions are less adequate than they had expected. However, finance is only one of a number of reasons which people give for staying in work (McNair et al. 2004), and not always the first, or the only, reason cited. Even allowing for a distinctively British reluctance to discuss money, and admitting to poverty (Fox 2004), it is clear that finance is not the only, or even the principal, driver. Its importance also changes with age. Smeaton found that while half of workers aged 50-64 mentioned finance as a reason to stay, this fell to one in seven among those working after 70 (Smeaton & Vegeris 2009), while intrinsic and social reasons became increasingly important. It is clearly important that employers, and careers workers, understand these issues, alongside the more practical ones of working time and flexibility, if people are to be helped to stay in work longer.

⁵ The majority of people working after 64 are part time.

Older people's participation rates are also influenced by the attitude of employers. Here the evidence is contradictory. Most employers deny discriminating (Metcalf & Meadows 2006), and qualitative evidence shows many saying that they actively prefer to employ older people (McNair, Flynn, & Dutton 2007). Furthermore, the UK Labour Force Survey shows that employers are more likely to provide time off for training to older workers than young ones. However, despite these positive indicators, age discrimination is the most commonly reported form of discrimination at work in the UK (Age Concern 2004), although age cases are less likely than others to be taken formally to Employment Tribunals, and when there, they are less likely to be successful (Ministry of Justice & Tribunals Service 2010)⁶.

Examination of qualitative interview evidence shows two underlying factors which may explain the apparent contradiction. Firstly, the stories senior employers tell about older workers are typically of the successful "survivors", exceptional long serving people who are visible in the organisation, but may be untypical of ageing workers generally. As a result, their attitudes to older workers are generally positive. However, line managers (whose attitudes may be critical to recruitment decisions, and may determine the quality of working life for individuals) have to "manage out" the less productive colleagues in the 50s, and often see them as "problems". Secondly, the positive features which employers identify are conservative ones, like reliability, experience, tacit knowledge, and familiarity with the workplace and its practices, rather than dynamic ones. It would appear that older workers keep a firm stable, but that qualities like dynamism, creativity and innovation are associated with younger people (McNair, Flynn, & Dutton 2007). As a result, older workers are more likely to find themselves locked into undemanding and unrewarding jobs (and the average time a person spends in a job rises significantly after 50)⁷, reducing motivation and in turn, feeding prejudices about older workers motivation.

Training needs and effectiveness

The UK Government has, for many years, argued for that the country's international competitiveness requires a raising of the general skills levels of the workforce (Department of Innovation and Skills 2007; Leitch 2006). Sometimes such assertions rest on relatively crude international comparisons of qualification levels, and the economic return to such

⁶ However, this may reflect the fact that age has only recently become a legitimate basis to claim unfair discrimination.

⁷ UK Labour Force Survey data.

qualifications. These may, however, be misleading in relation to older workers: because they neglect the tacit skills which employers identify as the key value of older workers; they do not allow for the decay of qualifications over the life course; and the calculations of the economic value of qualifications are often based on lifetime return on qualifications earned before the mid-20s. The claim that older workers will be more employable if they are better qualified may therefore be seriously mistaken.

Furthermore, policymakers' frequent claims that all firms and workers would benefit from more training can overlook the difference between high and low training sectors and occupations. Although policymakers often suggest that training is always a good thing, it is not surprising that doctors train more than manual labourers, since the skills and knowledge base is larger and changes more rapidly. Furthermore, a high proportion of all work related training is induction, or driven by law or regulation, like health and safety training. Older workers are, by definition, more likely to have been in the firm a long time, and have already done such training. Some variation in training between sectors and occupational groups is therefore to be expected.

Government skills policy has also placed considerable weight on international comparisons of qualifications, and funding has been heavily focused on specific, formal qualifications, rather than on broader, or more work embedded forms of learning. While older people are less likely to have formal qualifications (because in the past many young people were not encouraged to seek them), many have invaluable experiential, but unaccredited, learning. The training which employers and employees welcome, is rarely qualification based, but rather focuses on improving performance in the current job, where the returns are visible and quick. However, there is evidence that the pattern of training by age is changing. The national surveys of adult learning, carried out annually by the National Institute of Adult Continuing Education (NIACE), which uses a very broad definition of "learning", reveals that whereas participation used to decline steadily from 20 to 65, it is now fairly constant from 25 to 55, after which it still falls (Aldridge & Tuckett 2009). The explanation offered most frequently by employers and employees in the qualitative interviews is the arrival of information technologies in the workplace. This happened in almost all jobs in mid career for those now in their 50s and 60s, and created an evident, and unavoidable need for training for all. This changed people's perception of the need for training, and of their ability to do it. If this is right, one might expect training levels to rise among older workers in the next decade.

Is training necessary?

