

Case study - working without a fixed retirement age

Barnet College

Case summary

- Project:** Retaining older workers without the use of a set retirement age – balancing the need to retain older workers with the impact of redundancy and restructuring.
- Profile:** Barnet College is a very large provider of general further education. The college has an older staff age profile that closely mirrors that of the FE sector overall. The majority of teaching staff are over 45 years of age and the college currently has staff up to age 77 years.
- Approach:** Removing the clause that required staff on permanent contracts to retire at the fixed retirement age; retirement conversations; ‘surviving redundancy’ support; ‘retire with dignity’ policy.
- Impact:** Retaining knowledge and skills in key areas; saving on recruitment and redundancy costs; older workers feeling valued.

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Barnet College removed its fixed retirement age in 2006, although staff in the college were already working beyond that point. The Employment Equality (Age) Regulations 2006 were the trigger for the change. Following discussions with the senior management team, the trade unions and Finance and HR Committees, approval was given for the change to be incorporated into college policy.

The recruitment experience so far has suggested to the college that large numbers of young people are not applying for positions in the college. Therefore, retaining older workers helps with maintaining the skills’ base and workforce capacity.

Prior to the change in 2006, employees who wanted to carry on working always approached the college to discuss this possibility – the college did not approach them. Currently, without a fixed retirement age, staff carry on working and are supported and developed as an integral part of workforce planning and performance management until they are ready to retire.

The college’s restructuring in 2010 involved staff redundancies which affected the number of staff who decided to continue working beyond the fixed retirement age. Severance costs to the college were high due to the number of older staff volunteering for redundancy.

Barnet College plans to develop a ‘retire with dignity’ policy. Having older workers continuing in the college helps to retain the skills and knowledge that the organisation values and can ill afford to lose at a time of significant change.

Performance management

Performance management processes are consistent to ensure that older and younger staff are treated equally and have opportunities to be developed in the organisation. This allows the college to recognise and address any performance issues at an early stage, and to maintain communications with staff to establish whether any under-performance is due to age, or any other factor.

Retirement planning conversations

Phased retirement – the college did not wait until its workers reached 55 or 60 to start discussions/ conversations about their future plans or to discuss retirement options. This is now part of the performance management process and applies to all staff.

In managing the redundancy situation, it was necessary to ask for volunteers. The HR Director explains that having to ask for volunteers was difficult and had to be managed in a way that showed the college was not targeting older workers for redundancy.

“During the restructuring it was necessary to ask for volunteers for redundancy. It was difficult asking for volunteers without making it look as if older workers were being targeted. That was an important lesson for the college. It alerted us to the need to ensure that our performance management processes were consistent and would ensure that older and younger staff would be treated equally and have equal chances of being developed for a future in the organisation.”

HR Director

The combination of working without a fixed retirement age and experiencing the restructuring process made the college aware of the need to demonstrate fairness and consistency of policy and practice across the workforce. The performance management process now allows the college to identify the nature of any performance issues so that they can be addressed at an early stage.

Key learning points

1. During restructuring, severance can be an attractive option for older workers the college would like to keep in the organisation.
2. Older workers are best supported by providing a variety of options that suit their individual circumstances.
3. Strategic workforce planning during restructuring can bring cost savings when it helps the college to retain older workers, thus reducing redundancy and recruitment costs.