

CITB REPORT

# FULLER WORKING LIVES IN CONSTRUCTION

Final report

October 2018



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# 1. Background to the Study

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## 1.1 Research Context

The question of an “ageing workforce” is a relatively recent phenomenon and one which requires very careful definition. Sixty years ago, employers faced a much more aggressive decline in workforce numbers as the proportions of older people narrowed significantly from around 50 onwards due to shorter life expectancies – particularly for males. The differences between then and now are many but they can be summed up as:

1. Employers sixty years ago had a larger cohort of young people available;
2. Young people left school at fifteen rather than leaving education at between 16 and 23 these days;
3. A significantly lower proportion of young people went on to university and other studies post-school;
4. Apprenticeships were a very strong route to skilled status and they could last between five and seven years;
5. For those who did not go into apprenticeships, employers could offer “A Level Traineeships” which were then a much more defined “higher-entry” route;
6. Today, competition for the far fewer young people who enter from school directly into employment is infinitely greater – from supermarket chains, office jobs, hospitality, health, and so on;
7. The cohort of older workers is now growing and retirement ages are increasing; and,
8. As discussed below, the potential for a hard-Brexit is worrying employers because they believe (possibly erroneously) they stand to lose sizeable numbers of European workers from the EU.

From a national standpoint the issue of the “ageing workforce” is a complex conundrum. The UK now possesses an increasingly large proportion of relatively healthy over-65s who are able to continue to contribute beyond the age of 65. On the other hand, the over-65s are – relatively speaking – more prosperous and more able to retire. In the construction sector the problem is exacerbated by the physical demands of the work whose effect is to make retirement attractive for a younger cohort of workers – from 55 onwards.

The sector is caught in a vice which is squeezing the employment market at both ends – fewer younger people available, and earlier leaving and retirement in the older age groups. People – and more importantly, skills – lost to retirement or leaving the industry for other reasons represent a

double blow for employers who find it increasingly difficult to recruit enough younger staff with the right levels of skill.

In these circumstances – of difficulties in finding and recruiting younger staff, skills shortages, and skills gaps, it is no surprise that workers over the age of 50 are becoming extremely important to the future of the UK economy. The overall number of UK workers aged over 50 has increased in the last decade, partly as a result of the post-war baby-boom generation<sup>1</sup> and partly from a higher proportion of females in the workplace.<sup>2</sup> In theory this should mean that employers would have a much larger group of skilled older employees at their disposal. However, life style changes, pension improvements and an overall increase in disposable wealth means there has been a steep decline in the number of people who are still employed or self-employed after the age of 55.<sup>3</sup> This has also been linked to wage-inequality in the workplace, with older workers thought to be less likely to be offered development opportunities<sup>4</sup>, and more likely to be on a lower rate of pay compared with younger colleagues.<sup>5</sup>

The ageing workforce in the construction sector has been well documented for some time. However, in the past two years, the threat to the workforce has been compounded by Brexit: the UK's planned exit from the European Union as a result of the referendum decision taken in June 2016. Estimates from national statistics illustrate our modern reliance on non-UK workers, most particularly from the EU – which reached a high in recent months of 2.32 million, almost double the figure from 2011. This established pipeline of much-needed workers is, of course, at the forefront of UK business leaders' worries in the context of the forthcoming departure of the UK from the EU. Predictions emerge on a monthly basis of how many workers the UK might lose post Brexit, with recent predictions looking at around 175,000 for construction alone<sup>6</sup> but these predictions remain as uncertain as the shape of Brexit itself. Recent news-items point to a lower than feared 'Brexodus', EU workers returning home. But, it is uncertain if this is down to Government policy to allow most EU workers to remain in the UK as long as they have been in the country for a reasonable time already<sup>7</sup>.

Unlike some other sectors, the construction industry faces a singular challenge. On the one hand, so-called "Generation X" (i.e. those born between about 1960 and 1975) are more likely to work longer due to financial necessity, and because of State Pension age rises. This could particularly be the case for low and middle earners who may face challenges in saving an adequate sum for retirement – this would include many low and semi-skilled construction sector workers. However, on the other hand, people in some of these construction roles are more likely to work in physically demanding working environments which cause them health problems and which compound the normal impacts of an

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<sup>1</sup> It is predicted that by 2035, people aged 50 and over will comprise half the UK adult population

<sup>2</sup> ONS (2018) Labour Force Survey

<sup>3</sup> DWP (2017) Fuller Working Lives Evidence base

<sup>4</sup> Government Office for Science (2017) Future of skills and lifelong learning

<sup>5</sup> Social Mobility Commission and Resolution Foundation (2017) The Great Escape? Low pay and progression in the UK's labour market

<sup>6</sup> Guardian, *The Construction Industry*, March 2017

<sup>7</sup> Details of the EU Settlement Scheme are available here: <https://www.gov.uk/government/publications/eu-settlement-scheme-employer-toolkit>

ageing body.<sup>8</sup>

All of this can undermine the prospect of retaining workers aged 50+, as most employers do not put in place any support mechanisms for them, and indeed, *may* hold negative perceptions towards workers in this age bracket. This becomes something of a self-fulfilling prophecy, with workers aged 50+ losing confidence and feeling insecure about their status and job security in the workplace<sup>9</sup> – even though research has found them to be as productive as younger people and often more so due to experience.<sup>10</sup>

The on-going quest for skilled workers is one of, if not the biggest, threat to the UK construction sector in these times of steady growth and large infrastructure developments, and tackling the issue of the ageing workforce is a far more pressing issue compared with other industries. According to the DWP's research for fuller working lives, the most common reason for leaving the construction sector early is ill-health. Some 46% of their construction respondents gave this reason; significantly higher than the average of 25% in other sectors.<sup>11</sup> Some 26% of people said they left the construction sector because of retirement - lower than the overall average of 39%, which suggests that in the construction industry workers are more commonly forced to leave after the age of 50 rather than because they choose to.

A number of recent studies have looked into the issue (as well as overseas work such as that in New Zealand and Australia). Similarly, evidence of planned initiatives on this theme demonstrate a focus on this general subject in many EU countries as many have a strong tradition of social partnerships working cooperatively to implement employment initiatives at national and sectoral level.<sup>12</sup> *"The extent to which the social partners are involved in measures to support older workers depends on the overall role and engagement of the social partners in policy-making in the individual countries."* In Germany, social partners are active in policies to support 'older workers' (age unspecified) at sectoral and company levels. A few such examples are explained further in Appendix 5.

Unpublished research from Leeds Beckett University in 2016 found that, due to the physically demanding roles in construction, it was not regarded as an industry in which one could continue to work until normal retirement age.<sup>13</sup> It is well-documented that construction workers are at greater risk of a range of work-related health disorders than many other industries and the population as a whole (Kines et al; Arndt et al), with common conditions including musculoskeletal disorders, lung disease, hearing difficulties, and fractures and sprains. However, several studies and some larger employers have identified interventions which can successfully act as enablers and facilitators to retention of workers aged 50+ in construction. The Chartered Institute of Building undertook research in 2015 that showed that changes in working practices, offering older workers retraining in

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<sup>8</sup> Centre for Ageing Better and Resolution Foundation (2017) A mid-life less ordinary? Characteristics and incomes of low to middle income households aged 50 to State Pension Age

<sup>9</sup> NatCen (2016) British Social Attitudes 33: Work

<sup>10</sup> National Institute of Economic and Social Research/DWP (2017) Older workers and the workplace: evidence from the Workplace Employment Relations Survey

<sup>11</sup> Ibid.

<sup>12</sup> CIPD (2016) Creating longer, more fulfilling working lives: Employer practice in five European countries

<sup>13</sup> Leeds Beckett University (2016) Health and wellbeing in the construction industry

less physically demanding roles, and offering flexible working and family leave, are key enablers. However, the study also implied that such changes may be unlikely to penetrate the sector as a whole due to the strong reliance on sub-contracted labour, rather than a directly employed workforce – in effect – making this ‘someone else’s problem’.<sup>14</sup>

The SPARC<sup>15</sup> initiative funded a project at Loughborough University to explore the needs and abilities of older construction workers, some of which was sponsored by the charity *Age UK*. The work encapsulates the need to adopt a sub-sector and trade-specific approach to identifying relevant solutions. For example, trades like joinery, plastering and brick-laying all use repetitive movements with much manual handling and involve the use of power tools which can cause vibration damage to bones and tendons. Retaining these workers over the age of 50 will require a different approach to retaining those in logistics occupations with a less physically demanding skillset. The various outputs from the study identified numerous approaches to enabling older workers to continue working in construction, including (not exhaustive):

- design and use of specialised equipment to reduce injuries;
- redesign of work processes<sup>16</sup>;
- skills for managers and supervisors in determining the right working practices for older workers (e.g. what will site managers need to know and do to help retain the skills and experience of the over-50s);
- use of lighter materials or those which are easier to handle;
- use of different types of equipment such as lifting devices.<sup>17</sup>

To this list could be added the early consideration of introducing robots (such as the MULE lift enhancer and helper robots to fetch tools and materials). It is still very early days for robots in construction, but developments are rapid, and a range of robots will soon be introduced across construction sites to both replace and to help human workers.

In the meantime, there is an immediate need to identify a long-term solution to the retention of workers aged 50+ in construction, underpinned by input from multiple stakeholders and employers to bring about a concerted commitment to change.

## 1.2 Aims and objectives

CITB has therefore commissioned this research to:

- understand the post-50 labour market in the construction sector, to inform strategies and interventions for retention of existing workers once they reach 55, as well as recruiting new workers to the sector from this age group; and

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<sup>14</sup> Chartered Institute of Building (2015) Exploring the impact of the ageing population on the workforce and built environment

<sup>15</sup> Strategic Promotion of Ageing Research Capacity

<sup>16</sup> Strongly echoed in research published in 2015 by the Government Office for Science

<sup>17</sup> Gibb, A. et al. (2013) Older construction workers: needs and abilities



- test the appetite for a Mid-Life MOT, and consider what such a thing could look like for employers, employees, and the self-employed.

Specific objectives are to:

- determine reasons for the decline in the number of (i) employees and (ii) the self-employed in the industry from age 50/55 onwards, specifically considering lack of skills and the need to upskill/reskill relative to physical barriers including ill-health;
- identify skill needs of employees and self-employed workers aged 50/55 to meet the latest advances in building processes;
- understand the pension position of construction workers, including an assessment of the number of employees with occupational pensions and the ability to access them at age 55; and,
- make recommendations for actions CITB could consider, to support strategies and interventions to improve the retention of older workers and the development of their skills (spanning not only direct actions that CITB could take, but also actions working in partnership with employer groups, stakeholders and Government departments).

This research was conducted in multiple phases as follows:

<b>Phase 1</b>	Scoping interviews and desk-based research
<b>Phase 2</b>	Qualitative depth interviews (employers, employees, stakeholders, pension companies) with interim reporting
<b>Phase 3</b>	Quantitative/qualitative employer and employee surveys of 400 (412 achieved) employers of all sizes, and 100 (105 achieved) employees
<b>Phase 4</b>	Analysis, reporting and dissemination

## 2. The Economic and Sectoral Context

### 2.1 Construction in the UK economy

The UK construction sector has always been one of the most important in the national economy. It turns over around £140bn per year – up over 22% since 2009<sup>18</sup>. Its share of GDP, at around 6% - has declined over the past fifty years as the economy has changed and new sectors such as internet-based IT, telecommunications, and the financial sectors have boomed (see Table 1).

**Table 1: UK Construction Share of UK GDP**

	%
<b>1964</b>	8.4
<b>1990</b>	6.9
<b>2009</b>	6.2

Source: ONS; 2015

Unfortunately, however, output (and productivity) in construction has lagged behind many other sectors and remains considerably short of the overall output growth in the UK economy as a whole. In the sixteen years between 1964 and 1981 output declined in constant price terms. While output in the UK economy expanded by around twenty basis points, that in construction declined by five.

Between 1990 and 2009 the output of the economy as a whole grew by over forty percent, while that of construction increased by only five percent. Equivalent growth in transport was over fifty percent over the same period and that in telecommunications almost two-hundred percent.

**Table 2: Index of Output at Constant Prices (1990=100)**

	1964	1981	1990	2009
<b>Construction</b>	65.9	60.5	100	104.9
<b>Transport</b>	60.2	77.9	100	152.3
<b>Post/Telecoms</b>	30.6	62.7	100	283.8
<b>GDP</b>	58.7	78.9	100	140.6

Source: ONS; 2015

<sup>18</sup> 2009 £113.0 billion to £137.6 billion in 2016

The issue of productivity in construction is an extremely important one in the context of the present study. It reflects the continuing reliance of the sector on manual labour and its relative lack of capital investment in high-efficiency techniques. In some senses the sector is polarised between the pre-industrial and post-industrial worlds. The larger companies are highly mechanised and capable of working with modern materials and with up-to-date techniques. The vast majority of the industry is composed, however, of smaller companies which, due to lack of capital and profitability, tend to be locked into the work systems and culture of the early twentieth century. Manual labour rules, and the tools of the trade still include hand-tools, simple power tools, dumper trucks and diggers of a form which would be extremely familiar to workers from fifty years ago.

## 2.2 Workforce

Construction has always been a major employer. In 1850 it gave employment to around 497,000 people (roughly 1.2% of the population of around 27m). By 1900 construction employment stood at 1.2m people (3.2% of the 38m population). As Table 3 shows, the industry employed around 1.5m people by the early 1950s (3.1% of the then population of some 48m) and by 2017 this had increased to 2.2m employees (around 3.4% of 64m inhabitants).

**Table 3: UK Construction Employment 1952-2017**

	Thousands
<b>1952</b>	1,500
<b>1964</b>	1,659
<b>1981</b>	1,130
<b>1990</b>	1,143
<b>2005</b>	2,200
<b>2010</b>	2,103
<b>2015</b>	1,900
<b>2017</b>	2,190

Sources: ONS (2010a) *Annual Abstract of Statistics*; ONS (2010e) *United Kingdom National Accounts*, and previous issues

The construction industry remains mainly male. Around 13% of the workforce is female, but the vast majority of these 240,000 women (2016) work in either professional roles (architects, planners, etc) or in administrative roles. Only some 7,000 females work in skilled and unskilled manual jobs in construction.

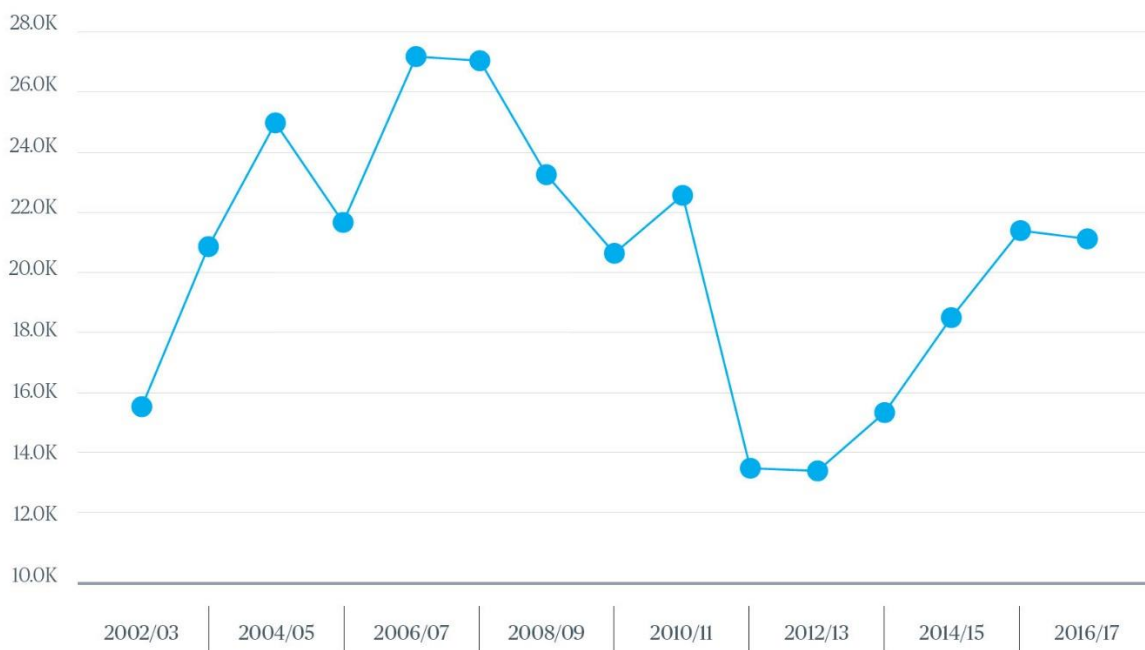
The proportion of females in the sector is rising – up from just 7% in 1998 – but less than three in every hundred women in the construction workforce are employed in manual jobs. Unlike many other sectors, construction has yet to find ways of attracting more women into the operative workforce.

Another employment issue which is bearing hard on the industry at present is that of migrant workers. The sector depends to a large extent on immigrant workers (albeit that most are employed in the south east and London). Around ten percent of the industry’s workforce in 2017 consisted of non-UK-born workers. Some 70% were from the EU and 30% from other parts of the world. Almost 35% of the construction workforce in London is non-UK-born – 28% from the EU and 7% from elsewhere.

The potential for large numbers of European construction workers to return home as a result of Brexit is causing many sleepless nights among construction bosses – although the UK government has already announced that most European migrants will be permitted to stay following the official exit of the UK from the EU in 2019.

Where young people are concerned, construction is struggling to achieve recruitment levels last seen in 2007. A decade ago, the industry recruited around 28,000 apprentices. In 2016-17 it managed to recruit just 22,000 – 21% fewer apprentices for a larger industry in employment terms. As will be further discussed below, the problem of attracting young people is exacerbating an already fraught recruitment issue.

**Figure 1: Apprenticeship starts: construction, planning and the built environment**



Source: Department for Education; 2017

## 2.3 Productivity

In the context of its reliance on human labour, the industry's productivity remains stubbornly low. Even the productivity of the agricultural sector rose six-times more than that in construction between 1999 and 2007.

Labour productivity in the construction sector increased by only 0.6% between 1999 and 2007 (compared to 8.7% in IT/communication, 6.4% in transport, 4.8% in manufacturing and 3.9% in agriculture)<sup>19</sup>. The construction sector's output per employee improved between 2007 and 2017 (at 2016 prices) rising from £24 to £27 per person-hour but barely more than in other sector (c.f. manufacturing £34 to £38 and business services £65 to £71)<sup>20</sup>. Nevertheless, output per employee remained almost 30% below that of the manufacturing sector.

There is, however, some evidence that productivity in construction is increasing – although from a very low base compared to other UK sectors.

*On this breakdown, the construction sector remains the least productive industry in the UK economy, at more than 20 percentage points below the average output per hour for the whole economy in 2017. In contrast, the manufacturing sector remains 10% above the whole economy average. Overall, despite its recent stagnation, construction output per hour in 2017 grew at the fastest rate compared with the other industries, increasing by 3.8% compared with 2016<sup>21</sup>.*

Nevertheless, each construction worker in the UK produces only just over half as much as a manufacturing worker and barely a third of what an employee in the communications and finance sectors can produce.

## 2.3 The Over-50s Age Groups

Low productivity, relatively low levels of capital investment, high numbers of migrant workers, and a tiny proportion of female operatives at the sharp end of the work, all mean that the sector faces unique challenges where its employment future is concerned.

The industry finds it extremely difficult to attract younger people into the workforce, has an ageing profile, and has a **lower proportion of over 50s in its workforce than in the population as a whole (Table 5)** indicating that the over 50s tend to leave the sector in disproportionate numbers.

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<sup>19</sup> Below the Aggregate: A Sectoral Account of the UK Productivity Puzzle; ONS Discussion Paper, May 2018

<sup>20</sup> Source: Office for National Statistics – Labour productivity: Breakdown of contributions

<sup>21</sup> ONS; Construction Statistics, No19; 2018



The problem of an ageing employment profile is not, of course, limited to construction, but it is arguably of greater concern in this sector when considered alongside its other labour-related issues. By 2030, 28% of the UK population will be over the age of 65; an average which will be far worse in all but the major cities. The proportion of over-65s will be more than one third of the local population outside those large cities.

But the UK is not alone in facing an ageing population – in fact it is likely to fare much better than some other European nations. Even in 2016, the old-age dependency ratio<sup>22</sup> was around 350 per thousand in Germany, Finland, and Italy, compared with c300 in France and 250 per thousand in the UK.

Yet, despite being in a slightly better position than other European nations, the UK's ageing population profile presents severe challenges for all economic activity and particularly for construction. In a quarter of a century's time less than 60% of the UK population will be in the main economically-active group of 16 to 64. Only 18% will be aged under 16 and an average of a quarter will be over 65.

**Table 4: Age Distribution of the UK Population, 1976 to 2046 (projected)**

	0 to 15 years (%)	16 to 64 years (%)	Aged 65 and over (%)	UK population
1976	24.5	61.2	14.2	56,216,121
1986	20.5	64.1	15.4	56,683,835
1996	20.7	63.5	15.9	58,164,374
2006	19.2	64.9	15.9	60,827,067
2016	18.9	63.1	18.0	65,648,054
2026	18.8	60.7	20.5	69,843,515
2036	18.0	58.2	23.9	73,360,907
2046	17.7	57.7	24.7	76,342,235

Source: Office for National Statistics

Notes: Population estimates data are used for 1996 to 2016, while 2014-based population projections are used for 2026 and 2036.

Table 4 illustrates the age-trap in which the UK construction sector finds itself. In the past fourteen years the proportion of 16-19 year olds in the sector has almost halved while that of the over 50s has increased by over 5%. Compared to the national averages, the sector now has relatively lower

<sup>22</sup> The ratio of people over 65 to the working-age population (16-64)

proportions of workers in every age group but the oldest. While this mirrors the trends in the UK, as a whole, the situation in construction is worse in the crucial 16-24 categories. In addition, the way the national figures are presented masks worrying underlying statistics.

By the end of 2017 around 47% of the construction industry was over the age of 45 and one in five workers was over 55. Under the age of 45 the industry is dominated by non-UK-born workers.

The relatively low proportions of over 50s in the construction workforce illustrates what has been of concern to employers for the past decade – the higher rates of leaving among that age group. Again, this is not a problem unique to the UK. The incidence of pre-65 retirement is high in the construction sector worldwide. In fact, according to the OECD, only Germany had a lower than average ratio. People are abandoning the construction industry most in Finland and Spain.

The UK construction sector faces lower employment rates in the older age groups at a time when the rates for the whole nation are rising. The UK employment rate for those aged over 65 was 5.5% in 1992. By 2018 it was 10.4%. And the national employment rate in the “younger” 50-64 age group went from 56% to 71%.