While levels of training are higher than they used to be, and less affected by age up to the early 50s, participation then falls significantly. However, the most striking finding of the research is that neither employers nor older employees think there is a problem. When asked how well their skills and knowledge match the requirements of the job, only 5% of all workers said that their skills were lower than needed. By contrast, nearly half (45%) thought they were overqualified for their jobs. When responses were examined by age, the proportion reporting “about right” rises, from 52% in the early 20s to 70% at 70. This suggests, unsurprisingly, that over time most people settle into jobs where they feel they fit and can cope, and no longer expect, or feel a need to progress. However, this is not a universal experience, and a significant minority in the Learning and Work in Later Life survey say they are “very overqualified”, rising from 12% of workers at 50 to over 20% at 70. Although some have deliberately chosen less demanding work as they age, and some overestimate their skills, this still represents a waste of human resource. One strategy for addressing this is to make more use of older workers as mentors, trainers and supervisors and in quality assurance roles, where the pressures of the job can be less severe, and personal expertise and status is recognised, but managerial progression ladders are not blocked (McNair & Flynn 2005).

Employers seem to agree that the skills base is broadly adequate. The 2009 National Employer Skills Survey (UK Commission for Employment and Skills 2010) found that only 7% of firms had “skills gaps” (where current staff are under-qualified), which may well represent a “natural” level, since with normal staff turnover, a proportion of employees will always be new, and learning the job. Furthermore, only 3% report “skills shortages”, where they are unable to recruit qualified people. Significantly, two of the sectors with the highest proportion of skills gaps and shortages (retail, and health and social care), are also sectors with a high proportion of older workers, which suggests that the market does respond when employer needs and employee aspirations coincide.

The contrast could hardly be more stark than between these views of employees and employers on one hand, and Government, which has been arguing for decades that the country has a major skills problem, and needs much more training (DIUS 2007). There are a number of possible explanations for this disagreement. One is that, despite the good intentions of senior managers, there is a “conspiracy to underperform” between line managers and older workers. Organising and paying for training requires extra work by busy managers, and may be uncomfortable for workers who have not trained for years. Both may feel that

suboptimal productivity is a price worth paying for a quiet life. However, their tacit agreement to opt for an easier life increases the risk for the individual, should they later be made redundant.

However, the most likely explanation, especially in relation to older workers, is perceptions of time and risk. Government necessarily takes a longer term view of skills needs and the economy than individual employers, whose business planning is often relatively short term. For older employees, the timescale is even shorter. It is not surprising that the two groups who continue to learn share a sense of an ongoing future: those in high training occupations and sectors, who are likely to work longer, and the “lifelong learners” who have always enjoyed learning, and would continue beyond retirement.

The rest of older workers divide into two groups. For the “insiders”, who have found a reasonably secure place in the labour market, the question is “can I last until retirement without the extra effort of training?” There are two reasons why their answer may be wrong. Firstly, they may underestimate the time to retirement, or the length of retirement (and it is clear that most people underestimate their life expectancy (Turner 2009)). It is becoming easier to work longer, and some will find they need the money. Secondly, they may underestimate the risk of redundancy, as a result of organisational change, or changes in technology and markets which makes their skills obsolete. In both cases, the case for training rests on a future need, which may be underestimated.

The policy challenge is to make sure that older workers and their employers are aware of the risks, and prepare for them. It suggests that more attention should be given to career review, and guidance more generally after the mid 40s, before the effect of age discrimination becomes severe, regularly reviewing how to develop transferable, and demonstrable, skills which will increase security, with the current firm, with another firm or in an extended retirement. There is a potential role for training here to broaden people’s horizons and encourage them to develop, and learn to transfer, their skills before redundancy strikes. However, there is relatively little training of this sort available, and neither Government nor employers have shown any inclination to support it (indeed Government, by focusing funding on young people is implicitly endorsing the discriminatory attitudes it deplores in some employers)

The training picture is also problematic for “outsiders”. Once out of work after 50, the chances of returning at a comparable level or of returning at all, are very low, and decline rapidly with age. No doubt, some people become unemployed, and unemployable in later life

because their skills are out of date, but for some the problem is more the inability to prove skills acquired through experience and on the job. However, the idea that training will make it easier to return, does not necessarily follow. In 2008, the Learning and Skills Council⁸ commissioned a telephone survey of 10,000 learners who had taken courses provided for the unemployed (Casebourne 2008). It found that for unemployed people in general, the training provided did lead to a modest improvement in people's chances of getting back to work, but that this benefit was much reduced by age. For older people, training improved self-confidence and wellbeing, but courses on their own had little effect on employability, because employers still tend to see employing an older person as a higher risk.

What has been shown to work, usually on a small scale, is training linked to work placement or to very specific needs, organised in conjunction with particular sectors. Pilot projects in the South East in care and security (both sectors with current labour shortages) offered unemployed older people an introduction to a sector which they had never considered before. They were given short training to provide a background knowledge of the sector, a set of basic, sector specific, skills and knowledge, and a guaranteed trial work placement. For very small employers, who lack the time and skills to undertake such "conversion" training, the result was a supply of well informed applicants with motivation, and a relevant basis of skills and knowledge, which could then be built on through learning on the job (Wilson 2010a), and a chance to try them out in the workplace before making the employment decision. A parallel programme, which offered 1000 people in work after 50 a careers guidance interview, linked to the offer of short targeted training, found very positive responses from both employees and employers: employees were pleased that someone was offering them personalised advice on their careers, and employers reported improved productivity and motivation (McNair 2008).