**Table 5: Age Groups - Construction Industry and UK (% of over 16s)**

	16-19		20-24		25-49		50+	
	Constr	UK	Constr	UK	Constr	UK	Constr	UK
<b>2004</b>	<b>4.2</b>	6.4	<b>9.1</b>	7.9	<b>59.9</b>	44.2	<b>26.9</b>	41.5
<b>2009</b>	<b>3.5</b>	6.4	<b>9.2</b>	8.2	<b>60.4</b>	43.6	<b>26.9</b>	41.7
<b>2014</b>	<b>2.0</b>	6.0	<b>8.1</b>	8.3	<b>60.2</b>	42.2	<b>29.6</b>	43.7
<b>2018</b>	<b>2.2</b>	5.5	<b>7.9</b>	7.9	<b>57.6</b>	41.1	<b>32.3</b>	45.5

Source: Nomis (2018); Data are all April to March except 2004 which is January to December

Taken individually, these factors are of serious concern. Taken together, and assuming the worst case of a “hard-Brexit” and strained relations with the continent, they constitute a “perfect storm” for the UK construction sector.

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### 3. The Over-50s Labour Market in UK Construction

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At present there are around 2.3m people working in the UK construction industry and recent reports agree that the industry probably needs to recruit between half million and a million workers over the next ten years. These will be required to maintain delivery on all current and planned projects – domestic housing, infrastructure, major commercial projects, public sector work, roads, and so on.

This is a tall order even given that the supply of young people coming out of school will increase slightly over that period and that there may be some contribution from Modern Methods of Construction (MMC), overseas workers (depending on Brexit), and automation/robotics.

As we have seen, productivity in the UK construction sector has been relatively static for many years and remains low. Only a Japanese-style focus on new methods and automation offers a long-term solution to this stubborn issue. But, in the shorter timeframe, efforts must continue to be made to increase the flow of human labour into the market. This will only be achieved by attracting a greater number of younger people (especially females), by retaining workers in mid-career, and by retaining and attracting-back older, experienced workers.

The current study has focussed on the last of these approaches, one which, if it can be achieved, promises to not only add to the available workforce but add to it in such a way that experience, skills and knowledge can be retained and passed on to future generations of workers.

However, the number of over 50s in the construction workforce continues to decline, in sharp contradiction to the numbers in the workforce as a whole. Construction is a physical activity offering few desk-bound roles and many challenges to an individual's health and well-being. In times of full (some would argue, over-full) employment, it is all too easy for older construction workers to find less demanding jobs which pay just as well and which make far fewer demands on the physique.

The extensive survey conducted for this research shows that an average of 6.5% of the workforce leaves the industry every year after the age of fifty. That equates to approximately 48,000 employees per year. Not only must that number be replaced but the loss to the sector of experience, skills, and knowledge must also be clawed back in some way. In addition, as mentioned at the top of this chapter, the sector predicts that it will need to grow to meet future demand. The sobering implication is that those recruitment targets of an average of 100,000 plus workers per year over the next decade may need to be increased by at least half and possibly more.

Against this background of a pressing need for people, the first question to be answered is: for what sorts of reasons do employees over the age of fifty leave the UK construction sector?

### 3.1 Reasons for leaving before State Pension Age

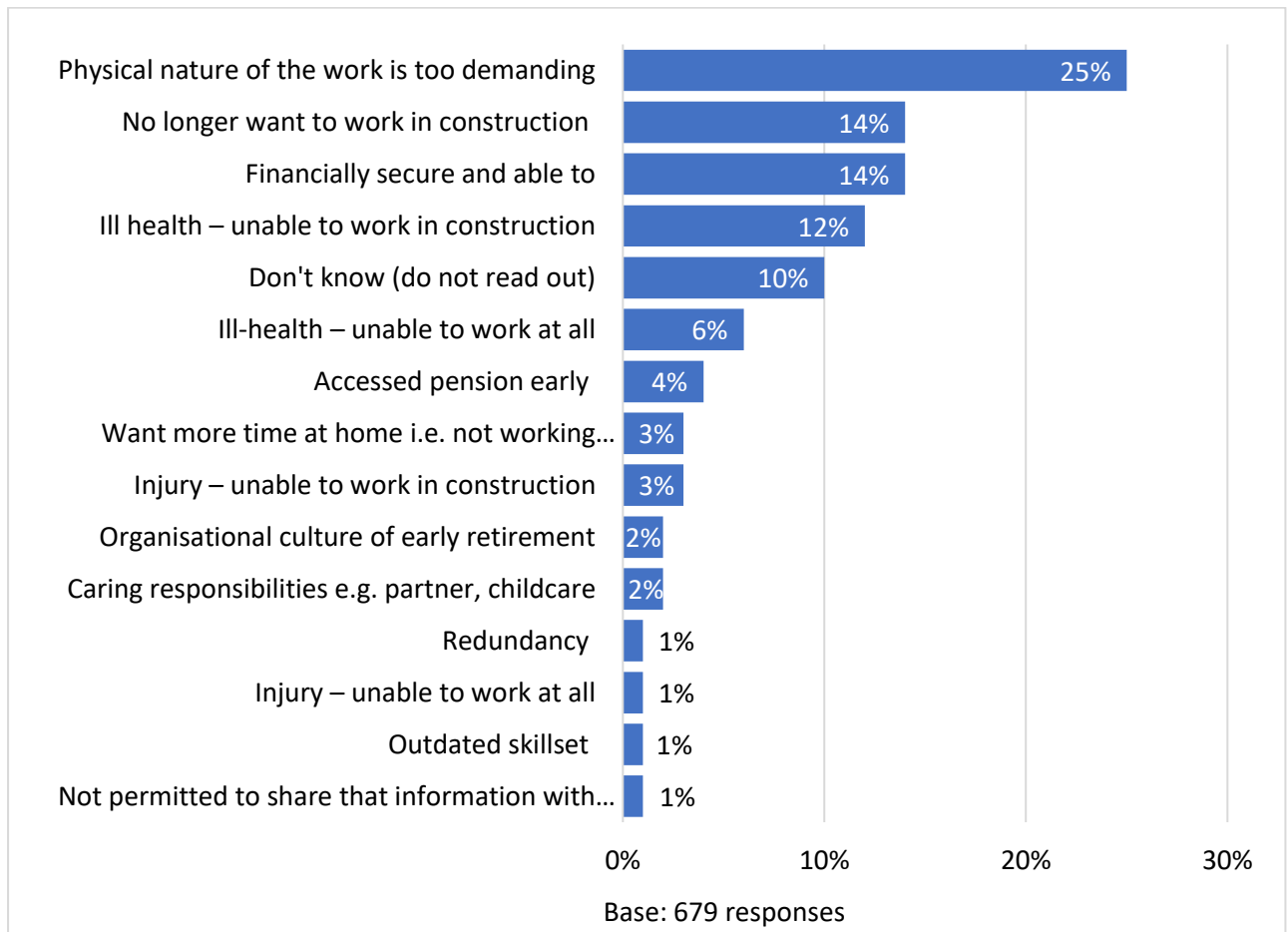
Our literature review revealed the main *potential* reasons for early-leaving prior to normal retirement age. These include the relative prosperity of modern times when people are able to take a pension early and live in reasonable comfort, the issue of “caring” through which many over-50s acquire responsibility for ageing parents or spouses, and the demands of construction on an individual’s physical health.

Over 400 employers and 105 employees were asked that question in slightly different ways. Employers were asked why they felt people left the industry after the age of 50, while employees responded to a question about the major challenges were of working in the sector after that age.

#### 3.1.1 Employers’ Views

The most important reason given by employers for why people leave after the age of 50 is the physical nature of the work.

**Figure 2: Employers: Why 50+ workers leave construction before statutory pension age**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

Almost half of the employers (47%) gave a reason for leaving which included physical demands, ill-health, and injury. This was particularly pronounced in Wales with 70% of employers citing health-related issues for staff leaving before retirement age. Personal circumstances, getting “fed-up” with the job, and more attractive pay from other jobs were also reasons given by employers. A few also mentioned their perception that the leavers were struggling to cope with modern IT technology.

*It is too physically demanding for some, which you cannot help.*

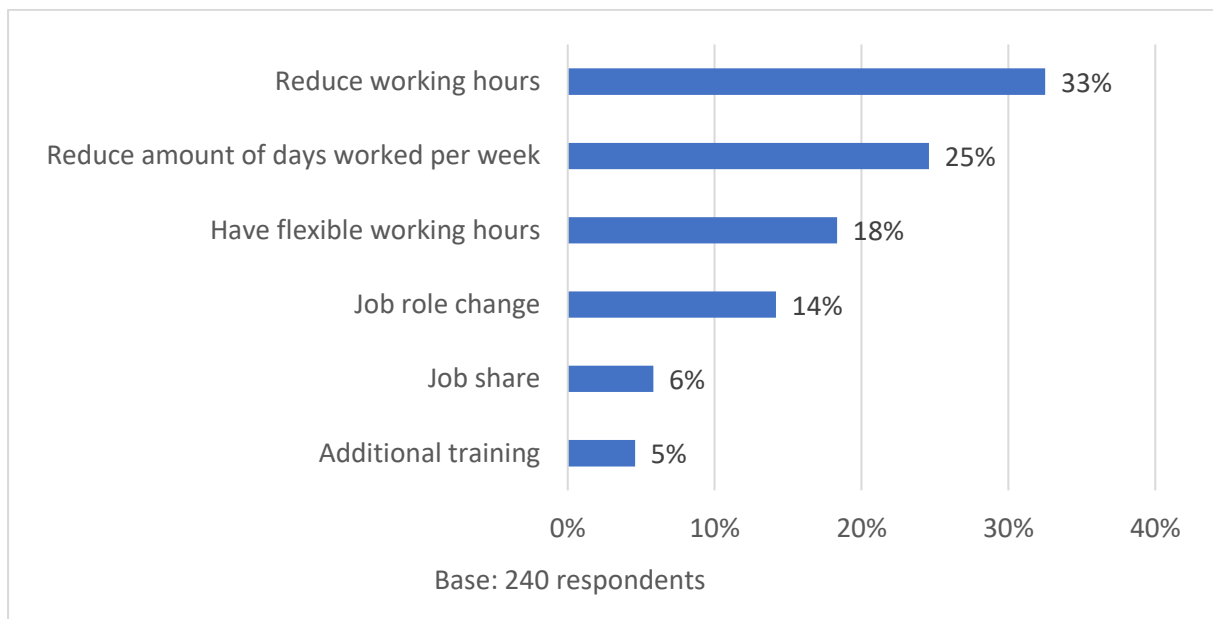
*When the guys get a bit older and they are struggling with back injuries etc, we usually ask them if they would prefer to work on yard duties.*

*Not computer literate and they struggle with it.*

*Don't want to be told what to do by the younger people; they want to be valued for their experience, and they don't get promotions. As they don't get promotions they go elsewhere to find something easier like a truck driver.*

In order to probe the reasons for leaving more deeply, employers were asked whether employees made specific requests which would enable them to remain in the sector. Around half of the respondents gave examples of requests from staff aged over 50, 33% of which were pleas for reduced working hours. If one takes into account the nature of other requests for reduced days worked, flexible working hours, and job sharing it is very evident that the requests that 50+ employees make to their employers are mainly focused on somehow reducing the work burden.

**Figure 3: Employers: Requests from workers aged 50+**

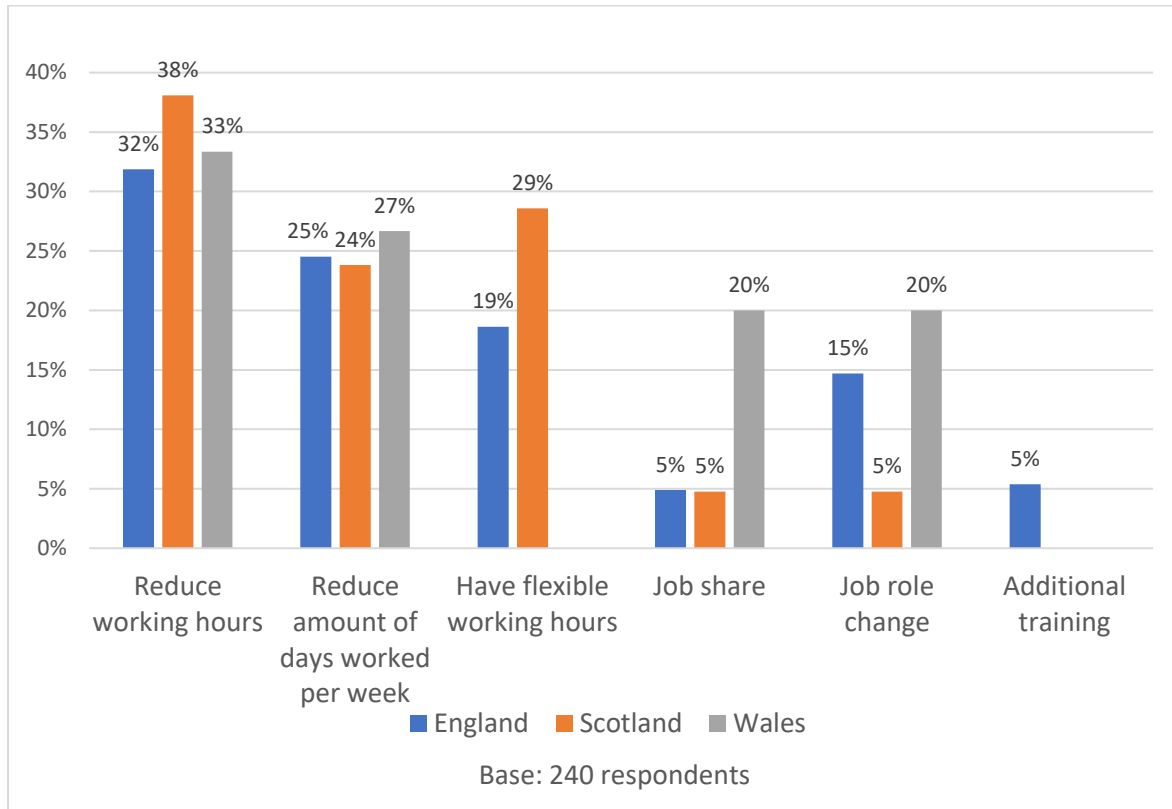


Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018



Welsh employers received a notably higher proportion of requests, compared to other nations, to support a job share or a job role change, with 40% having received such requests. On the other hand, two in every three employers in Scotland had had requests for reduced or flexible working hours from their workforce.

**Figure 4: Employers: Requests from Workers Aged 50+ by Nation**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

Small businesses (those with between 10 and 49 employees) were less likely to receive requests from staff for reduced working hours or working days; instead, small businesses were more likely for their workforce to request a flexible working arrangement, either through a job share or through working flexible hours.

Employers indicated in their extended responses that they are generally willing to make changes to accommodate such requests

*We are open to any changes people request and tailor these to individuals. I think the physical demands of the industry means many people have worked hard and have a game plan to get out by a certain age - it's part of the life.*

*Moving to more managerial roles*

*Have to be flexible for all age of workers*

*Take everything on an individual basis - will change working arrangements if there is an issue and it is viable*

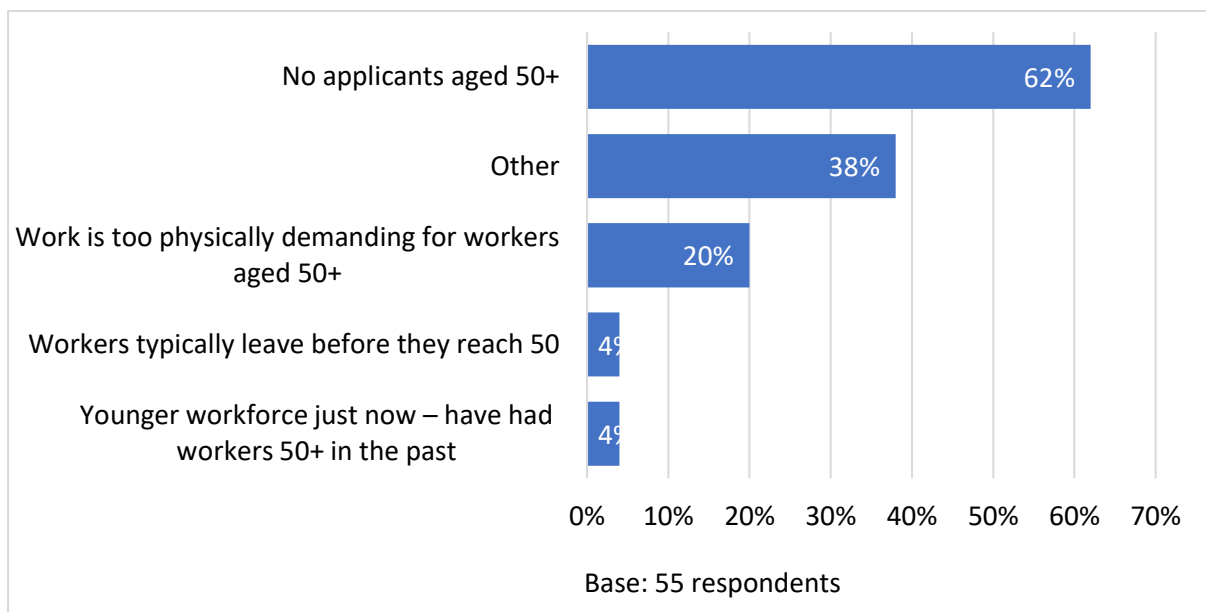
*No-one has requested but we would offer it if possible*

*We give some people lighter duties*

Only a tiny minority of employers took a harder line along the lines of ... *You don't work, you don't earn.*

A minority of employers, comprised solely of micro and small businesses, said that they do not employ people aged over fifty. Most said that this was because they did not receive applications from that age group and perhaps this is not surprising given the reducing proportion of over-50s in the construction workforce. Twenty percent of the minority of employers who did not employ over-50s said that it was because of the physicality of the work. This was boosted to around 30 percent by the similar answers provided by those who had provided "Other" reasons.

**Figure 5: Reasons for not typically employing the over 50s.**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

Feedback from depth interviews with employers as to why over 50s might be leaving, focussed on similar themes. Some felt that physical health was a factor in taking early retirement, while others felt that workers had built up a sufficient pension pot to leave before 65. Other reasons included caring for relatives, or a personal lifestyle choice.

*For craft operatives, it's normally a physical thing.*

*A lot go off with bad knees and hips as it's quite physical work, or they go off because of illness.*

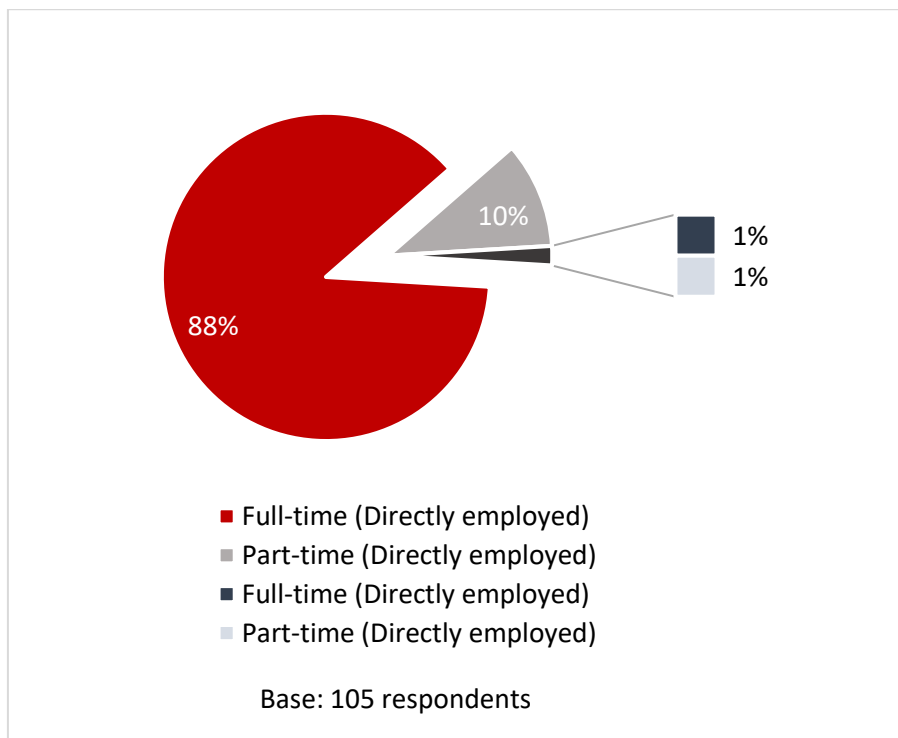
*Some are lucky enough - a small percentage - to have a good pension.*

*They are financially able to and want to spend more time with their family.*

### 3.1.2 Employees' Views

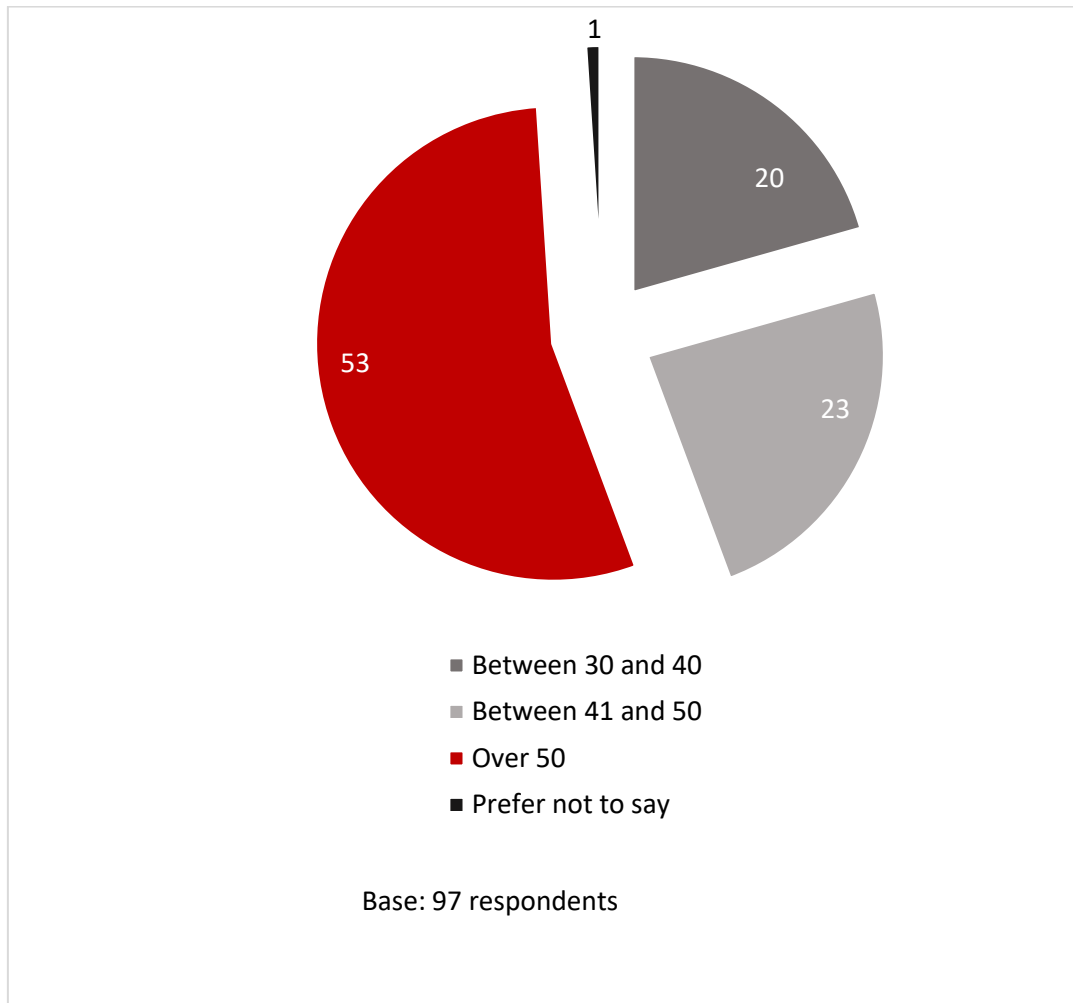
Throughout the study, a group of employees (105) – most of whom were aged over fifty – were asked similar questions to those we put to employers. Almost nine out of ten were employed full time, over half were over fifty years of age, and over half had worked in the construction sector for more than twenty-one years

**Figure 6: Employee Working Status**



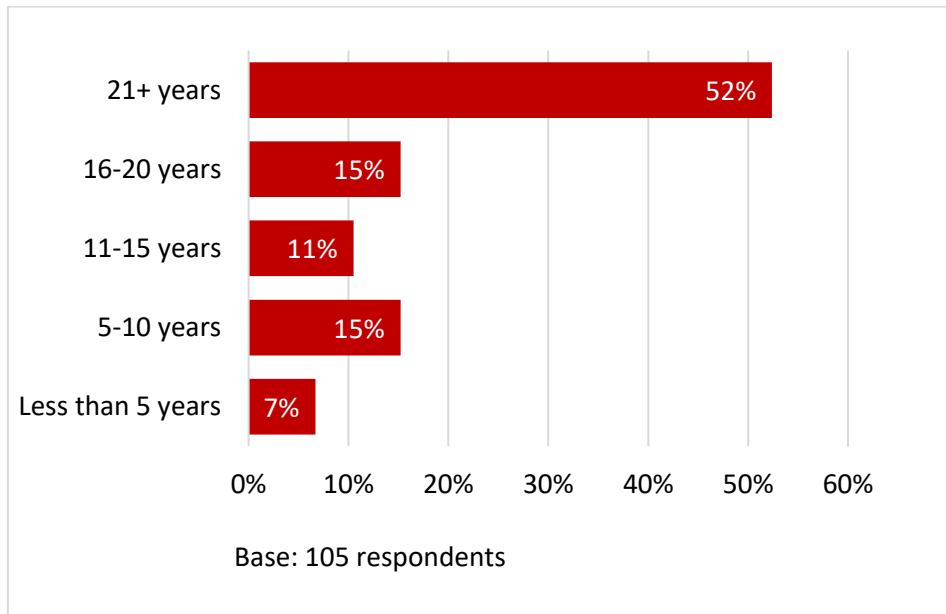
Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

Figure 7: Age of Responding Employees



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

**Figure 8: Years in the Construction Sector (employees)**

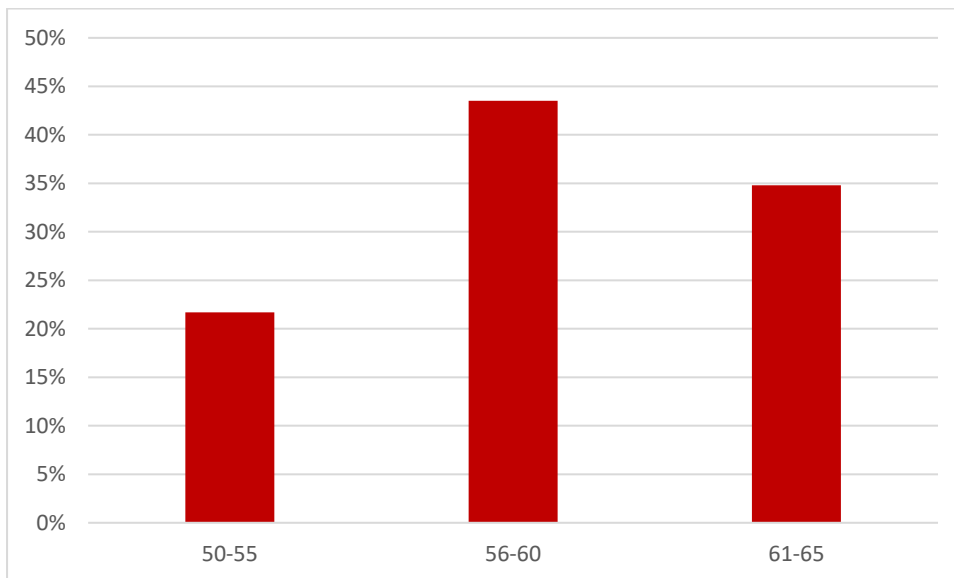


Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

Around four out of five employee respondents expect to retire after the age of fifty-five, of which a third expect to retire between sixty and sixty-five. It’s important to note, however, that these age ranges are expectations and not actual retirement ages. Studies in several other sectors – notably transport – have shown a small but significant difference between retirement expectations and actual dates. Depending on health, a recent study in Finland found that almost half of employees retired *later* than their anticipated year (in Finland the State retirement age has been increased already, to much the same age limits as is planned for the UK)<sup>23</sup>.

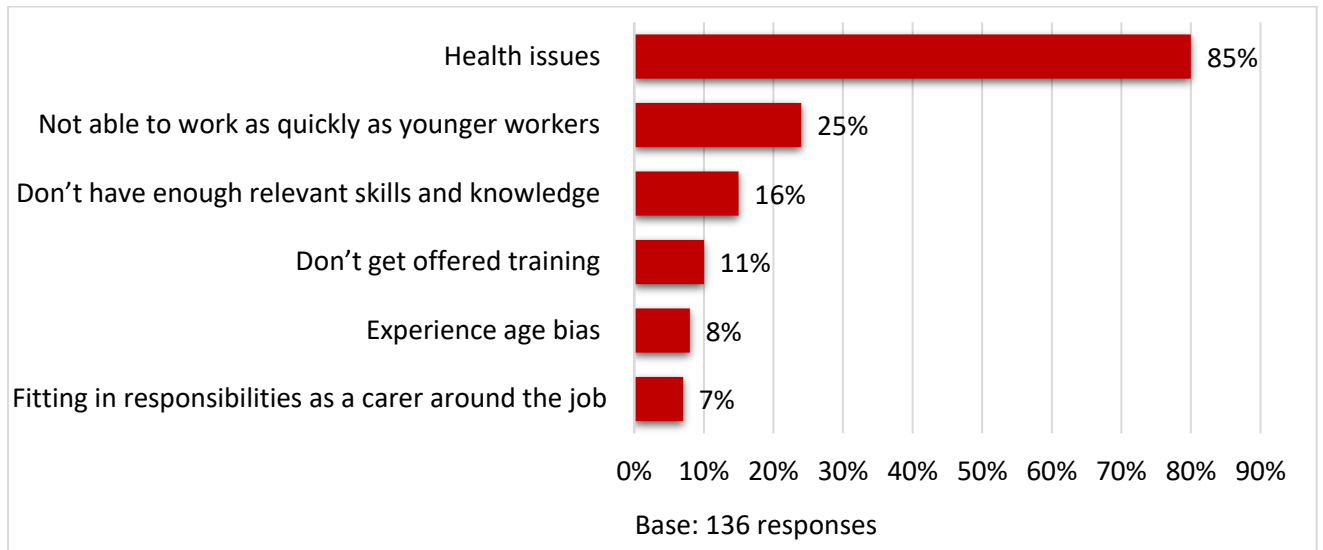
<sup>23</sup> Health and Retirement; 2017; P and S Ilmakunnas; Aalto University Business School



**Figure 9: Expectation of Retirement Age**

Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018. Base: 23

As might be expected for an industry such as construction, it is health and well-being that most concern employees as challenges for the over-50s. A solid 85% of employees feel that the greatest challenge of working in construction after the age of 50 is its impact on health and well-being. A quarter of the factors mentioned concerned not being able to work as quickly as younger workers but only one in six respondents mentioned not having sufficient skill or knowledge as their younger colleagues.

**Figure 10: Employees: Main challenges facing workers aged 50+**


Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

In-depth interviews with employees highlighted a number of similar reasons as to why workers are leaving. Some cited health issues for taking early retirement, others wished to spend more time with their family, and another group wished to decrease the amount of time they spent away from home and travelling.

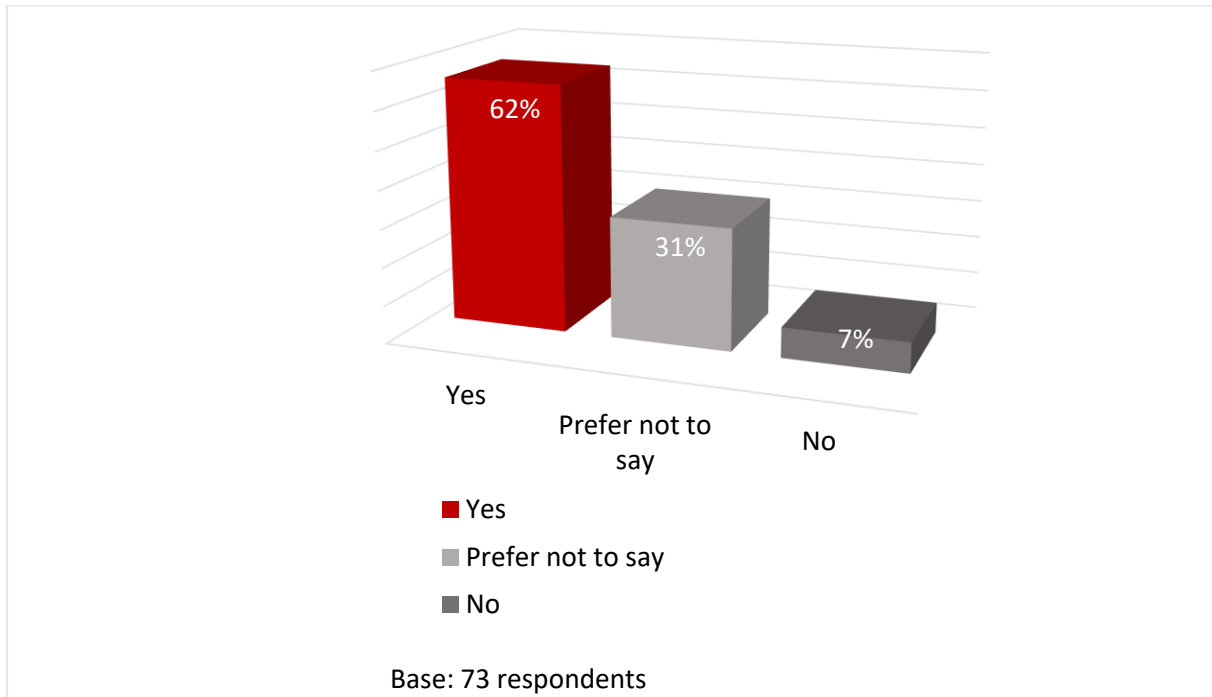
*I have a grandson and granddaughter now, so I want to see them.*

*I was sick of working away from home.*

*My back problems got worse.*

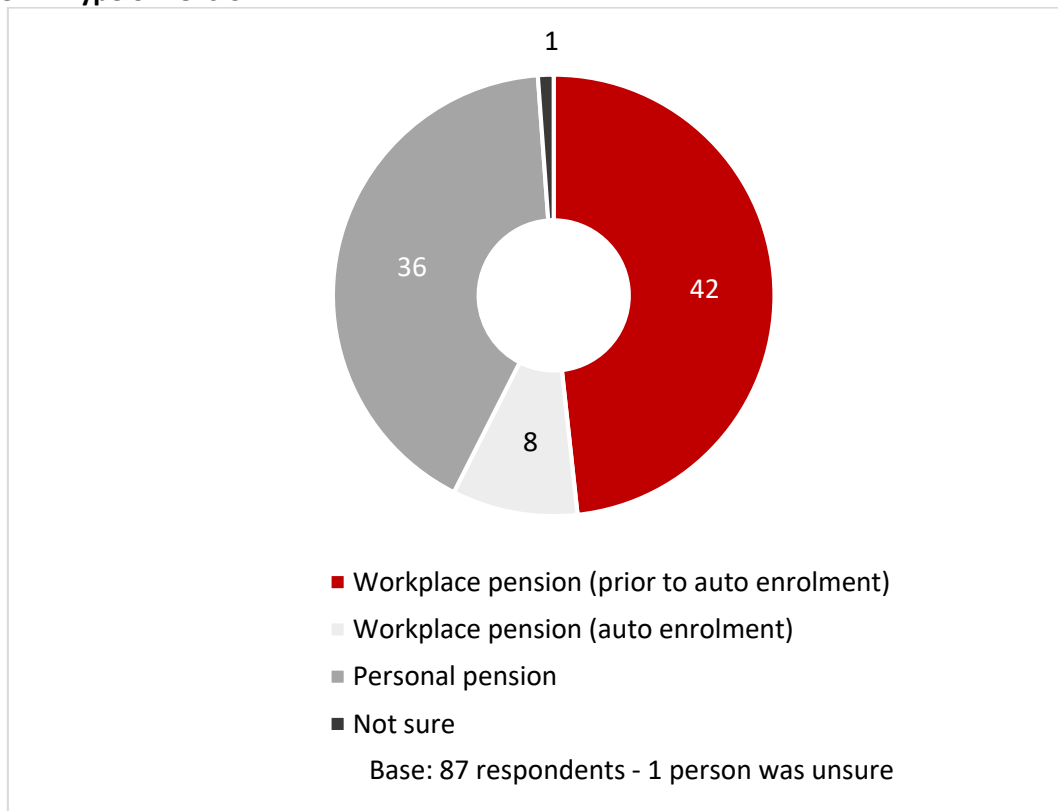
Around 60 percent of employees surveyed say they have a pension and only seven percent admit to not having one. However, almost a third preferred not to say, either way, which implies that this substantial proportion may well not have a pension but are unwilling to say so. Of those who have pensions, half have workplace pensions of one kind or another and a further third have private pension arrangements

**Figure 11: Employees' Pensions**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

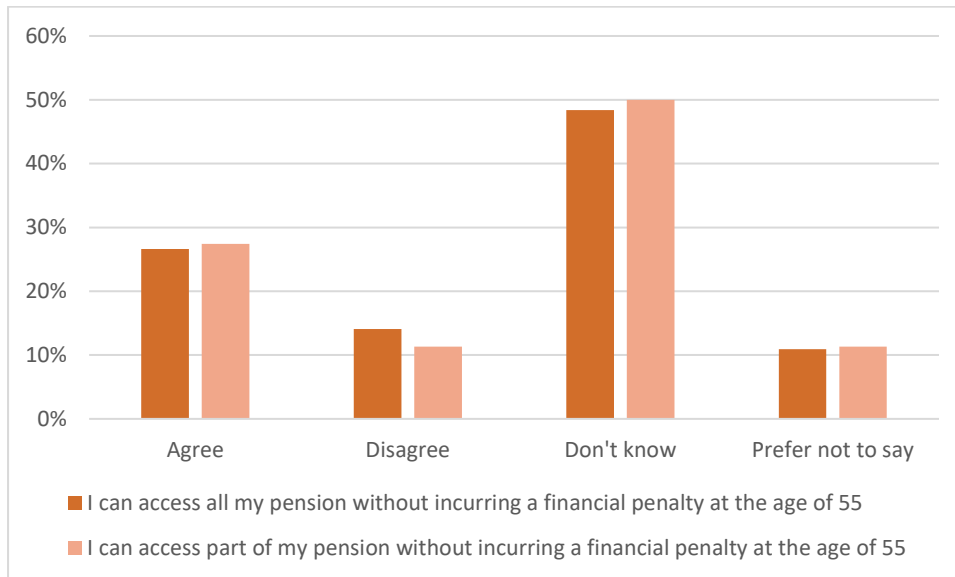
**Figure 12: Type of Pension**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

Employee understanding of the basis on which their pensions can be claimed was relatively low. Almost half do not know whether or not they will incur a financial penalty of any sort if they access part or whole of their pension at the age of fifty-five. However, national research has shown that knowledge of the finer details of pension arrangements is notoriously low across all age groups and occupations<sup>24</sup>.

**Figure 13: Accessibility of Pensions**

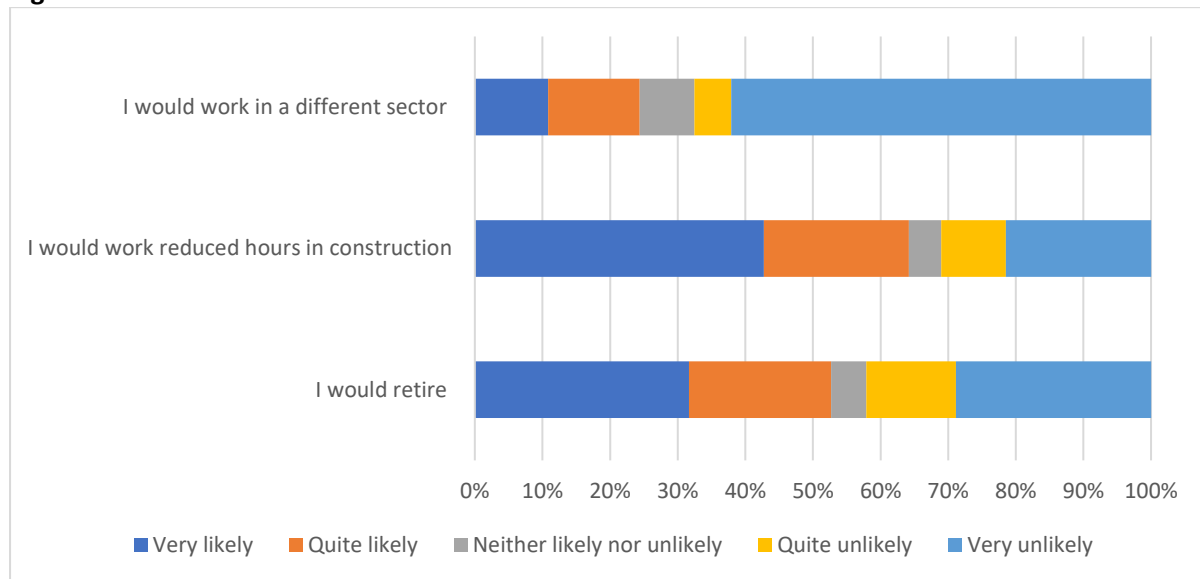


Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018  
 Bases: 64 and 62 respectively

If, after the age of fifty, a responding employee felt he or she had to reconsider their personal position as a construction worker, we asked them what their most likely course of action would be. Almost seventy percent said that they would be very or quite likely to ask for reduced hours. Fewer people opted to answer about leaving to work in a different sector and, of those, only around a quarter said they were very or quite likely to do so.

<sup>24</sup> See for example DWP's *Fuller Working Lives Evidence Base* (2017)

**Figure 14: Possible Actions if Forced to Leave**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

### 3.1.3 Health issues

According to the DWP’s *Fuller Working Lives Evidence Base (2017)*<sup>25</sup> there are a range of reasons for leaving the construction sector between the ages of 50 and 64, as shown in the table below (note: data for females are incomplete so are not included).

**Table 6: Reasons for Males leaving the Construction Sector (50 to 64) - DWP**

Total number	Dismissed / redundancy	Job came to an end	Resigned	Health reasons	Retirement	Family Reasons	Other
81,620	13%	4%	-	46%	26%	5%	5%

Source: DWP, 2017; Percentages rounded to nearest integer.

According to the DWP study the main reason for leaving the sector earlier than State Pension Age (SPA) is mainly health related, with 46% of leavers saying that this is why they retired. Stakeholders and employers who were interviewed for the present study broadly agree with this conclusion.

*In the construction sector, workers face particular challenges as they grow older and find that they cannot continue with work that is physically demanding.*<sup>26</sup>

In addition to health problems associated with ageing, such as musculoskeletal problems, fractures, sprains, hearing difficulties, and lung disease, construction work is often associated with heavy

<sup>25</sup> Uses Annual Population Survey July 2015-June 2016 data

<sup>26</sup> CIPD (2016) EU Briefing: How can European workplaces create longer, more fulfilling working lives?

physical loads, which exacerbate physical decline in workers aged 50+. Studies such as that by Gibb et al, support the almost universal conclusion that the construction sector is not a hospitable environment for older workers.<sup>27</sup>

Studies conducted by several overseas governments also corroborate these findings. A New Zealand study in 2014 reported that

Existing data on the prevalence of musculoskeletal ‘trouble’ shows that ... the parts of the body worst affected appear to be trade-specific and concentrates on disorders of the low back, the upper limb, and the knees.

Bricklayers, for example, tend to suffer from musculoskeletal disorders and all construction workers can experience general back, knee and shoulder issues due to manual handling of heavy loads. Although powered devices can be used to reduce these burdens the study found that many over-50s prefer not to use them as they tend to slow down the work and will sometimes create two separate lifting exercises instead of one (e.g. loading a fork lift and then unloading it). Carpenters, floorers and plasterers can often suffer from back, hip and knee problems caused by constant squatting or kneeling. Joiners and roofers are hammering and using vibrational power tools causing “tennis elbow”, wrist issues, and general problems caused by repetitive strain. US studies have demonstrated serious shoulder damage to scaffolders caused by constantly lifting heavy loads above head height<sup>28</sup>.