An alternative strategy, especially for older professionals, has been self organised groups ("jobclubs") which provide a peer group for moral support and encouragement, and help build networks within the community to find the jobs which (like many in the labour market) are never advertised, but recruited by word of mouth (Wilson 2010b).

Implications for careers guidance

There are clearly significant inefficiencies in the older labour market. Despite the fact that employers are facing growing labour shortages, many older people leave the market earlier

⁸ The LSC was the national agency funding most publicly funded vocational education (replaced in 2010).

than they would like, either because they fail to find work rewarding, or because they are driven out through redundancy, and unable to return.

It is against this background that we need to consider guidance and older people. One might expect that guidance could help:

- people in the “third age” (broadly from 50 to 75+) who wish to continue to contribute to society through paid or unpaid work;
- employers, who will increasingly need to retain older workers, in the face of labour shortages, as the supply of young entrants shrinks;
- those experiencing age discrimination, which remains a powerful force excluding people from paid work, especially in recruitment;
- people whose talents and changing aspirations are not being recognised by their employers;

Careers guidance and vocational training exist to help overcome such market failure, but have not, to date, been systematically deployed to do this. However, the UK Government has been planning a new careers service for some years. Following the General Election of 2010, policy changed, and the planned adult guidance service is now to be an all age one. The plan is to produce the most comprehensive adult careers guidance service ever created in the UK, building on the very extensive online and telephone services developed over recent years, to provide support face to face, by telephone, and online.

The new service aims to be “universal” service, open to all, whether or not they are (or seek to be), in the active labour market. However, there is clearly a risk that, especially in a time of financial constraint, it will fail to address the needs of people approaching labour market exit⁹. If the focus on adult was lost it would be regrettable, since it is clear that a major policy priority is to enable people to make best use of the final years of their working lives, and to make smooth and rewarding transitions into active retirement.

The evidence described in this chapter suggests that an effective strategy for the older labour market might include three key elements to which careers guidance and training might contribute:

- Preventative guidance and training: aimed at ensuring that people currently in work, but especially those most at risk (who have low skills and who have been a long time

⁹ As a result of Government reductions in on public expenditure, some services for young people have been closed for lack of funding before the new service could be set up.

with the same employer or job) understand the likely length of their working lives, and the risks which they face in their 50s, of premature exit and inability to return. There are models in other European countries which may have lessons for the UK, notably the Finnish Workability model, which provides a holistic assessment of the match between job and worker to anticipate and correct problems which are likely to lead to early retirement (Ilmarinen 1999). Another systematic model is the French “bilan des competences” which provides the individual with a systematic assessment of strengths, weaknesses and potential (CEDEFOP 2010).

- Guidance to help unemployed older people to return to work which makes appropriate use of their skills. Individuals need guidance to explore their strengths and aspirations in the context of the local labour market (since older workers are usually less mobile than younger ones), to explore precisely what saleable skills and knowledge they have and how these might be enhanced by learning of some kind. These strategies imply a closer linkage between guidance and training. A key task for guidance workers is to help individuals to manage the damage to self-confidence caused by redundancy and repeated rejections of job applications. But this needs to be linked to specific, probably short, training which builds self confidence and generic skills, but also provides immediate “saleable” skills in specific sectors. Such approaches appear to work best where organised in conjunction with employers who recognise a skills or labour need, and who are prepared to offer trial work placements. The role of careers professionals as “brokers” of such arrangements is underdeveloped.
- Guidance to address underemployment. After 50 the proportion of people reporting being “very overskilled” for their jobs rises steadily. Even for those who have chosen to move to less demanding or stressful jobs this is a waste of talent, and for many the final years of work are frustrating, trapped by the fear of age discrimination in jobs which offer little challenge or opportunity.

A final question concerns the expertise of careers guidance workers themselves. The large majority of careers workers are trained and experienced in work with young and mid career people, but the aspirations and circumstances of most people in the last decade of working life are very different from those of young people. For older workers there is always, at least in the background, the potential to retire if the opportunities to work do not offer sufficient reward, and this colours attitudes and decisions. Careers workers need to understand the changing balance of the employment relationship, the impact of age discrimination, and the

complexities of pensions, benefits and health conditions which have a growing bearing on career decisions with age.

As the younger workforce shrinks, employers will need to make better use of older workers, both those who have unused skills and knowledge, and those who need to boost their skills for new kinds of work. The experience of the last decade, especially in sectors facing labour shortages, is that the market can respond, and will drive up participation rates and real retirement ages. Faced with the need, many employers will make work more attractive. However, the process could be substantially improved by better guidance. To achieve this calls for a more extensive and relevant guidance service, which recognises the diversity of older workers and the distinctive features which age and retirement bring to career decision.

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Paper presented to a DECEFOP Seminar – Thessaloniki