The issue, as highlighted in the New Zealand report and corroborated by employers and employees in this study, is not simply that of “heavy work” but also the repetitive work, vibrational injuries, lung disorders, and constant bending, squatting, and kneeling which are occasioned, or required, by work in construction.

Some stakeholders and employers believe that this issue will not be as powerful in the future, because of an increase in health and safety education and changes in working practices in recent years. Their argument is that this means workers now in their 20s/30s are less likely to experience equivalent health issues when they reach the age of 50 and above.

*The major cause [of workers 50+ leaving the sector before SPA] is that when the people who are now approaching 60 (in the 55-60 age range) started employment 40 years ago, the safeguards that are in place now weren't in place then. For example: 40 years ago, a bricklayer's apprentice carried a hod up a ladder, having physical wear and tear on their abilities. Now we have lifts and hoists to reduce risks and physical wear and tear. One 65-year old employee in our organisation struggled through but was 'broken' on retirement.*  
[Employer]

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<sup>27</sup> Gibb, A. et al. (2013) Older construction workers: needs and abilities

<sup>28</sup> Building & Construction ITO, New Zealand; Older Workers in Construction; 2013

This generational argument is a strong one but not necessarily one that will lessen the impact of construction work for those in the later years of their working lives. Doctors are well-aware that a strong musculature in youth helps to protect the body from the impacts of heavy and repetitive work later on. Younger workers who do not experience heavy work on the scale of forty to fifty years ago, and potentially without a developed strong physique, may well suffer from the same problems but from very much less weight and exertion. In some ways, however, the argument holds up well – especially with respect to things which were perfectly acceptable many decades ago – such as smoking at work and even while working – and using heavy equipment which caused hearing loss or severe vibrational strain – such as road drills and power-chisels (sometimes without eye or hearing protection).

Nevertheless, health is the major concern for workers approaching, or within, the 50+ age bracket. Many expressed their anxiety over “slowing down” and becoming less physically strong and robust and a few argued that even getting up early in the morning was becoming a chore rather than something they once did without a thought.

### 3.1.4 Caring responsibilities

According to DWP statistics, “retirement” is the second most common reason for leaving the construction industry. Qualitative evidence from interviews with employers, employees and stakeholders may throw some more light on this broad reason. Their responses indicate that family commitments, notably caring responsibility, is the second most common reason for retiring early.

The caring focus may be towards a partner, elderly parents, or even for grandchildren. One stakeholder notes that caring for elderly relatives “*peaks in mid-life, around early 50s, and declines around the age of 60-65*”.

Research, published in 2016 (not construction-specific), found that around a quarter of females and 16% of males between the ages of 50 and 64, had informal caring duties for sick or elderly persons, and that this group is often caught between needing to care for older family members in addition to supporting their children with the care of grandchildren (informal child care). For the over-50s in construction, trying to manage these responsibilities can be an important factor in any decision to leave the sector prior to normal retirement age.<sup>29</sup>

### 3.1.5 Desire to leave the sector

Some former construction sector employees say they left the industry simply because they wanted to either work in a different sector, or to take early retirement. Although very much in a minority, they argued that this stemmed from working long hours in what they termed a “stressful” environment.

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<sup>29</sup> British Medical Association (2016) Ageing in the Workforce: A report from the BMA occupational medicine committee

Another factor mentioned by a few ex-construction-employees is travel. A small number of former employees said they did not want to continue travelling to sites to work away from home<sup>30</sup>. One individual claimed that, if there had been more work available locally, he may have considered staying in construction for a longer period.

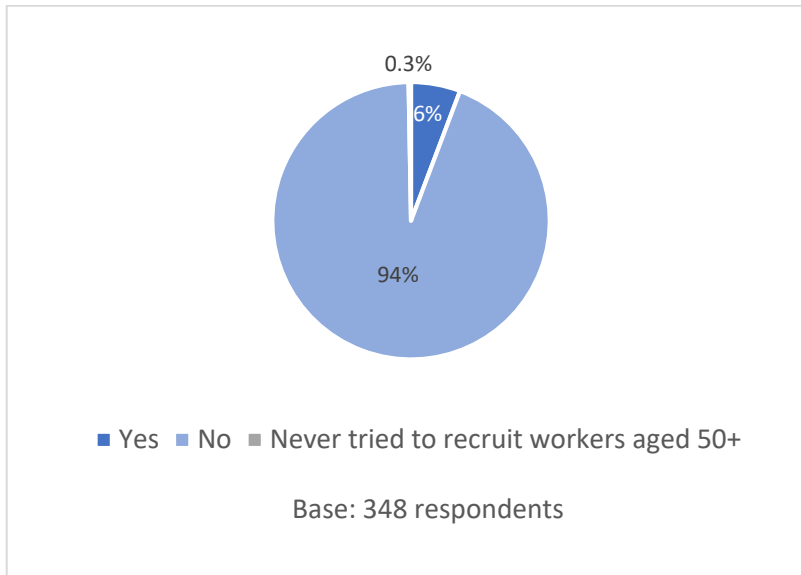
Employers do not, on the whole, believe that a high proportion of their employees who are over fifty leave to join other commercial or industrial sectors, but they certainly recognise the health and well-being imperatives, and seem to be only too aware of the increasing numbers of over 50s choosing to retire for those reasons.

### 3.2 Barriers to recruitment and retention of the over-50s

Perhaps the most pressing consideration in the light of increasing losses and retirements of the over 50s is the question of whether it is possible to retain them or, indeed, to recruit other people in the same age bracket.

Over 85% of employers responding to the survey employ or had employed in the last five years, employees over the age of 50. But only a very small minority (6%) told us that they have experienced barriers in recruiting those aged over fifty. There was no major variation in this trend by nation/region or by size of business.

**Figure 15: Have employers experienced barriers recruiting workers aged 50+**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

<sup>30</sup> This is shown to greater depth in the CITB Skills Transferability in the UK report, February 2018



The reasons why employers do not recruit the over 50s were consistent: the physicality of the role, long hours, harsh conditions (especially in winter), and travel demands. Some mentioned that they do not receive applications from the older age group.

*Site work is physically demanding which puts people off applying for work in that age group*

One respondent told us that they try to ensure that older workers are transferred to less-challenging work indoor, where possible, but in any case involving less lifting and hard physical work. In one case they retrained an older worker to drive dumper trucks and diggers so that he could continue in their workforce.

*We would not expect them to do roof work for example.*

### 3.2.1 Nature of the work – actual and perceived

Clearly, the physical nature of much work in the construction industry can be a barrier to retention of workers over 50. During the normal ageing process, muscle strength begins to decline at 45-50 years of age (in men). By that age men will have lost roughly half of the strength they once had in their muscles.

Similarly, aerobic capacity has commonly declined by 70% by age 65.<sup>31</sup> This is in addition to the general effects of ageing such as lower bone density and the increasing impact of damage sustained in earlier years (spinal impacts, recurring muscle sprains, hearing and eyesight problems, and so on). It is not surprising, therefore, that there is a generally-held perception that construction is a sector which only requires heavy manual labour and the ability to cope with harsh outdoor conditions.

This may have been largely true a few decades ago but, in the intervening period, there has been a significant and ongoing shift towards higher awareness of health and safety issues and the equipment used to ameliorate them, and greater mechanisation and even automation. Whereas bricks used to be carried on shoulders in hods – including up several sets of ladders – they are now lifted and shifted almost entirely by mechanical means. Whereas trenches and holes used to be dug by manual labour using age-old tools, they are now created by mechanical diggers. Where heavy material used to be broken up by hydraulic drills without hand, arm, or ear protection, operators are now shielded from much harm from that equipment through various protective measures.

The industry is also becoming more technical almost by the year. It is common nowadays to find supervisors and workers using pads and laptops as well as sophisticated equipment for measuring and laying out. The numbers of technical roles are increasing steadily.<sup>32</sup>

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<sup>31</sup> Gibb, A. et al. (2013) Older construction workers: needs and abilities

<sup>32</sup> The Chartered Institute of Building (2015) *Older workers crucial to curbing construction industry skills gap, but not a substitute for investing in training, say CIOB* [Online] (Updated 10 December 2015) Available at: <http://www.ciob.org/media-centre/news/older-workers-crucial-curbing-construction-industry-skills-gap-not-substitute> [Accessed 25 April 2018].

Unfortunately, this is not necessarily well known to those considering joining the sector and is often overlooked by the employers themselves as a means of retaining knowledgeable workers.

Change has taken place so gradually that many employers ignore these avenues as means to keep and attract older workers – focusing instead only on the young and retaining an approach to career progression which may be some decades out of date.

Fifty years ago, work in the industry could fairly have been depicted as almost entirely physical – brick carrying and laying entirely by hand, digging largely by pick and spade, cement mixing by hand-loading materials into small mixers and then manually shifting it on site, joinery of heavy beams and roof trusses almost entirely by hand and on-site. The amount of “management” and technical understanding was minimal and the ratio of management to workers was extremely small.

Almost unnoticed has been the subtle transformation of the sector towards a different ratio – one which sees management and technical roles occupying a significantly larger proportion of the workforce and which is seeing the work of operatives become more and more technical. The effect has been to create a “career path” which, in theory, could take an apprentice from “the tools” through supervision, into technical aspects of the business, before finally ending up in middle and higher management roles. Not everyone, of course, will be capable of completing that career route but the amount of change in the sector has permitted a significant extension to basic operative roles into supervision and technical ones, at the very least.

*Despite the growth in digital technologies, which have the potential to increase the level of work completed off-site, [perceptions of the] industry consisting primarily of hard hats and hi-vis clothing.... construction management is not yet adequately recognised as a profession in its own right, nor seen as the future of the industry. In this respect, it appears that the stereotypical... view of the construction industry dissuades older workers from joining the industry.<sup>33</sup>*

Several employers who responded to the survey pointed out the fact that, in their view, the industry has “forgotten” older workers and is blind to their potential to help not only with the crude shortages of workers but with the transfer of knowledge and – perhaps even more importantly – their ability to pass on appropriate attitudes and behaviours to the younger workforce.

### 3.2.2 Payment practices

Another barrier to retention of workers aged 50+ may be the way in which much of the construction industry relies on ‘piece work’ (payment based on the amount constructed, such as number of bricks or tiles laid, amount of wall plastered, length of sewer laid in trenches, etc.). The approach is

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<sup>33</sup> CIOB (2015) Exploring the Impact of the Ageing Population on the Workforce and the Built Environment

ancient, but entirely rational in a world in which contracts contain deadlines and time penalties. Employers often have no choice but to pass on these deadlines to their operatives in order to get work completed on time.

However, payment methods of this kind, which reward speed over quality, can mean workers aged 50+ receive less pay than younger workers, as they are not as physically capable of the speeds that younger workers can accomplish with heavy materials.

Employers generally recognise that this type of payment method does not yield the highest quality results, and many now prefer a 'day rate', with the focus on quality over quantity.<sup>34</sup> Nevertheless any approach to wages which rewards speed of completion will also tend to operate against older workers.

### 3.2.3 Culture and attitudes

Some workers aged 50+ say they face age bias/discrimination which can manifest itself in beliefs such as:

- older workers are more resistant to change;
- employers are going to spend more time and money 'looking after' the health of older workers;
- associated with the above, the over-50s take more time off sick or get injured more easily;
- older workers are slower and therefore costly to employ;
- such age groups do not learn new methods as readily as younger workers;
- they are less willing to attend training courses;
- the over-50s are not committed to the industry or to a career; and,
- older workers are not going to stay in the business long term and are therefore not worth training.<sup>35</sup>

Older workers themselves may unwittingly contribute towards such age bias. Qualitative evidence from employers and stakeholders suggests that workers aged 50+ are less likely to ask for different working patterns, training & development, and, effectively, to "write themselves off" if made redundant, assuming they will not be able to get another job.

One employee said, in an interview, that he would be "*letting his colleagues down*" if he didn't work on a full-time basis. This social conditioning therefore prevents him from requesting part-time work even though he said this would be the best option for him and his family. Several employers believe that workers aged 50+ are not aware of flexible working options, particularly if they have been in the business for a long time.

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<sup>34</sup> Gibb, A. et al. (2013) Older construction workers: needs and abilities

<sup>35</sup> BCITO (2013) Older workers in the construction industry

*There is a culture that joking about ageing is socially acceptable, opposite to joking about race or gender. This needs to change, as it does not empower people over 50 to think they are worth developing or training*

*Over 50s don't generally ask enough for what they need*

Several stakeholders also made the point that carers are generally not thought of in the same category as parents regarding the need for flexible working, although they will often need the same kind of options.

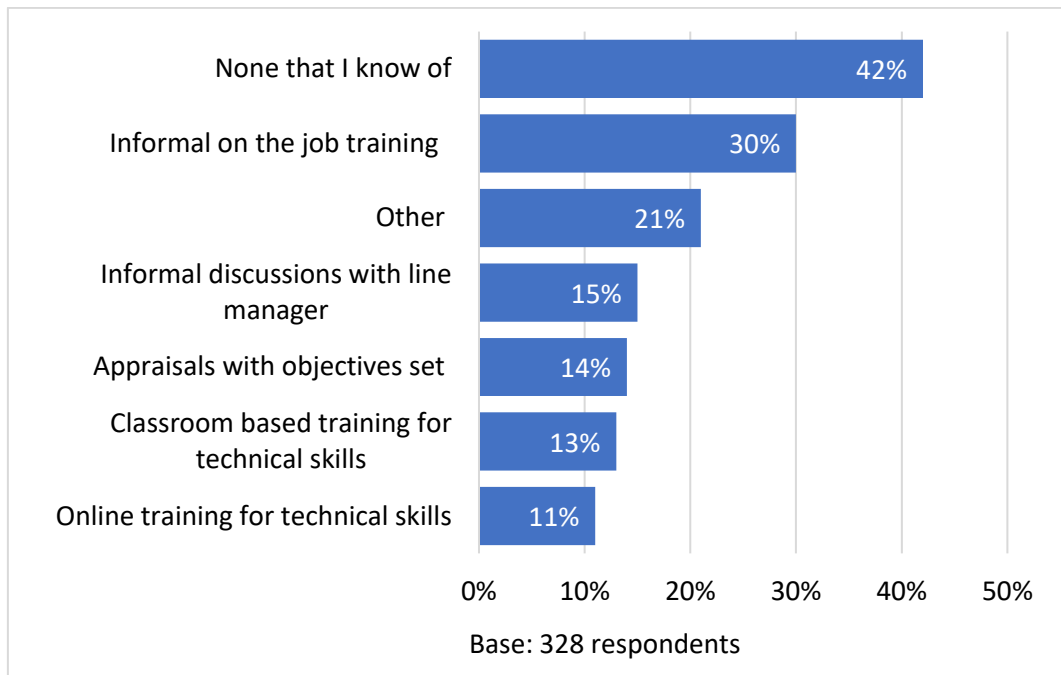
In spite of change in the twenty-first century and a determined long-term effort to recruit females, the culture of the construction sector remains one of robust masculinity and this also works to make the retention of the over-50s more difficult. The mainly-male cohort of over-50s tends to avoid anything which might be interpreted as weakness by their managers and colleagues – especially the younger ones – which mitigates against them requesting shorter working hours, flexible working, lighter work, or mechanical assistance.

### **3.2.4 Skills and training needs**

One of the main employer perceptions of the over-50s is that they lack up-to-date knowledge and skills and that they tend to be unwilling to up-skill – especially if that requires attending courses away from their home area.

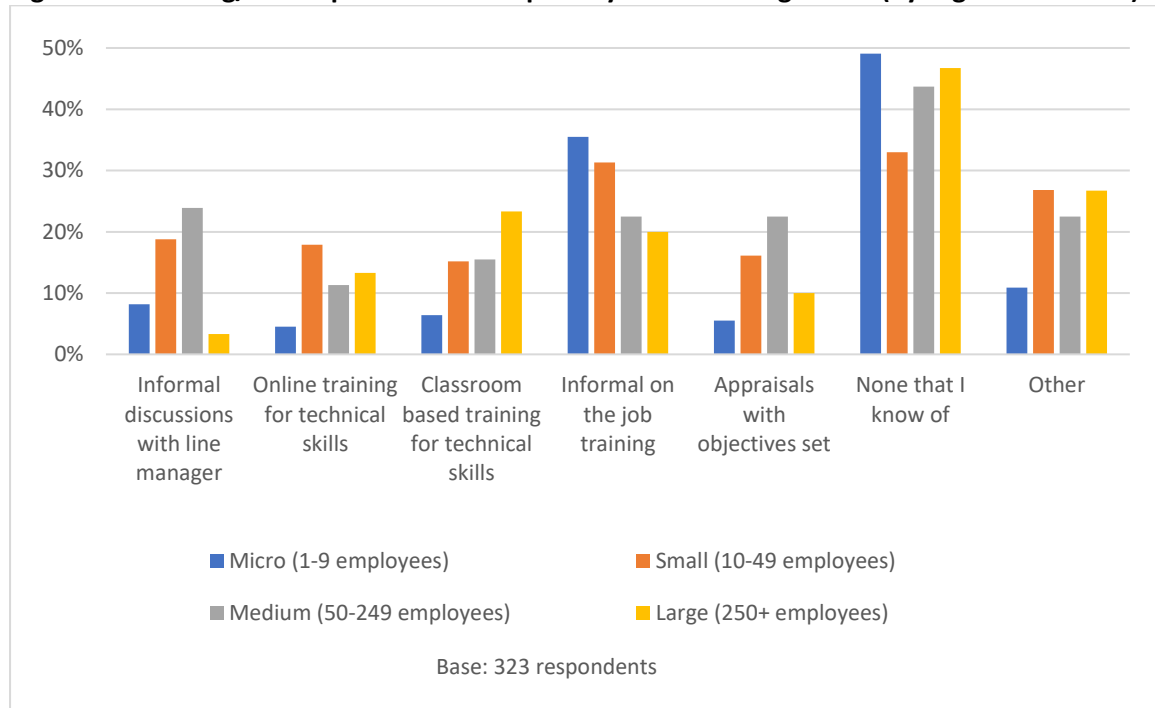
Almost half the employers we spoke to could think of no training or career development that was specially provided for the over-50s. Around a third spoke of on-the-job training on an informal basis but only a few could point to technical skills training of any sort.

**Figure 16: Training/development offered specially to workers aged 50+ (employers)**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

Of the companies we spoke with, we found that with increasing business size, there was an increase in the proportion of employers offering classroom-based learning, while conversely there was a decrease in the proportion of employers offering informal on the job training.

**Figure 17: Training/development offered specially to workers aged 50+ (by organisation size)**


Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

In addition, a greater proportion of employers in Scotland offer informal training or informal discussions (60%) compared to those based in England (44%) and Wales (24%); a higher proportion of English employers provide online or classroom-based training or hold appraisals and set formal objectives.

The over-50 employees said they need such things as

- technical skills,
- design skills,
- up-to-date construction techniques,
- supervisory skills,
- health and safety skills, and
- computing/IT skills.

A few mentioned that they felt most training was designed for younger people and that the specific needs of older, more experienced workers were not considered or catered for.

For their part, the employers said that they give informal discussions, on-the-job training and appraisals to the over-50s. Around a third of the employers who answered the question (a minority of those responding to the entire survey) said that they also supply technical training to the that age group.

**Figure 18: Training/development offered to workers aged 50+ (employees)**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

Some employers mentioned that they see workforce culture in the industry as driving the perception that workers aged 50+ are less likely to want and need training, when in reality, training is valuable for all ages. Several said that managers need to make sure that training really is offered to everyone, and that workers over the age of 50 also need to know that they can ask for training on the basis that they are genuinely eligible for it.

The way in which training is delivered can have a demotivating effect on older workers. For example, one employee told us that tutors on a recent course had simply not understood that he and several other attendees already knew a great deal of what was being taught and that their experience meant the material could be delivered much faster and in greater depth. Instead, he said, the course material was presented at a “snail’s pace” and the time expired long before the older attendees had managed to get their own questions answered and needs met.

The issue of knowledge and skills is clearly a slippery slope: older employees seen as not requiring training – they, themselves, not asking for it – all leading to a gradual decline in their capability as compared to younger workers and resulting in a general perception (among young and old workers alike) that the older operatives are on their way out and are not as valuable as the younger cohorts.

Other employers argue that workers aged 50+ feel isolated or unskilled because they are not familiarising themselves with up-to-date technology – which could range from using an intranet, to doing personal admin online, to other forms of digital communication and work monitoring. One

older employee told us that he *“can use a drill but these pad things are beyond me.”*

The slippery slope leads to lower self-esteem and lower capabilities among older workers and justifies employer perceptions of lower value and an inexorable drift to retirement.

The over-50s, themselves, see several major challenges in overcoming this process. The major one, not surprisingly, is the reduction in their physical capacity and the invidious comparisons with their younger colleagues, but they also were concerned with the lack of training which would potentially extend their careers and usefulness in the sector. Employees mentioned such things as:

- Supervisory training
- Training in Product Management
- IT training
- Technological advances in the crane industry which will require further training
- New legislation

Obviously not everyone can move into management or technical roles, and many employees mentioned that they would value employers sourcing more mechanical aids.

Employers place the use of new technologies – particularly pads, the cloud, and mobile apps – at the top of the skills they’d like the over-50s to be able to demonstrate. Equally important are management, leadership and mentoring.

The same employers regard BIM, virtual reality, augmented reality and robotics as unnecessary.

It could be argued that the things regarded as important in new technologies – pads, the cloud and mobile apps – are now actually old technology. All three have been in mainstream use for the past five to ten years even though construction is only just beginning to accept and deploy them. Genuinely advanced technologies which are beginning to impact upon construction such as BIM, robotics, drone usage, virtual reality, and augmented reality are regarded as unnecessary for the over-50s by around nine out of ten employers. The speed with which construction in the UK can keep up with emerging technologies is constrained by the speed at which employers take up the possibilities and begin to adopt them.



**Table 7: Employers' priorities in skills and knowledge for the 50+ cohort**

	Base	Essential	Desirable	Not necessary
<b>Advanced IT Skills</b>				
Understanding of new technologies e.g. 3D printing	251	13%	20%	68%
Use of Building Information Modelling (BIM)	236	4%	12%	84%
Awareness/understanding of Building Information Modelling (BIM)	235	4%	12%	83%
Augmented reality training e.g. headset	222	1%	4%	96%
Use of robotics	230	1%	7%	92%
Awareness/understanding of robotics	230	1%	5%	94%
Virtual reality design	226	1%	4%	95%
<b>Total</b>	<b>1630</b>	<b>4%</b>	<b>9%</b>	<b>87%</b>
<b>Basic IT Skills</b>				
Use of iPads	269	23%	23%	54%
Use of the cloud	236	12%	20%	68%
Use of mobile apps e.g. tracking productivity	239	13%	25%	62%
<b>Total</b>	<b>744</b>	<b>16%</b>	<b>23%</b>	<b>61%</b>
<b>Supervisory</b>				
Leadership	226	16%	29%	55%
Management	226	16%	29%	55%
Mentoring	224	16%	30%	55%
<b>Total</b>	<b>676</b>	<b>16%</b>	<b>29%</b>	<b>55%</b>

Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

**Skills and pathways**

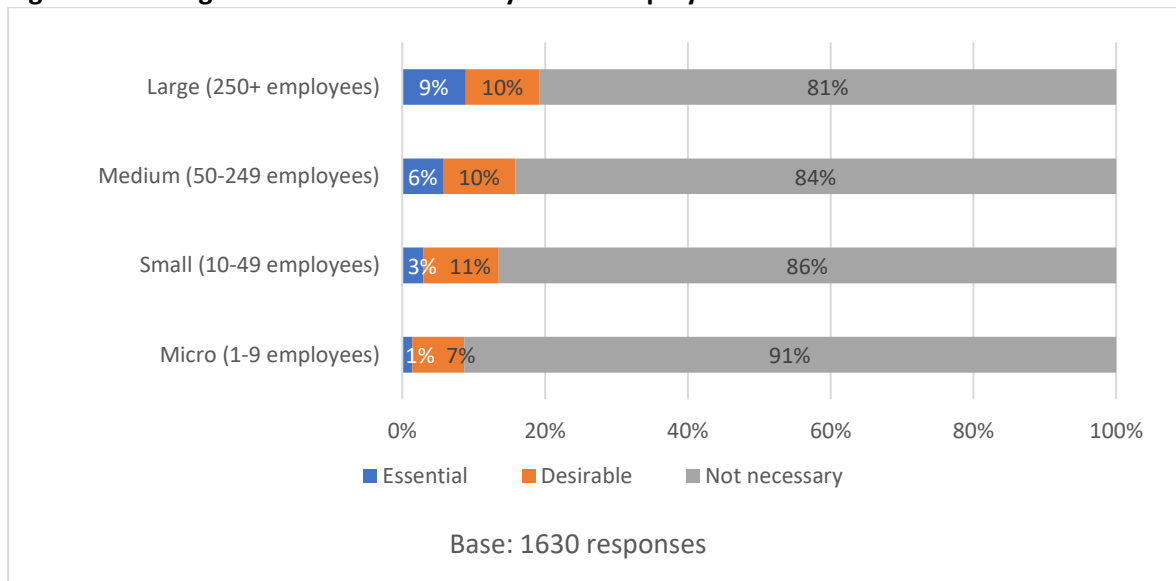
As evidenced from the above Table, employers were asked to rate specific skills and knowledge as ‘essential’, ‘desirable’ or ‘not necessary’. These individual skills can be clustered together to form three sub-groups:

- ‘Basic IT skills’ - use of iPads, mobile apps, the cloud
- ‘Advanced IT skills’ - use of AR, VR, BIM etc.
- ‘Supervisory’ - leadership, management, mentoring

These could arguably showcase three contrasting routes for employees to follow, dependent on both their organisation’s requirements, and their own personal skills and knowledge.

Looking at the ‘Advanced IT skills’ route, firstly, it was observed that the larger the organisation, the higher the proportion of employers who perceived such skills to be necessary. A similar trend was observed for both the ‘Basic IT skills’ and the ‘Supervisory’ skillsets by employer size. This is perhaps unsurprising given the greater breadth and depth of the operating scales of large companies.

**Figure 19: Rating of ‘Advanced IT skills’ by size of employer**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

When examining the demand for such skillsets by nation, there was a slightly higher demand for advanced IT skills in Wales (18%) compared to England or Scotland (12%). The opposite was true when considering basic IT skills, with Welsh employers being the largest by nation to rate these as not necessary (69%) compared to England (60%) or Scotland (58%). There was a notable difference between employers from the three nations in their requirements for supervisory skills, with nearly half those in England (47%) rating these as desirable or essential, whereas fewer than one in three Welsh employers answered similarly (30%).

**Table 8: Rating Skills Pathways by Nation (Employers)**

	England	Scotland	Wales
<b>Advanced IT skills</b>			
Essential or Desirable	12%	12%	18%
Not Necessary	87%	87%	82%
<b>Basic IT skills</b>			
Essential or Desirable	40%	43%	31%
Not Necessary	60%	58%	69%
<b>Supervisory</b>			
Essential or Desirable	47%	39%	30%
Not Necessary	53%	62%	70%

Base: 3030 responses

Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

In general, the extended answers from employers showed that they want the over-50s to have a good grasp of what might be called old-technology and basic skills – including such skills as:

- A basic understanding Microsoft Word/Excel
- Good Maths and English
- Smart phone usage (diary, maps, notes, contacts, Facetime, etc.)
- Laptop/pad usage (apps and typing plus use for emails)
- New techniques and tools within their job-role (e.g. new equipment usage, awareness of new building techniques, etc)

From other research, these skills also appear high on the skill needs for younger employees too.

As can be seen from Table 7, however, employers generally did not see the over-50s as needing or being valuable in having more advanced understandings of new technology.

In-depth interviews with employers suggested that companies are well aware of the need for continued skills training and development. In some cases, the physical nature of construction work can take its toll and a sideways move into a different role might be required; this would be accompanied by the need to learn new skills and processes. However, employers acknowledged that not all workers will necessarily have the desire to move into, say, a supervisory role.

*Some will go to other jobs usually still within construction but perhaps in a more management role.*

*It's down to whether employees have the will or ability to move or up/re-skill. Some workers have a high quality of work but wish to stick with what they know and be productive.*

Stakeholders we spoke with also highlighted that different sideways options are available to the construction workforce, for instance, managerial or teaching roles, though some re-skilling might be required.

It is clear that teaching is not for everyone. However, one major player in the teaching of Construction in the Further Education sector, who had already tried to set up informal arrangements to help those near to retirement to reduce their working hours in the industry and undertake some tutoring/teaching, suggested that a more formalised approach to set-up and publicise routes and pathways would be useful. They saw a number of spin-offs such as bringing new ideas into teaching, bringing industry and education closer together and of course avoiding that cliff edge of working one day and retirement the next. With the introduction of Technical programmes and T Levels, this approach – as confirmed by the CEO of a major construction contractor – saw a strong two-sided benefit from this arrangement in 1) helping the next generation with direct experience and skills and 2) in easing the transition from work to retirement which can be a major concern to individuals reaching the age of 60/65 having spent a lifetime of delivering challenging projects/schemes.

Several also commented on the increasing need to upskill workers on digital skills and technology to help drive innovation and productivity.

*Workers over 50 can be a part of major innovation.*

*We need to arm the workforce with automation and digital skills. The industry should be considering pathways for older workers, to encourage them into teaching and assessor positions, there is a skills deficit and shortage of good occupationally qualified lecturers and assessors.*

*If workers move into other areas of the business, it is likely they will need some new skills, either technical in how to perform the job, or soft / communication skills, as all roles and sectors can be quite different.*

### **3.2.5 Working conditions and capacity to change them**

The survey and in-depth interviews with all participants revealed an industry in which only a small number of mainly larger companies are willing to offer different working conditions in order to retain the over-50s. This probably reflects the fact that larger companies tend to have a wider variety of job roles and proportionately more supervisory, technical and managerial roles into which people in that age group can be moved once their health or age render them unsuitable for mainstream operative roles.

Smaller construction companies may not have sufficient flexibility in their workforce to be able to easily find different roles, and the individual capability of specific over-50 personnel may also mitigate against movement away from the tools and into technical and supervisory roles.

Based on the large body of literature saying that flexible working is a popular option for workers aged 50+, making flexible working more commonplace could, *in theory*, be a successful strategy to encourage workers over 50 to remain in the workplace, in either full or part time roles, as could moving people off the tools into other roles such as assessors or mentors. This, however would depend very much on the type and size of company. In certain sectors (scaffolding for example) the physical demands are particularly severe (working with heavy materials at height) and the average size of company does not permit many job roles to be set aside for supervision, technical duties or lighter work.

The UK's DWP issued figures in 2015 showing that almost half the over-50s in the construction industry would prefer shorter working hours. The figures were quite high across all nine sectors surveyed and this is, perhaps, not surprising – shorter working hours are an extremely attractive option for most people.

**Table 9: Proportion of workers preferring shorter hours (by sector)**

	18-24	25-49	50-64	65+
<b>Construction</b>	21%	39%	48%	31%
<b>Education</b>	20%	37%	39%	13%
<b>Finance</b>	24%	45%	50%	20%
<b>Health &amp; Social Care</b>	20%	32%	38%	22%
<b>Hospitality</b>	17%	27%	33%	10%
<b>Manufacturing</b>	20%	38%	50%	27%
<b>Public Administration</b>	11%	36%	44%	16%
<b>Retail</b>	18%	33%	41%	19%
<b>Transport</b>	18%	37%	46%	23%
<b>Other Sectors</b>	22%	38%	44%	23%
<b>ALL</b>	19%	36%	43%	21%

Source: Statistics on Older Workers by Sector; DWP; March 2015

Workplace culture is also an area in which change could benefit the over-50s – perhaps by focusing on inclusive attitudes and recognising that older workers may have attributes, skills and knowledge

of value to the company. This might assist in defusing what is seen by some older workers as the age bias.<sup>36</sup>

Other potential interventions to ameliorate working conditions for older workers as identified in the literature, are:

- Identifying equipment and materials relevant to ‘older workers’ and ensuring that these are used wherever possible to ease the physical burden of the work;
- Job accommodation (adjusting tasks so that they can be performed by an elderly operative or while an injured worker recovered);
- Job accommodation (reserving certain tasks for older workers);
- Planning work schedules that ameliorate the physical demands on older workers;
- Providing additional training to bring older workers up to date<sup>37</sup>

However, the qualitative evidence from the survey and interviews questions how feasible some of these options are in practice.

*People talk quite glibly about taking workers off the tools and putting them into a supervisory/training role, or similar, once they reach a certain age or the job becomes too physically demanding. In reality, the workers often don't have the skills or appetite to make that transition.*

*Our company is just too small to have enough roles for them to move into.*

### Awareness of flexible working opportunities

In order to evaluate the amount of flexible working which might be possible and available, both employers and employees were asked a question on the subject. Employees rated their awareness of flexible working possibilities at 8 out of ten. With a mode of ten this question revealed that flexible working is well understood as being a possibility by employees aged over fifty.

Employers, on the other hand, were more ambivalent about the subject. While virtually all who were interviewed were aware that flexible working was a potential means of retaining the over-50s, most said that they find it very difficult in practice to offer it and to make it work for both the employee and the business.

Several employers said, for example, that flexible working is very difficult, due to site conditions, work planning, and client expectations. Even where there is an appetite from employer and employee for this approach it is often made impractical by the need to meet strict production deadlines, or even to take into account curing and setting times for various cements, grouts and

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<sup>36</sup> BITC (2017) Toolkit: Non-traditional incentives: Engaging you older employees beyond pay

<sup>37</sup> BCITO (2013) Older workers in the construction industry

adhesives. One employer told us that such things as the delivery schedules for materials, timings for the collection of skips, and even the hire periods for equipment, can make it almost impossible to offer certain staff flexible working.

### 3.2.6 Different circumstances for self-employed workers

Research published in 2015 found that 42.9% of the UK's self-employed workforce was over 50.<sup>38</sup> A more recent study said that self-employed workers have “*scant access to opportunities for training and upskilling.*”<sup>39</sup>

This is in comparison with employed workers, who can access this through their companies, or where their companies fund the training.

The self-employed make up a substantial proportion of the UK construction sector. Depending on the source this can range between 40% and 50% of all sub-management level workers. This has implications for training but – crucially – for efforts to retain the over-50s. Most self-employed are one-person operations. When poor health or physical issues make continuing in their main role a problem there is little opportunity for flexibility in hours or a change in job role.

Many self-employed are independent traders and a majority of these work in the domestic arena. For these self-employed there are opportunities to arrange the work to suit themselves but this is not as possible for those who sub-contract to larger companies.

Self-employment, therefore, has its own built in obsolescence mechanism which cannot easily be countered by such approaches as flexible working or a different job role. Where they are used by other companies as sub-contractors, the self-employed can, of course, negotiate their own working hours and other terms but the work role is generally exactly the same as that for a full-time employee of any age – whether it be in roofing, bricklaying, plastering, joinery, or any other construction role.

*I'm self-employed so when my health gets worse I'll just have to give up and go and work for the local supermarket.*

Going self-employed has attractions for older workers, as it presents opportunities to work when and where you choose.

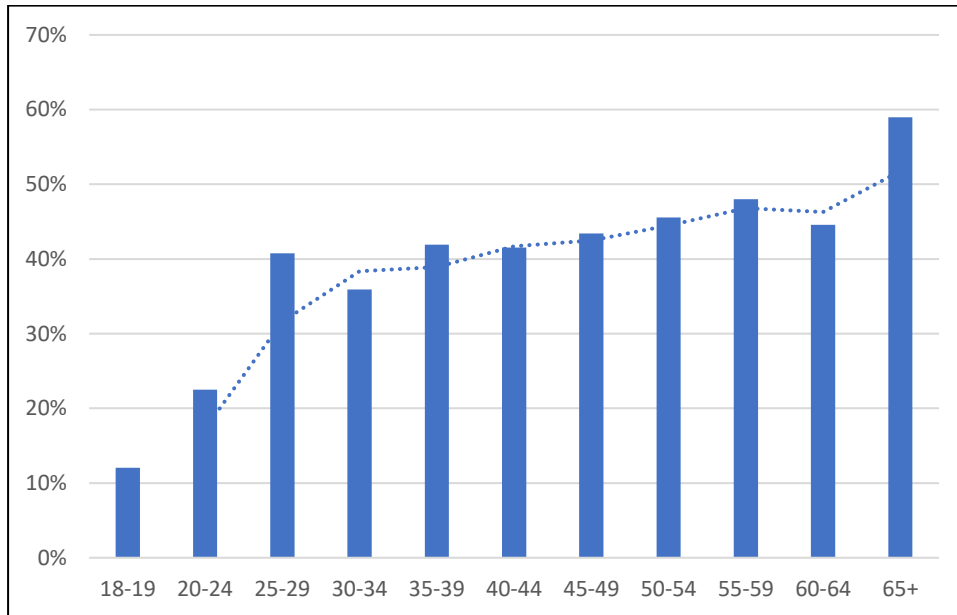
The charts below indicate the trend towards self-employment the older the worker, with the higher incidence in the age group 55 to 59 (48%- 105,322 as a proportion of 219,443 – using ILO basic economic activity).

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<sup>38</sup> Business in The Community (2015) The Missing Million: Recommendations for Action

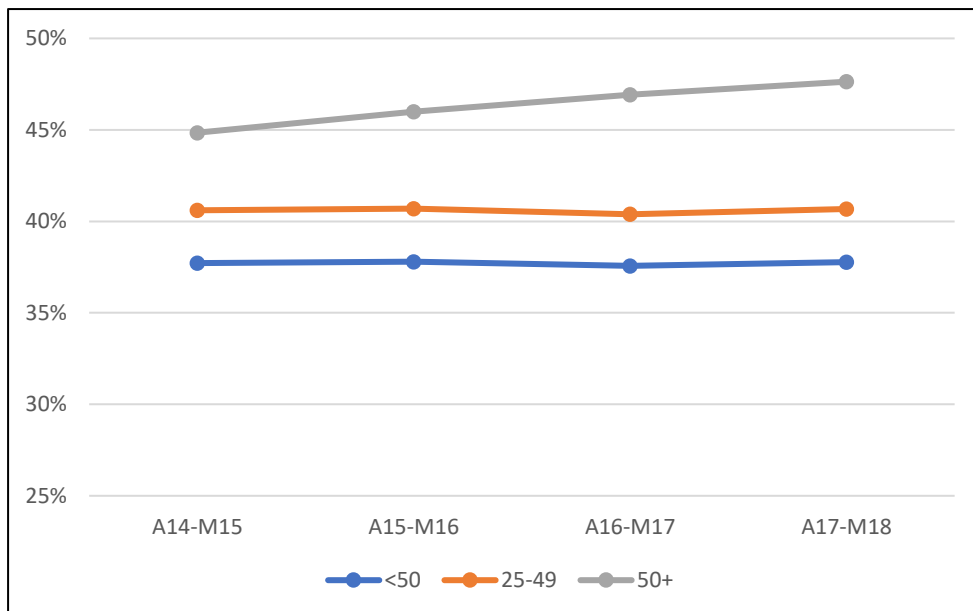
<sup>39</sup> RSA (2018) Venturing to Retire: boosting the long-term savings and retirement security of the self-employed

**Figure 20: Self-employment in construction by age 2017-2018**



Source: Annual Population Survey, April 17-March18, ONS

**Figure 21: Self-employed across the age groups in Construction – 2014-2015 to 2017-2018**



Source: Annual Population Survey, April 17-March18, ONS

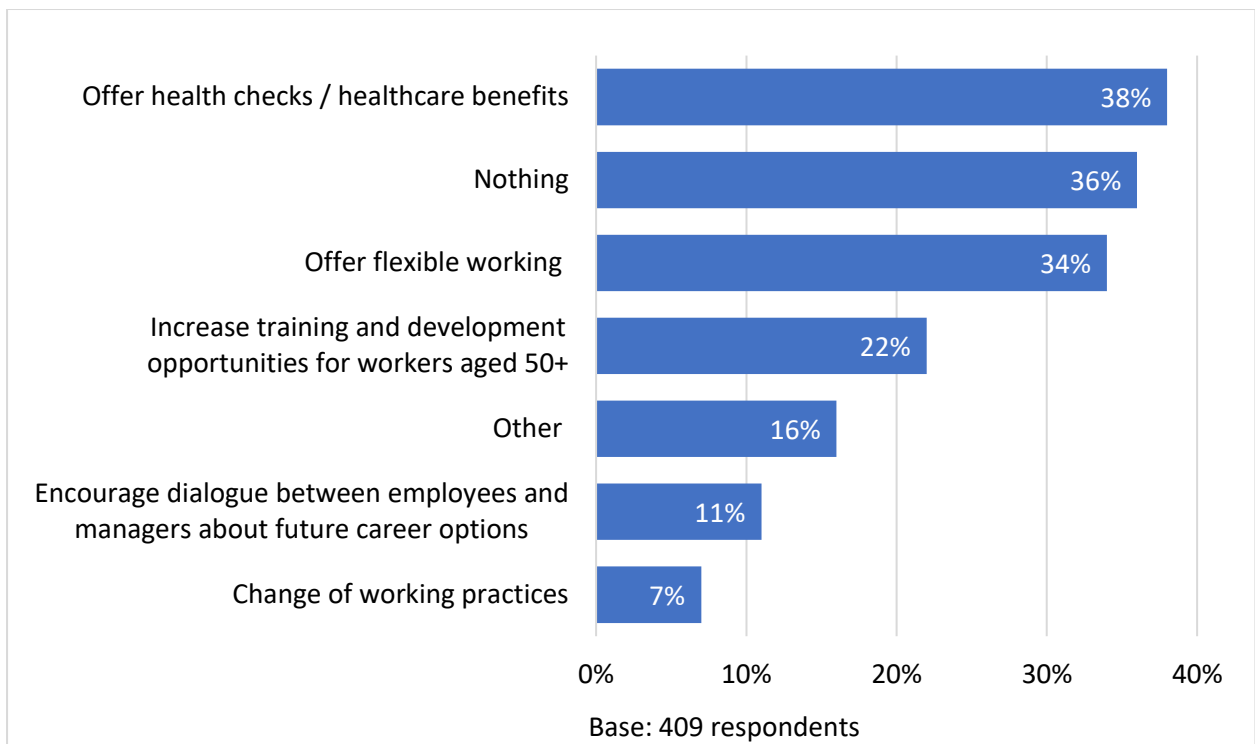


### 3.3 Enablers for 50+ recruitment and retention

With a view to understanding how employers and employees feel about what can be done to encourage the over-50s to join, or to retain them, we asked a number of questions about possible interventions.

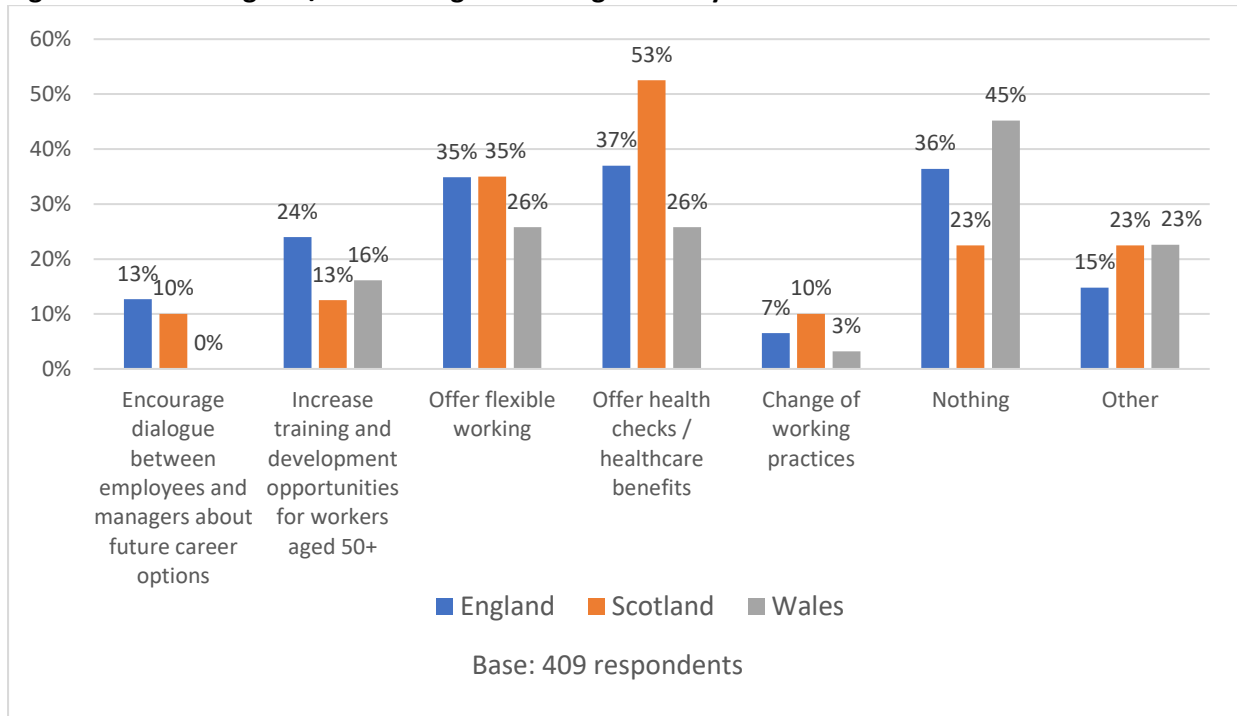
Most employers gave health checks and healthcare benefits plus flexible working as their top two suggestions; indeed, over half of Scottish employers (53%) believed offering health checks would incentivise workers to remain longer in the industry. Around a quarter pointed to the possibility of additional training. Larger businesses were more likely to suggest this point, with 40% of this group stating that more training and development would be beneficial for over 50s.

**Figure 22: Attracting and/or retaining workers aged 50+**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

**Figure 23: Attracting and/or retaining workers aged 50+ by nation**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

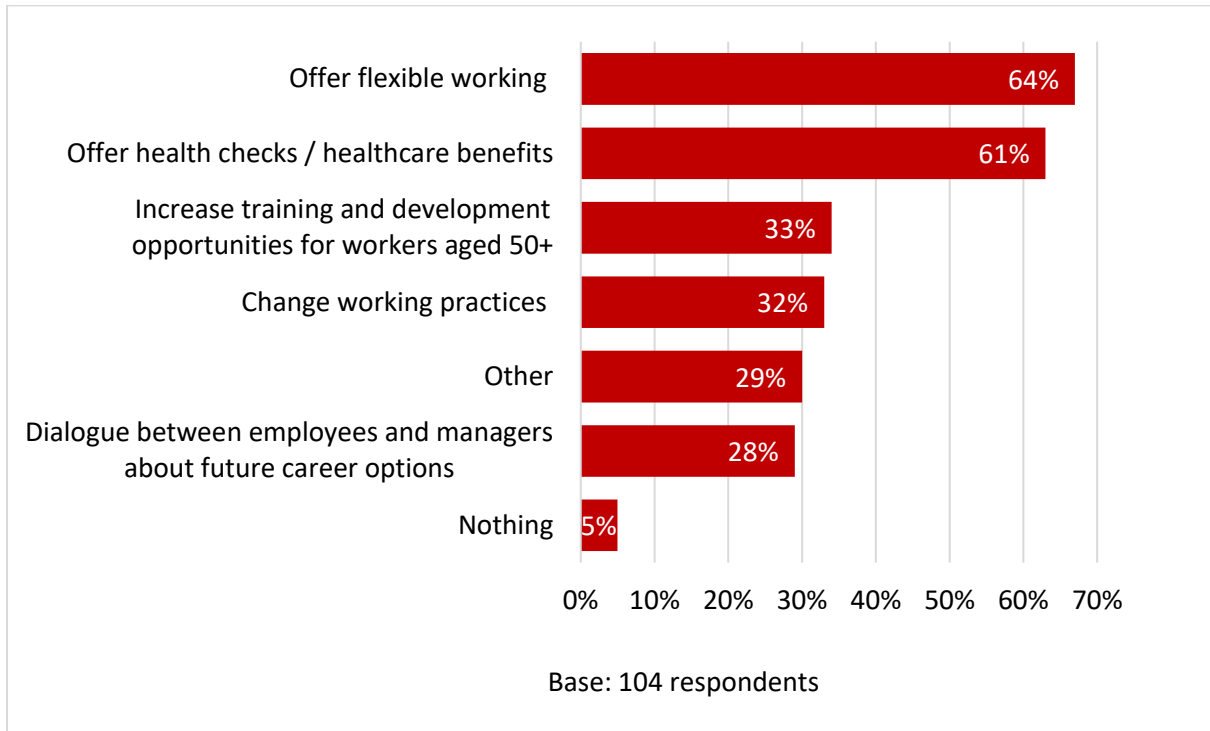
In their extended answers employers also suggested such approaches as:

- Regular appraisals – focusing on knowledge and skills gaps, and possible forward-facing routes within the company
- Up to date IT training – up-skilling so that older workers are not “left behind” by younger staff
- Job sharing where two or more over-50s share a single job to provide the employer with full cover and the individual workers with a more manageable life-style
- Easier access to the CSCS card for older workers
- Offering mentoring and training roles so that they pass on their skills/knowledge
- Pairing older workers with apprentices

*We do offer our workers regular Health Checks, ongoing job security, longer work contracts and part time employment opportunities*

Employees – in their separate survey – generally agreed, with flexible working and health care being at the top of their list of suggestions. Additional training and different working practices were also mentioned – in the case of the employees by around a third of respondents.

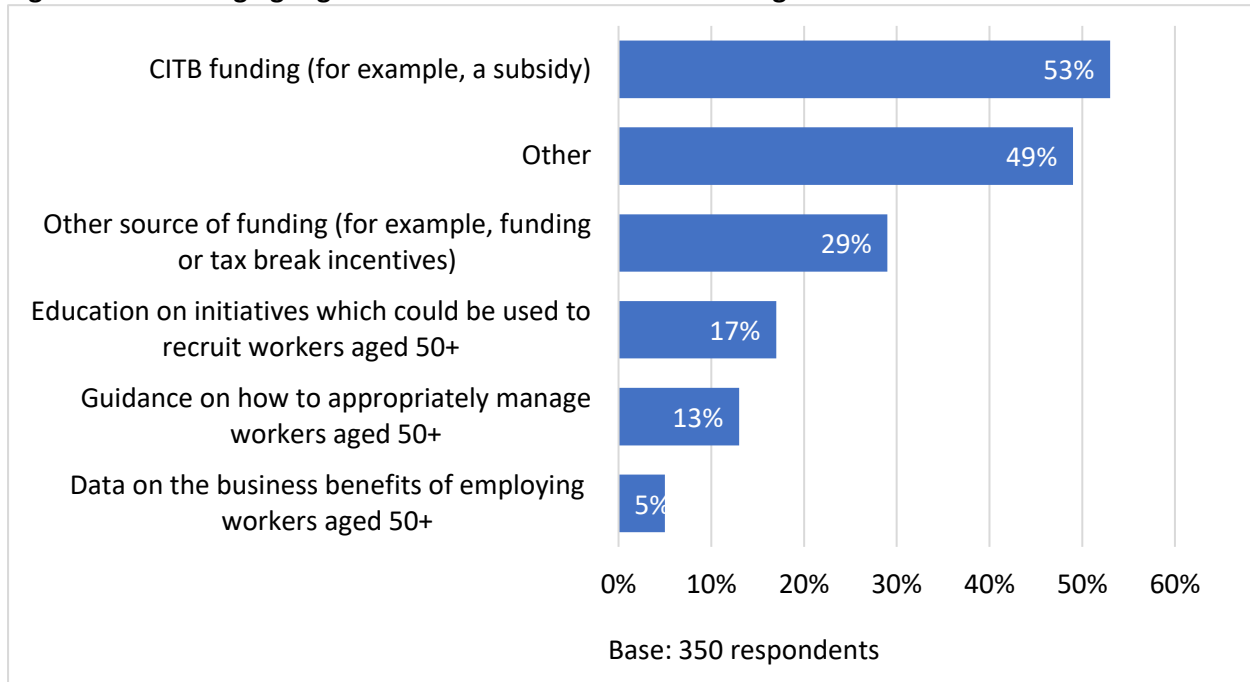
**Figure 24: Actions to encourage retention of workers aged 50+**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

When asked what might encourage them, as employers, to take on more workers aged over-fifty the majority of employers suggested funding or tax breaks with only a minority saying they would like more guidance on how to recruit, manage and use the over-50s. No notable difference was observed in this trend by business size or by nation.

**Figure 25: Encouraging organisation to take on more workers aged 50+**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

### 3.3.1 Changes to working practices and conditions

While the ageing process is a natural part of life, there are things that both employees and employers can do to prolong a satisfying working life in the construction industry.

In many cases it is possible to strengthen workers physically through a programme of planned exercises. A recent report from the British Medical Association said that occupations which had traditionally suffered from poor health – e.g. road transport and construction – could be made healthier through programmes of physical exercise and a balanced diet. The objective is not merely to prolong working life but, primarily, to prolong a satisfying and rewarding *personal* life for the employee by reducing body fat, strengthening muscles, and reducing damage to such faculties as hearing and eyesight.

In the construction sector physiotherapy is often necessary to mitigate the impacts of older injuries and damage. Similarly, regular and frequent education on health and safety could ensure that older workers, in particular, learn about safer manual handling techniques, healthier living, and healthier eating and drinking.

However, as mentioned by a few employers, having the knowledge that changing one’s lifestyle might prolong and improve one’s life – both personal and working – does not necessarily mean this will happen.

A number of potential considerations would include: for example:

- attention to workplace and task design and adoption of flexible policies are key strategies to support the retention of the 'older worker' (age unspecified) in work (all industries)<sup>40</sup> – but it is not yet clear how widespread these approaches are in construction based on research to date;
- under the Flexible Working Regulations 2014, after six months of service, employees have the legal right to request flexible working. However, as previously stated, not all workers aged 50+ are aware of this and/or are willing to ask for it and employers may have very good reasons for not being able to acquiesce;
- the Default Retirement Age was abolished in 2011, which has made it easier for workers to remain at work after the age of 65 and harder for employers to remove workers on the basis of age<sup>41</sup> - however, it is not clear whether this is an issue in construction based on research to date;
- the Government has committed to raising the State Pension Age (SPA) in line with the increase in life expectancy. This provides an incentive for people to retire later.<sup>42</sup> However, raising the SPA alone will not avoid workers leaving the workplace early if they are suffering from ill health or a disability, if they are not given adequate support in the workplace or if they need to care for someone.<sup>43</sup>
- a research report into construction workers' views on health and wellbeing revealed that 96% already endeavour to work with good manual handling practices, ensure job rotation and use machinery in efforts to make their jobs easier, safer and healthier.<sup>44</sup> However, according to stakeholder and employer feedback for this study, this may be unlikely to have any impact on early retirement if the 'damage' (such as long-term illness or injury) is already done.

A CIOB survey in 2015 showed that a great many employers already have policies and procedures in place to permit them to retain and attract older workers, yet the loss of this cohort continues to increase.

*57% of respondents [to a Chartered Institute of Building survey] acknowledged that it was 'very important' to retain ageing workers ... [nearly 1000] stated that their workplace had measures such as flexible working, succession planning, mid-life career reviews or retirement*

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<sup>40</sup> British Medical Association (2016) *Ageing in the Workforce: A report from the BMA occupational medicine committee*

<sup>41</sup> Business in The Community (2015) *The Missing Million: Recommendations for Action*

<sup>42</sup> DWP (2017) *State Pension Age review*

<sup>43</sup> Business in The Community (2015) *The Missing Million: Recommendations for Action*

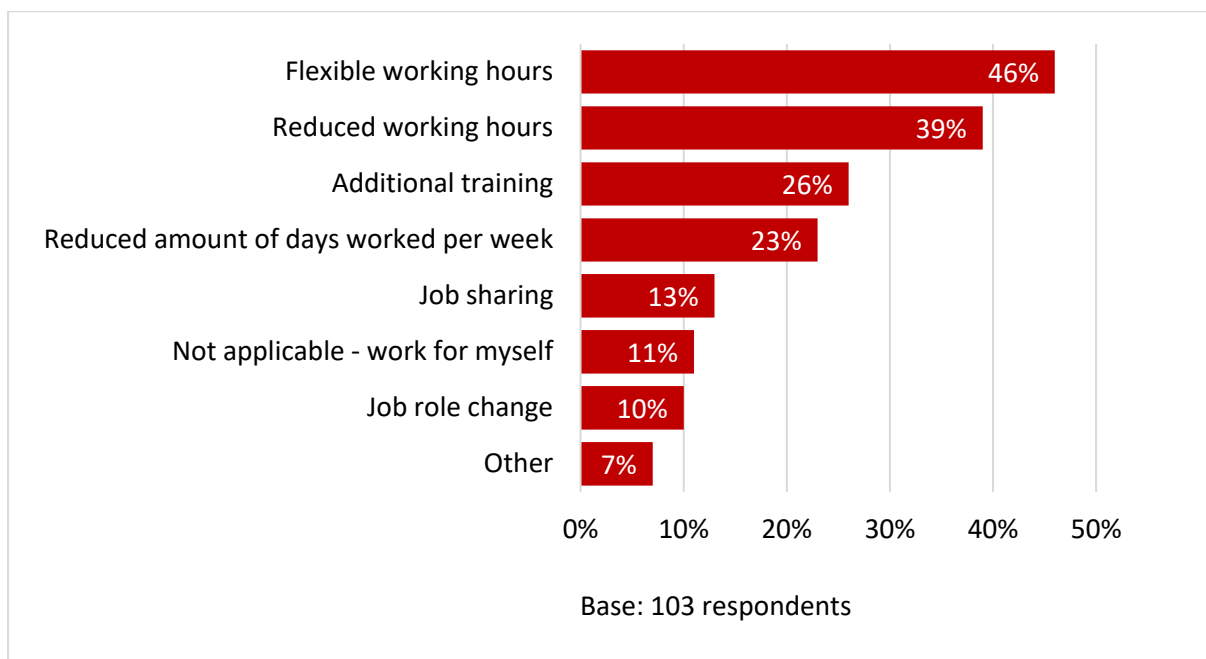
<sup>44</sup> Eaves, S et al (2015) *Building healthy construction workers: Their views on health, wellbeing and better working design*

*planning designed to encourage an extension to longer working lives*<sup>45</sup>

In their qualitative answers the employees also stressed the perceived need to more health care benefits. Some also mentioned more extensive training – especially in more effective working practices and techniques, IT and computer literacy, and self-care.

They also asked for management to be better trained in, and more aware of, ways of supporting and using the over-50s workforce and for different and improved machinery to help older workers be as productive as younger ones.

**Figure 26: Options that could encourage construction workers to stay longer**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

When asked what would encourage them to take on more workers over the age of 50 the vast majority of employers said that they would not need encouraging as they already either have or have taken on workers from that age group. Many of the answers stressed that they as employers do not discriminate on the basis of age. One said that they would see employers as definitely not having any bias against older workers because almost all are seeking experienced workers. Another said that they would not discriminate because most of their current employees are in the over-50s group. Only a very few indicated that they would definitely not employ over-50s – usually on the basis of the physicality of the work – *“We would not employ them. Sitting on a roof for five or six hours in the rain and snow is hard enough for the youngsters.”*

<sup>45</sup> CIOB (2015) *Older workers crucial to curbing construction industry skills gap, but not a substitute for investing in training, say CIOB* [Online] (Updated 10 December 2015) Available at: <http://www.ciob.org/media-centre/news/older-workers-crucial-curbing-construction-industry-skills-gap-not-substitute> [Accessed 25 April 2018].

In contrast, a number of businesses said that they would rather take on the over-50s as they are seen as being more reliable and having a better work ethic than younger people.

In-depth interviews with employers asked respondents what could be done to encourage workers to stay in the sector longer. Many of the answers focussed on promoting flexible working, either through working a reduced number of hours or days; businesses implied this could be incorporated without much trouble. Other companies were looking to reduce the physical burden on employees, by bringing in mechanical aids or robotics to assist with work. Some businesses also looked to reduce the burden on workers by reducing the amount of travel and time spent away from home, either through assigning more local projects, or by changing roles.

*Some staff have asked to work reduced hours towards the end of their employment, and that's something we can accommodate fairly easily.*

*If we can really leverage AI and robotics it could take out the physical nature of the job.*

*Some people have asked to have reduced hours and some people have asked to be office based rather than site based.*

Many stakeholders we talked with suggested that employees are simply not aware that they are entitled to request more flexible working e.g. for caring requirements.

*Not all workers are not aware that flexi working laws are there and relevant to them.*

One stakeholder gave examples of “reasonable adjustments” that could be made for construction sector workers, which are deemed to be not expensive or difficult to implement, even for SMEs:

- use mechanical lifting aids instead of doing it manually all the time;
- break quantities down into smaller amounts so that people have to carry less weight at a time;
- deliver materials to the precise place of work on site to avoid double handling;
- only deliver materials to be used that day rather than needing to handle/store larger quantities; and,
- use more offsite manufacture – cut panels etc. to exact size in factories rather than needing to do this on site.

The New Zealand study cited earlier (also see Appendix 5) listed a number of potential interventions to aid in the retention of the over 50s:

**Equipment and materials; e.g.**

- low-vibration tools;
- pre-mix mortar;

- prefabricated units;
- noise reduction equipment;
- kerblifting equipment;
- reduced weights/lifting - storing materials off-ground for easier lifting by appropriate equipment
- power hand tools;
- mechanical handlers;
- ladder assists;
- PPE;
- electrical hoists;
- access equipment (e.g. stair access on scaffolding);
- fall arrest equipment;
- comfort facilities (toilets and catering);
- block splitters;
- conveyor belts;
- long-handle shovels;
- vacuum lifters for glass; and
- mini-diggers.

#### **Job accommodation**

- E.g allowing more time to complete tasks
- shifting work schedules
- redefining job description to permit lighter work

#### **Pre-planning/work schedules**

- Efficient planning to reduce extended work hours and irregular work schedules

#### **Appropriate design and construction processes:**

- Architects and planners should take into account the risks to musculoskeletal health of the different available construction methods and materials

#### **Company health and wellness programmes**

- Health and wellness programs to help workers reduce health risks and occupational hazards.



## 3.4 Pensions

### 3.4.1 Overview of pensions

There are three main types of pensions:

1. **State pension:** at the age of 65 (rising to 66 in 2020), workers who have made the necessary National Insurance contributions over a given period are entitled to a basic flat rate State Pension. Certain workers may be entitled to a small increase based on their supplementary contributions or late-retirement.
2. **Workplace pensions:** these can be of a great many varieties but generally break down into two main types:
  - Defined contribution schemes: these are “pot based” and deliver a pension depending on how much is paid in by the individual and the employer; and,
  - Defined benefit: these are usually based on final salary and duration of employment with the employer. Such schemes can be very generous – e.g. a half or even two-thirds of final salary given pro-rata based on a twenty or thirty-year maximum period, or – more usually today – they can offer a limited but still generous pension – as with most public sector schemes.
3. **Personal pensions:** these can be paid into even if the worker has a workplace pension, and are defined contribution pensions.<sup>46</sup>

Pension funds cannot be accessed before the age of 55. There are typically two options once an individual reaches the age of 55 (although all schemes can vary):

- If an individual has more than £10,000 in their pension pot, they can claim a tax free lump sum of 25% of the fund. They can carry on contributing and carry on working if they so choose. Their pension pot cannot drop below £10,000 however.
- If an individual has less than £10,000 in their pension pot, or if it drops to below this after the tax free lump sum of 25% has been claimed, they must opt out and stop their contributions. The whole pension must be accessed at this point
- From 2015 an individual has the right to take their entire pension pot as cash in one go. However, only 25% of the pot will be tax-free and the remaining 75% will attract

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<sup>46</sup> SAGA (2015) *What are the different types of pensions?* [Online] (Updated 5 February 2015) Available at: <https://www.saga.co.uk/magazine/money/retirement/pensions/what-are-the-different-types-of-pension> [Accessed 24 April 2018].

normal tax for the particular individual.

For the main options, there is nothing to stop the individual from carrying on working either full or part-time, but for the second option they are unable to receive any further *employer* contributions, although they can make personal contributions.

Funds can be accessed earlier in the case of a serious accident or illness whereby they can no longer work (in any sector, not just construction), or in the case of terminal illness.

### 3.4.2 Accessibility of pensions as a barrier or enabler

#### ***Not enough money***

According to financial advisers specialising in the construction sector, most self-employed people probably do not have any kind of pension and are more likely to invest in property which can be sold at a later date to provide income. The state of the housing market may, therefore, act as a push/pull factor in terms of leaving the sector early. For individuals over 50 who have invested in property a favourable housing market may incentivise them to sell up and leave the sector. Conversely, a flat market may encourage them to stay longer.

A pension will allow access from the age of 55. Stakeholders believe that, for most construction sector workers, this would not release enough to live on as most people don't set them up early enough, or haven't sufficient contributions. There is an option to take the tax-free sum, pay off the mortgage and do some form of part-time work, but not take income from the main pension until they reach retirement age.

Crucially, this cannot be said to either help or hinder the industry's attempts to keep older workers.

means that construction sector workers could elect for a different job which is "*less stressful with flexible hours*", so even though they *can* continue in the construction sector, they may leave to go to something else.

#### ***Lack of awareness***

Research published in 2015 found that 27% of self-employed people (of 650 interviewed) have never received any advice about pensions from anyone.<sup>47</sup> Qualitative evidence from employers and employees interviewed to date, suggests some employees will not have a full understanding of their options – whether that be accessing part or all of the pension pot early, late retirement, or that they can access their pension and continue to work (either full or part-time).

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<sup>47</sup> Citizens Advice (2016) Shy of retiring: Addressing under-saving among self-employed people

### ***Umbrella companies***

If working under an umbrella company, self-employed workers must pay both levels of pension contributions (employer and employee). If self-employed workers set up their own limited company, they are not compelled to set up an auto-enrolment company pension scheme unless they meet the salary criteria – which is unlikely unless they employ other staff. Pension contribution levels (auto-enrolment) began at 1% for employers and 1% for employees, but have risen now to 3% and 2%. By 2019 the combined contribution will be 8%. In practice this means the vast majority of construction sector workers operating under umbrella companies simply opt out and don't have a pension at all unless they set up a personal one.

Policy may change at a national level, meaning that the workplace pension scheme (auto-enrolment) will be extended to include self-employed workers, but it is not clear if or when this will happen, or what such a scheme would entail.

### **Limited availability of final salary pension scheme**

The expectation among financial advisers and pension companies is that very few construction sector employees will have access to a final salary pension scheme. It may be on offer to some employees who have been in the same organisation for 30+ years, but would not be offered to new staff. For those that do have a final salary pension scheme, they are likely to work until the age of 65 or incur major financial penalties for earlier access.

## 4. The Mid-Career Review

### 4.1.1 Options

Between 2013 and 2015, the then Department for Business, Innovation and Skills (BIS – now BEIS) funded the National Institute for Adult Continuing Education (NIACE) to undertake a series of Mid-Life Career Review pilots. The pilots had different models to test with different groups. The aim was for the review to be purely focused on work and skills, rather than include financial advice around savings and pensions.<sup>48</sup>

Drawing on feedback from the Mid-Life Career Review pilots, Age UK published, in 2017, a discussion paper on creating 'MOTs at 50'. Having a career "MOT" appealed to 51% of those surveyed between the ages of 40-64, and 60% of respondents between the ages of 40-44.<sup>49</sup>

Age UK's MOT discussion paper suggests that an 'MOT at 50' should become a standard thing that people do when they turn 50. In this guise it would target the employee. The intended outcome is to ensure that people over 50 can remain in the workforce if they choose to, having full understanding of the skills and opportunities they have. The paper also put forward six different potential delivery models for the MOT at the age of 50:

- 1. The National Careers Service as a deliverer or commissioner:** Government would charge the NCS with developing a nationwide MOT at 50, with support from Pension Wise. NCS could deliver this centrally, or commission providers to develop their own MOT. While the NCS already has the expertise gained through work on the Mid-Life Career Review (MLCR) pilot, the scheme would need government funding.
- 2. A light touch pensions intervention:** An extension of the MLCR, encouraging people to check their entitlement and increase pension contributions.
- 3. A community learning model:** A two-session intervention led by local community providers. Session one would discuss future work and training responsibilities. Session two would be an individual discussion about pensions. Delivered nationally, the government would need to provide funding for delivery and staff training and ensure a consistent approach.
- 4. Employer led:** large employers should have a duty to offer the MOT to staff, and smaller organisations would be backed by government funding. There would be prescribed key features, but employers could tailor the details of it to their organisation.

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<sup>48</sup> Age UK (2017) Creating a 'Career MOT at 50': Helping people keep working and save for later life

<sup>49</sup> Ibid. N.B. The total number of people surveyed is unspecified

- 5. **Pension scheme led:** as part of automatic enrolment, an MOT could be offered at 50 to all members, through employers if appropriate, including careers, retirement and savings content.
- 6. **A combination of the above:** partnering key stakeholder organisations (NCS and UnionLearn<sup>50</sup>) with pension schemes and Pension Wise for pensions saving engagement.<sup>51</sup>

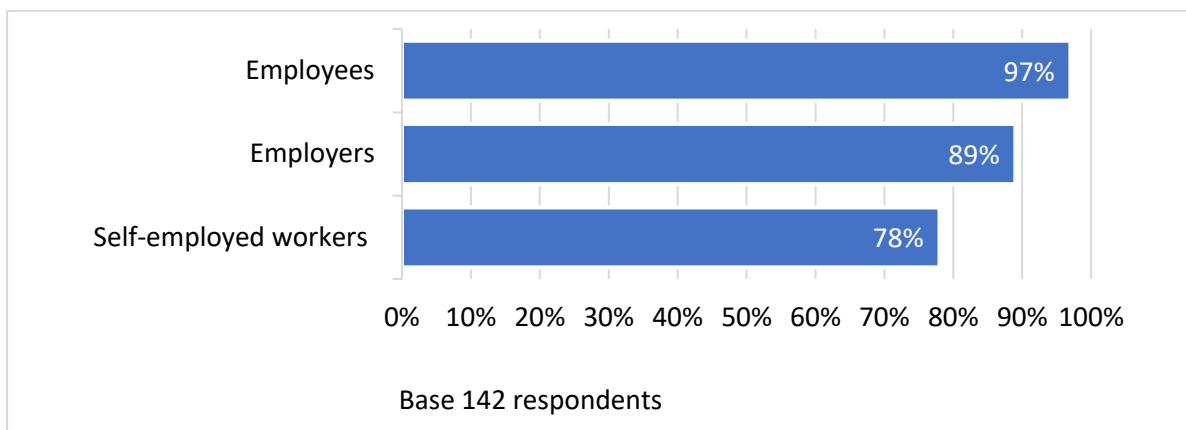
#### 4.1.2 Reception to a mid-life MOT

With this background CITB wished to explore the reaction to a mid-career MOT in the construction sector and questions were phrased appropriately and in line with the previous Age UK research. The findings of the survey and in-depth interviews quickly showed a degree of support for the concept but serious reservations about the terminology and the targeting.

As became evident, the industry and its individuals feel that “MOT” is a counter-productive term and that any career reviews should not be limited to age 50 plus.

Employers feel - regardless of their organisation size or location - that, if a mid-career review was to be instituted it should be aimed at all parties in the process but prioritising employees, then employers and finally the self-employed. Over 80 percent of employers would be very or somewhat likely to use the system, with nearly half of medium and large businesses (49%) very likely to do so.

**Figure 27: Targeting a Mid-Career Review**



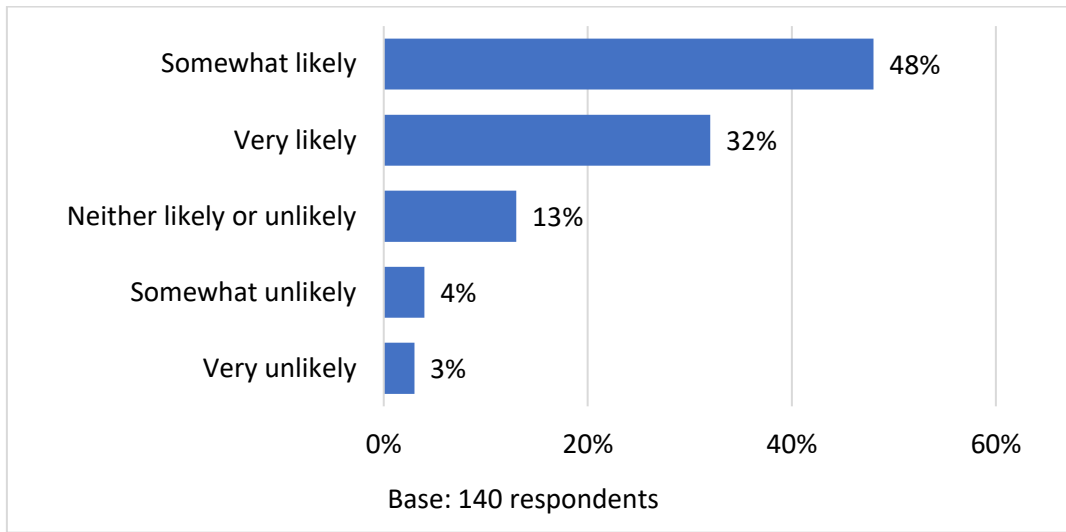
Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

For the same question, employees are almost exactly in agreement, with the exception that they see less need for such reviews for the self-employed.

<sup>50</sup> Union Learn has been training and supporting hundreds of Union Learn Reps to carry out Mid-Life Career Reviews “over recent years”. The intention is therefore that Union Reps would work directly with workers

<sup>51</sup> Age UK (2017) Creating a ‘Career MOT at 50’: Helping people keep working and save for later life

**Figure 28: Would employers use a mid-career review?**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

If it were to be introduced, employers agreed that it should take place around the age of fifty (the survey returned an average of 48 years of age but a mode of fifty). The same question to employees elicited an average response of 47 years of age and a mode of 50.

The question – by the nature of its phrasing – asked for a single age – as though only one review would take place. This may not be the best solution. The range of possible ages given by both employers and employees was between the ages of 30 and 50.

A small number of employers and employees suggested that it would be more valuable if it took place earlier in life or that there might be a programme of such advice at regular (say five year) intervals.

**Table 10: Approximate age for a mid-career review**

	Base	The average age	The most recommended age
The approximate age if a mid-career review was introduced	412	48	50

Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

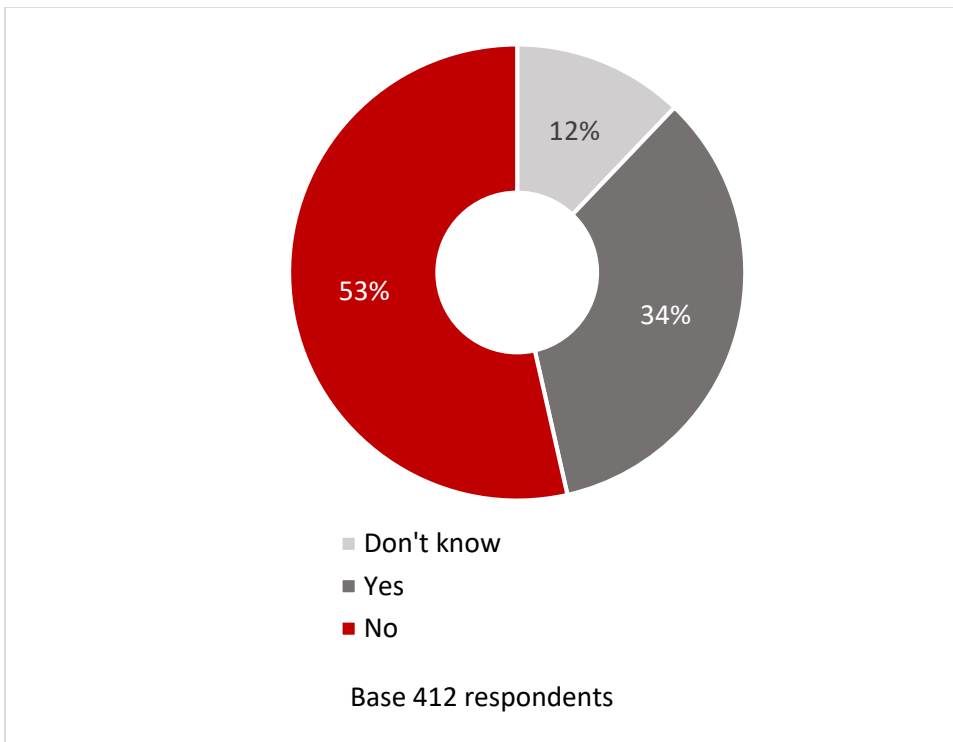
However, the employees were less enthusiastic. A little over half said that they would have no appetite for such a system with only around a third being positive about it. A few were scathing

about the name “MOT” arguing that, with its connotations of age and being in poor repair, it was not something which would attract older people.

A small number of employers made the suggestion the reviews should begin at age 40 and be regularly held at intervals through to retirement.

Only a third of employees who were involved in the survey welcomed a mid-career review.

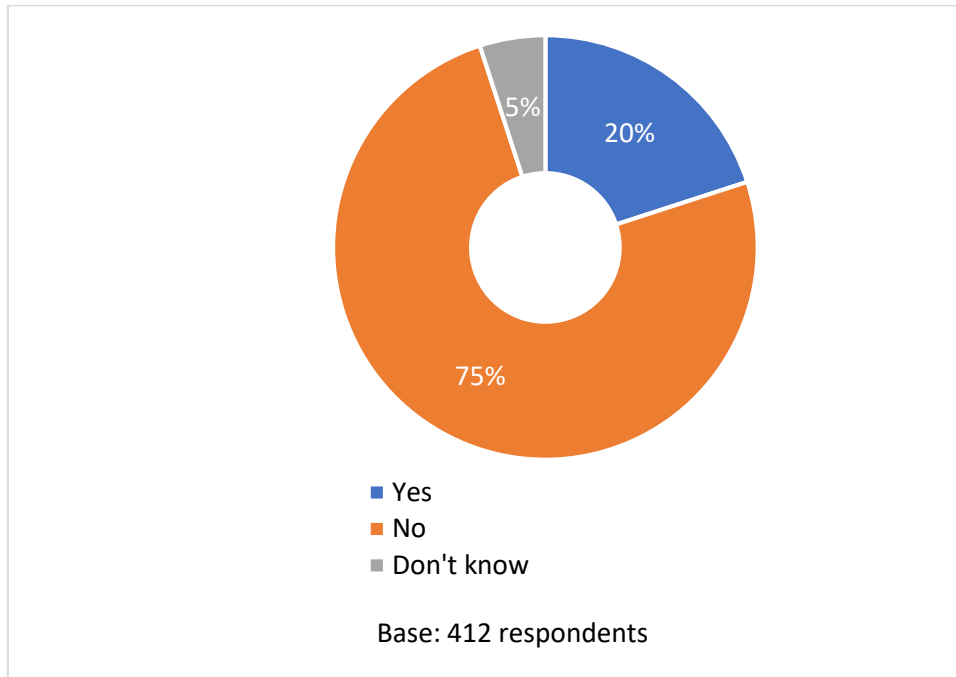
**Figure 29: Appetite among Employees for a Mid-Career Review**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

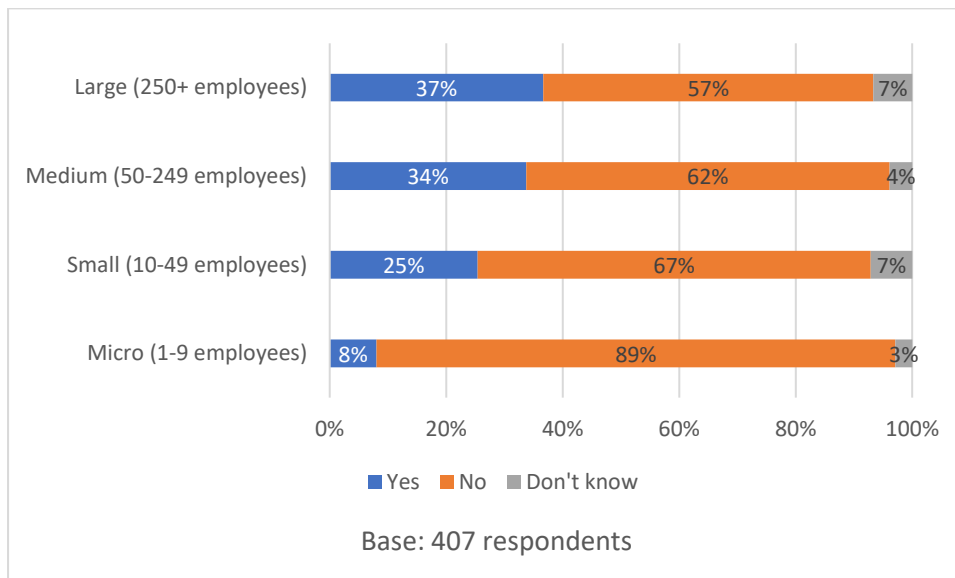
Only a fifth of companies are already taking initiatives similar to a mid-career review, although this was split across the country being more common in London (41%), East Midlands (36%) and Scotland (25%), and less so in West Midlands (4%) and North East (8%). This also scaled by organisation size, with a higher proportion of larger businesses (37%) telling us they offer similar initiatives already, compared to 8% of micro businesses. Most say they undertake additional appraisals and training reviews or health checks. Some offer flexible working or reduced days. Two employers specifically said they anticipate their employees being “insulted by the prospect of a mid-career review” and that “employees approaching 50 would not thank me for telling them they need an MOT”.

**Figure 30: Company intervention similar to a mid-career review for the over-50s**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

**Figure 31: Company intervention similar to mid-career review (by organisation size)**



Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

Almost all the features listed in the survey for a mid-career review were well-supported by employers. Perhaps understandably, risk of injury and health checks were placed at the top of their ratings. General discussions about finance, training and opportunities also scored well. The employers also suggested regular health checks and pension advice alongside the reviews. Flexible working arrangements and job sharing were also mentioned as subjects for discussion.



**Table 11: Employers' rating of features of a mid-career review**

	Base	Average rating	Most common rating
Health checks	412	8.4	10
Ergonomic assessments i.e. what could be done to minimise the risk of injury at the workstation	412	8.5	10
Discussion about career goals	412	7.2	10
Discussion about opportunities within the organisation	412	7.4	10
Discussion about training and development	412	8.0	10
Discussion about financial health and pensions	412	7.9	10
Retirement planning	412	7.4	10

Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

The employees who responded to the survey were a little less enthusiastic about these features but not by much. Health checks were also rated highly, as were things like retirement planning and training and development. However, the mode was eight and each mean score was a little below that given by employers.

**Table 12: Employees' rating of features of a mid-career review**

	Base	The average rating	The most given rating
Health checks	106	8.0	10
Ergonomic assessments i.e. what could be done to minimise the risk of injury at the workstation	106	7.7	8
Discussion about career goals	106	7.3	8
Discussion about opportunities within the organisation	106	7.6	8
Discussion about training and development	106	7.8	8
Discussion about financial health and pensions	106	7.6	8
Retirement planning	106	7.9	8

Source: Pye Tait Consulting Fuller Working Lives Survey for CITB; 2018

In the depth interviews conducted with employees, a strong theme which emerged was that any mid-career review should include more information and advice on financial planning, particularly with regard to pensions and retirement. Stakeholders interviewed agreed with this opinion, though believed such a review should be run independently. Comments were made in both these groups that discussions should begin earlier than 50 and focus on career-long learning.

*I'd be interested in financial planning and how much I need to save to retire, ideally quite early.*

*Pensions and savings would be the starting point.*

*It needs to be offered away from line management and be more centralised, due to the financial and personal aspect of part of it.*

Interviews with employers, on the other hand, suggested that this group believe that any review should instead focus on developing skills, and highlighting pathways for workers to move sideways into different roles. Several also commented that a focus on mental health and wellbeing would be beneficial too.

*You could show routes and paths to other occupations if you want to reskill/upskill.*

*Practical steps need to be taken to create a landscape where workers can see a career pathway to re / up skill while staying relevant to the workplace.*

*When workers get older, they may not want to sit in a cold crane anymore, and they may want to move into another aspect of the business, so having an MOT to see what training and career shift could happen would be beneficial.*

In the light of what has been said above, it should be emphasised that, although much has been written about the *concept* of the career MOT at 50, at the time of writing there is no evidence to suggest that any organisation in the construction sector has, or is considering, something of this nature and quite a bit of feedback from both employers and employees argues that it would be unwelcome as well as unnecessary in this guise.

Feedback from stakeholders, employers and employees to date suggests:

- Conducting the review at the age of 50 would be too late, there is a need to think about longer-term career prospects earlier than this, possibly as early as the mid-30s but certainly by age 40;
- Most respondents think a tool of this nature should be aimed at employees and offered in the workplace, but run by HR centrally, i.e. separate from line management's day-to-day duties. This approach would not, of course, be possible in smaller companies;
- However, employees may be suspicious of having this kind of conversation – thinking their jobs could be at risk if they admitted to health concerns. For it to work, employees say they would need a guarantee of confidentiality – but employers question how this could work in practice as they would need to know about any adjustments they should make to working conditions;
- Some respondents suggest that regular “career reviews” would lessen the negative impact of any specific focus on age yet still permit employers and employees to discuss career issues alongside any emerging concerns on both sides about health and ageing. Topics for discussion could include:

- Financial planning (especially pensions);
  - Mid to longer term career ambitions;
  - Planning for sideways job moves if necessary;
  - How workers can use their skills to achieve long-term career goals; and,
  - Planning ahead for possible ageing issues.
- 
- Negative feedback from employees appears (from in-depth interviews) to be driven by understandable personal pride and a desire for privacy. There was some resentment at the title “MOT” and a large degree of scepticism about the necessity for such review if directed solely at older workers. From employers, negative feedback seems mainly to be based on the fact that they see themselves as already providing the necessary appraisals, discussions and the availability of flexible working etc.

## 5. Conclusions

Fundamentally the UK construction industry must markedly increase the capital-to-labour ratio in order to ameliorate the labour issues discussed in this report and to increase productivity. This strategy is very obviously being pursued by several international players – notably the Japanese and Americans – through advanced design and project management techniques and the rapid introduction of new mechanical and robotic equipment. The overall industry strategy is outside the remit of this study, however, and will, anyway, need to extend over a lengthier period than that which is available to the UK industry to tackle its pressing labour issues.

This study was charged with answering a number of very important questions regarding the over-50s labour market in the construction sector.

Employment around and after the traditional retirement age of 65 for men has changed markedly since the change in the law which permitted workers to choose to continue in work after that age. Most sectors of the economy have seen an increase in post-50s in the workforce and a similar change in those aged 65+. Construction has experienced the opposite: a relative decline in numbers of over-50s and proportionate difficulty in getting those aged 65+ to remain in work.

The problem for construction is therefore two-fold: early leaving of the sector by those aged 50 and over AND a decided lack of people willing to continue working in the sector after normal retirement age. On top of that the problems which the industry faces at the other end of the age scale are making a potential crisis out of a problem. The industry is facing a double-whammy: fewer young people coming into the workforce and increasing numbers of the over 50s leaving it. Over the past ten years the issues have been masked by relatively large volumes of immigrant labour, but the underlying problems remain and there is the very real possibility that they may reach crisis proportions should Brexit prove to be a messy business.

We have reported the findings on the basis of the study's core objective and summarised as follows:

### 5.1 The post-50 construction labour market

Official statistics show that, at the same time that the proportion of over-50s in the general population is increasing, the same proportion in the construction sector is in steady decline for both the employed and the self-employed.

There is no simple reason for this trend but this research – especially the qualitative interview segment – has pointed to a number of contributory factors which have impacted upon both the employed and the self-employed. These include:

**Change in legislation on pensions.** Relaxation of the age at which pensions can be taken, as well as more flexible rules as to how much can be taken up-front in cash may be partially driving a real-lowering in the age at which construction workers feel they can leave the sector. The days when one could not retire until the age of 65 are now long-gone and – while the focus is on the benefits of flexible retirement ages for individuals – this trend may be working against the interests of employers. More recent changes in the rules on how much pension can be taken in cash may also be having an effect on decisions to leave construction work early<sup>52</sup>.

**Greater relative prosperity** among this age group. Employee respondents, employers and stakeholders all stressed that, while the age group may not have robust traditional pension arrangements, it is also a group in which the buy-to-let trend has been particularly strong. This is mainly because workers in construction are much more able to buy property in poor condition and renovate it to fetch market rents and, eventually, a good profit on the sale price.

The relatively healthy growth in property prices in recent years may have made individuals more confident about leaving construction work.

**Steady economic growth.** With the exception of the serious 2008-12 recession, the UK economy has been in steady growth for the past two decades and more. The effect has been to create a virtually full-employment labour market in which employers in all sectors – especially construction, transport, hospitality and retail – are struggling to fill vacancies. Such a market is ideal for the over-50 construction worker who is feeling their age and becoming tired of manual labour and the outdoor life-style. With or without a pension or a property or two to sell, construction workers can apply for the plentiful supply of much less arduous and more sheltered jobs such as hotel night porters, supermarket check-out staff, bar-staff, bus drivers, taxi-drivers, and many others. A few told us that they had opted for self-employment as home handymen. The ability to choose when and where they work and to work mainly indoors on light tasks is very attractive to the age group and lower income is less of an issue if they can see a potentially longer working life doing such jobs, as opposed to the mainstream sector. One employee told us that “... *on one side of the fence the writing is definitely on the wall. On the other, I’m my own boss for as long as I want*”.

**Age-related issues and health problems** are certainly contributory factors in the reduction of the over-50s in the workforce, but these may be somewhat of a red-herring in the sense that these problems have always afflicted the industry. One employee told us that his father had been in the industry but died, worn out, at the age of 66 because he could not afford to retire even at 65. The father had, evidently, soldiered on through his 50s and 60s with

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<sup>52</sup> It has to be noted that DWP have produced publications citing the benefits of staying in work longer and by how much one’s pension ‘pot’ benefits from so doing. See information produced by NE LEP, National Careers Service, DWP and the Education Development Trust

several health problems.

It is, therefore, not so much the existence of health issues as the fact that circumstances now permit an employee to choose to leave rather than soldier on. The difference today is that it is far easier for the over 50s to retire or leave the sector and still earn reasonable wages in much less physically-demanding jobs.

**Change in the sector itself.** Although many will argue that it needs to change faster, there has been a seismic change in general working practices, and in the way most construction companies operate, over the past twenty years. New equipment – much of it with semi-computerised controls – and the rapidly increasing use of mobile phones, pads and laptops has combined to render the work more “technical”. The over 50s know that this trend will only accelerate, and many appear to feel that things are moving too fast for them to easily keep up.

## 5.2 The skill needs of 50-55+ workers

There is a vicious circle for the over-50s. Once they reach that age some employers begin to feel that those employees will not be with them for long. They will therefore tend to avoid sending them on training courses or even bothering to include them in informal on-site training sessions. Appraisals may be intentionally or unintentionally curtailed, or may not cover the depth and scope of career and training possibilities which might be dealt with for younger staff.

There is also an element of fear (for a number of possible reasons) in the relationship between younger supervisors and their older workers. In some cases, we were told that younger supervisors felt unable to include such apparently experienced people in their mentoring or training exercises because either they felt the older workers already knew what they were attempting to teach or that those same workers resented anyone trying to tell them something. On the other side, the over-50s themselves told us that they can feel patronised by offers of training.

This is a difficult conundrum for employers which many seem to overcome with very regular appraisals (some being held every twelve weeks). The feeling of being patronised is avoided by ensuring that all employees are appraised at the same time and all employees receive the same training and mentoring.

The most important training needs specifically for the over-50s are those of IT, computer, and mobile technology, along with updating on new construction technology and techniques. People in this age group tend not to be fully computer-literate<sup>53</sup> and often struggle with relatively straightforward laptop tasks due to unfamiliarity with the software. It is often difficult enough for people who work on computers on a daily basis to keep up with developments and to be familiar with what different pieces of software can do (it is well-understood that even office workers tend to

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<sup>53</sup> Although it has to be said that this can be an over generalisation as many anecdotal stories include grandparents being very *ipad-savvy*.

use only 5% to 10% of the facilities in any given piece of software). For older workers in construction the complex and bewildering nature of modern software packages, the need to learn different key-strokes for different commands, their unfamiliarity with keyboard work, and the baffling abilities of some GPS and augmented-reality apps, are all regarded as the last straw.

Many older workers believe – erroneously – that younger people are necessarily more aware and capable with new technology, but this is by no means universally the case. And even where younger staff are more familiar with pads and laptops, they often lag well behind their older colleagues in maths and writing skills.

For the over-50s in construction, holding more training sessions on new technology is only a partial solution. Much of the problem is cultural.

Many over 50s – in fact some staff well below the age of 50 – told us that their self-confidence is damaged on an almost daily basis by incoming new technology and techniques which, they perceive younger people as coping with far easier.

All of which leads to a perception that they are “past it” and that younger people are far more aware and competent. Some over-50s told us that even gentle teasing from their younger colleagues about difficulties with new techniques, equipment, mobiles, and laptops served to reduce their confidence and leave them feeling that their only option is to find a way to leave. Often the perception among older workers that younger people are “better” with technology is absolutely wrong. Reversing that perception is sometimes merely a matter of showing the older workers how easy the new technology is to command.

In other words, the issue may be more than just a “skill-needs” problem which can be fixed with mentoring and training, but more a psychological and sociological issue. The over 50s entered the construction sector when it was still largely manual and mechanical, when the tools were relatively straightforward and the techniques barely changed from the 1950s. Computerisation and the advent of the Internet Age have revolutionised construction, meaning that even fundamental equipment often requires a degree of “programming” and that far more processes involve maths and the simple analysis of data.

The resolution of this underlying issue is not something that can be implemented in one fell-swoop. It will require a steady and regular focus on up-dating and training and a small change in company culture which recognises that older workers are not incapable of learning but that they need to be educated and trained gradually and steadily over a longer period.

In the words of one employer:

*We have a chap who is in his mid-70s. He offered to learn IT to help us out with office work and job-planning. So we paid for him to go on a course. Now he is virtually irreplaceable. Don't know what we'll do when he finally wants to hang up his laptop.*



### 5.3 Pensions and the over 50s

The pension issue seems to be polarised between the larger companies which have well-established pension schemes, and the smaller ones and the self-employed where pension arrangements can vary markedly between individuals.

There is clearly a proportion of the over-50 age group which, probably in line with people in many other sectors, has very poor pension arrangements. The degree to which this is the case is not clear because much may be masked by “alternative pensions” in the form of property and land both in the UK and abroad. One of the questions on pension arrangements for the over 50s received a very large proportion of answers from people who were not prepared to reveal their situation.

In a very real sense pensions do not seem to be a major issue for employees in this age group. Almost all who were asked about them expressed no substantial concerns. This would also be strongly supported by the fact that the numbers of over-50s leaving the sector are increasing and that none mentioned poor pensions as a reason for staying in (or leaving) the industry (although a few did say that they could not afford to leave).

### 5.4. Appetite for a Mid-Life Career Review.

Employers are largely enthusiastic about the proposal, but a small majority of employees do not see any benefit over the current situation.

Many employees reacted forcibly against the name “MOT” – interpreting it in a negative way as implying age, repairs, and necessary restoration. Some said it was discriminatory, on the basis that it set the over-50s aside as a group in need of care and attention as opposed to the rest of the workforce. Some argued that their pension arrangements were “personal and private” and, apart from the workplace pension, none of their employer’s business.

Equally a majority of employers – in their qualitative interviews – said that they felt that they were already offering such a service but that it was simply called an “appraisal”. There were a number of comments that they always offer flexible working and extra training to their over-50s workers.

In summary, the appetite for a mid-life career-review seems to be far higher among employers than employees, notwithstanding the fact that some employees said they would like the chance to discuss the full range of topics from pensions and health to training, development and revised working arrangements.

If one sets aside the ambivalence of many employees the message from the surveys is that both employers and employees would value some sort of review system but that it might not differ too much from the existing arrangements. There was also a clear message that extending to review across a wider age range would not only add to its value but make the over-50s feel less

discriminated against. A more extensive review approach would offer considerable benefits.

## 5.5 What a Mid-Life Career Review system might look like

Our research showed very clearly that there is almost universal enthusiasm for wider reviews but that the MOT descriptor should not be used. The connotations of an older thing being taken in for a check-up and repairs are simply too pejorative for such terminology to be successful.

There is also the important point – raised by employers, employees and stakeholders alike – that any such review system should begin far earlier than the ages of 50-55. The reasoning behind this suggestion was that pension planning and career planning need to begin at around the age of 30 and that education on health and safety as one ages must also start at a relatively early stage. There is also the fact that a system which *only* targets the over 50s may be regarded as setting older people into a special, somewhat invidious, category.

All of which tends to support the general feeling from the participants in this study that career-reviews should be separate from the standard appraisals (which necessarily have a shorter timeframe in mind), that they should begin at ages 30-35, and that they should cover a range of career topics – including training needs, career direction, possible changes of job-role due to illness/injury/ageing, pension arrangements, flexible working, and so on. One could imagine such a system being loosely defined but with employers being provided with guidance as to what it might be appropriate for the reviews to cover at various ages: e.g. 30-40; 40-50, 50-60; over 60, and so on.

Employers – particularly medium and small-sized businesses – asked for help in understanding what they should talk about and what sorts of changes they could make to accommodate employee issues.

## 5.6 Strategy for retaining and recruiting over-50s

The rationale for attempting to keep as many over-50s in the workforce as possible is simple but powerful: the UK construction industry is short of workers, especially skilled ones, and, given how difficult it is to attract younger people, it needs to keep as many of the older age cohorts as it possibly can. Allowing the best of this age group to feel unwanted and “past it” is a sad waste if it means that they leave to go into early retirement or to take up less skilled but also less arduous work elsewhere.

Any strategy for retaining older workers needs to be multi-layered and to include changes to culture, attitudes and behaviours alongside attention to training and skills, and health and well-being.

One of the most important underlying considerations for our recommendations was that of to whom any actions should be directed. Should activity be aimed at employees over 50, employers,

stakeholders, government departments, pension companies, or any of the myriad other actors in the over-50s issue?

The answer to this consideration rests upon capacity and motivation. If actions are to be taken to help keep the over-50s in the construction workforce, how would they impact upon the various actors, what is the likelihood of success and what shape would it take?

### Employees

This research has demonstrated that over-50s employees would welcome some sort of help, mainly towards more suitable working conditions. It has also shown, however, that there are personal, cultural and psychological issues to be overcome. Sensitivities about age, health and perceived “discrimination” are extremely close to the surface.

We would argue that it is extremely unlikely that any initiative aimed solely at the over-50 employee would succeed. Many individual employees do not have the background or the capacity to undertake analyses of their position, most will not be sufficiently objective to assess their own situation, and – as the research has shown – a large proportion will not be motivated to either consider action or to take it.

### Employers

Employers have the capacity to take action and are reasonably objective about their employees’ situations. Almost all of them already appraise and assess their staff and a good many told us that they are more than willing to consider different types and lengths of work in order to keep over-50s employees in their workforces.

Smaller companies – and certainly the self-employed – are a slightly different case because those are the ones which dominate the sector and yet are too small to have the capacity or motivation to undertake regular reviews.

### Stakeholders (including pension companies)

Most stakeholders are not capable of playing a part in the effort to retain the over-50s or to make the sector more attractive to potential over-50s recruits. Pension companies only engage with a proportion of the individuals concerned and the “engagement” is distant and formal.

The trades unions and trade associations may, however, have important roles to play. Both have direct contact with individuals, with smaller companies, and with the self-employed. Assistance in the right way from such bodies could be of immense value to the industry (and to themselves).

### Government departments

While government departments such as the DWP and BEIS have roles to play, their focus is often an all-sector basis.

This research has not looked in detail at pension arrangements and the tax situation of employees aged over-50. Neither has it examined the business aspects of those employees in terms of sickness-rates and employer contributions towards pensions, etc.

On the basis of keeping the over-50s in an increasingly stressed UK labour force, it is conceivable that assistance for individuals might be devised which gives the *employed* over 55s lower rates of income tax or other tax breaks which make continuing in work more attractive.

## 6. Recommendations

This study and its outcomes have re-emphasised the findings from previous UK studies and many similar pieces of work overseas – from the United States to New Zealand – that a) those aged over 50 form a valuable potential pool of workers for hard-pressed construction sectors; and b) that keeping or attracting those workers into construction is extremely difficult.

The key objective of the current piece of work was to:

*Recommend actions which CITB could consider, to support strategies and interventions that improve the retention of older workers ... and develop their skills.*

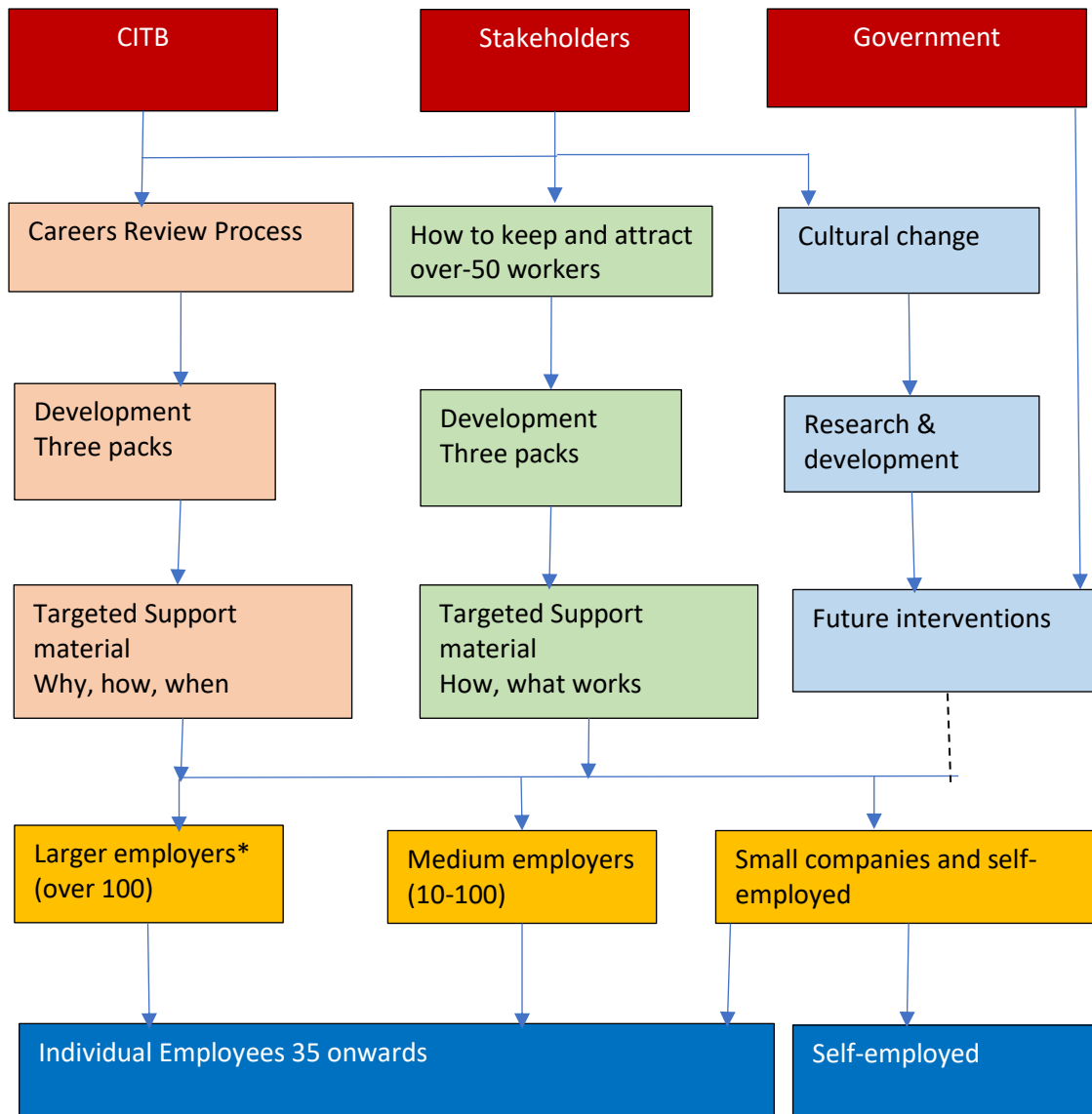
The actions were envisaged as “... spanning not only direct actions that CITB could take, but also actions working in partnership with employer groups, stakeholders and Government departments”.

In order to address these objectives, we recommend a multi-layered programme of interventions as illustrated in Figure 29.

The actions and interventions are divided into three broad strategies:

1. **A new “career review process”** – a push designed to help employers establish regular career reviews for all staff over 35.
2. **Help with keeping and attracting the over-50s** – the separate development and dissemination of material to help employers with actions they can take to retain and attract the over-50s
3. **Cultural change research** - further work in conjunction with stakeholders to find ways of changing the industry’s attitude and approach to the over-50s.

Figure 32: A multi-layered programme of action



\*- the packs may also be directed at stakeholders and including those interacting with the industry such as education. As described earlier, an approach, ideally led by CITB would formalise links and establish pathways to help those nearing retirement to consider entering education and identify if teaching/mentoring the next generation is a skill that they could possess.

## 1. Career Review Process

Although not specifically directed towards the over-50s this process will play a major role in the long-term implementation of approaches designed to retain and attract older workers. It is vital that any intervention is not perceived by the over-50s as solely directed at remedial action for that age group.

This makes sense not only on the basis of making it easier for the over-50s to engage with the process but also – and crucially for the longer term – engaging at an early stage with younger age cohorts in ways which underline health and safety from an individual perspective, assist with financial and pension planning (in ways which are sensitive to personal privacy), and embed an awareness of the ways in which health issues can affect individual careers in later working life.

Different sizes of company will have different issues around career reviews, so we recommend the development of three support packs (for dissemination free of charge to all employers) each targeted at a specific size and type of business.

The material – fact sheets, meeting agendas, and checklists – will be designed help employers of the relevant size understand the issues and possible resolutions, structure and schedule regular career reviews, and identify ways in which employees of various ages can change their working styles or their working conditions in order to prolong a useful and satisfying career in construction.

A separate pack specifically for the self-employed will help them to manage health and safety, spot potential health issues, identify solutions and adapt their working lives and style in later years.

It is important for a number of reasons for any career review system to be regular and that it be seen as a “normal” part of the industry’s processes directed towards all employees. One possible approach to Career Reviews would be to begin at an early 35, decided upon by the company and individual, with reviews at regular intervals.

**Table 13: A Possible Review Process (the starting point would be chosen by company/individual)**

Age	Reviews	Suggested subject matter/focus
30	First career review	Career ambitions; Training/development; Pensions; health and well-being
35	Career review	Career ambitions; Training/development; Pensions; health and well-being
40	Career review	Career ambitions; Training/development; Pensions; health and well-being
45	Career review	Career direction and progression; Health and well-being; any necessary changes to working life; pension check; updating training.

47-50	Career review	Career direction and progression; Health and well-being; any necessary changes to working life; pension check; updating training.
52-60	Five career reviews	Career direction and progression; Health and well-being; any necessary changes to working life; pension check; updating training.
60 onwards	Annual career reviews	Health and well-being; any necessary changes to working life; pension check; updating training

Once the packs are developed and available an extensive and prolonged promotional campaign will be required – through CITB, stakeholder, and even government websites to inform the industry.

The title “Fuller Working Lives” becomes extremely pertinent and powerful when applied not simply to the over-50s but to all established workers in construction.

## 2. Keeping and attracting the over-50s

The Careers Review Process is a longer-term strategy directed at least partly towards the problem of keeping and attracting older workers in construction. In the immediate and short-term the employers have asked for help in understanding:

- a) what the problem is;
- b) how they should approach the issue of retaining older workers;
- c) what specific and appropriate types of training and develop to focus on;
- d) what approaches they can take to do so;
- e) how they can help other workers to understand the issues and thereby to change the internal culture to help the over-50s;
- f) how they can change jobs and structures to attract more experienced over-50s into their workforces.

Packs will need to be developed and separately promoted, pointing to downloadable help-sheets and check-lists – as a tool for retaining and recruiting the over-50s (i.e. a separate promotion but directed at the same material).

We recommend that case studies be used to help employers see ways in which they can address the issue in their businesses.

## 3. Cultural change

The impact of an ageing workforce and difficulties recruiting younger workers are of urgent concern



but there is clearly a need to change cultural perceptions of older workers. This is almost certainly a national, not merely a sectoral, problem. The attitudes of younger employees towards their older colleagues, the common perception of anyone over 50 being “past it”, and the associated tendency for those older workers not to want, or be offered, training are things which must be addressed by the UK as a whole. The attitudes and behaviours of younger workers and employers will require changing in order to grow the over-50s workforce.

Consequently, we recommend that CITB and industry stakeholders work with government departments to research ways of sensitively addressing the problem. While government has done much to make it easier for people to stay in work after the age of 65, there has been little effort to change the working cultures so that people *want* to do so or, at the very least, feel that it is a real and attractive possibility.

CITB may plan to seek government financial support (through BEIS/DWP) to lead this research in conjunction with a wide variety of trade bodies and trades unions across all sectors. It will then be possible to implement emerging strategies quickly in the construction sector.

## Appendices

### Appendix 1: Case Studies

#### Skanska – Combatting Stigma & Re-Purposing Standards

(Dan Forbes-Pepitone, Director of Talent and Capability, Skanska)

#### **Cultural and behavioural change and inclusivity are key focus areas to successfully invest in workers aged over 50.**

Dan Forbes-Pepitone, HR Director at Ramboll, has recently moved from Skanska where he held the position of Talent & Capability Director. Skanska is one of the largest contractors in the UK, employing over 6000 staff nationwide and with over 30% of staff aged over 50, Dan believes that those “turning 50 now are more likely to work through to 65-70, because they don’t have final salary schemes (like many of the former workers in this age group)”. With this in mind, Dan comments that “it is about creating a culture of wanting to stay with us.” However, this is only half the battle, as the world and the workplace move into an increasingly digital age. “There are more modern 50-year olds who have embraced the modern world and digital, and there are others who do need digital skills.” Dan feels, though, that this is more of a behavioural transition, rather than a fear of technology. “There is a change of technique, and this is a cultural process issue. People are more resistant to change in technique and their routine, than the actual new technology itself.”

This task can be made more challenging by existing stigma within the sector. “There is age bias in terms of people saying that workers over 50 must be slowing down. There is an assumption around resistance to embracing change in technology that is not always true of age, because embracing change is more a behavioural skill.”

Dan believes that this bias can be overcome through inclusivity and diversity, and new action plans have recently been introduced on this exact issue. “Skanska has a mixed pair mentoring scheme, which is a cross diversity scheme to get people to understand other peoples’ perspectives and to support each other. Reverse mentoring is getting more of a push this year. Sometimes, older people hit a ceiling in terms of how high they can climb in an organisation; valuing their expertise and sharing it is the way to retain them. It is about creating an inclusive culture.”

Furthermore, Skanska are looking to re-purpose existing apprenticeship standards to retrain the over-50 workforce. Dan comments: “A process which utilises the apprenticeship levy to work with organisations to use the apprenticeship to re-skill any worker, regardless of age, is being developed. There are digital engineering apprenticeships for new (younger) workers, but now Skanska are looking at how to up-skill more experienced staff using this.” Dan feels this idea could be successfully

extended across the construction sector if the whole industry pulls together. “There could be assistance in coordinating the development of these apprenticeships to be used to retrain the existing workforce. It needs time and investment and this needs to be done as a joined industry, to develop an apprentice standard.”

While Dan feels that ongoing wellness and wellbeing discussions are vital, he feels that there might not be appetite for a mid-career assessment in terms of retraining. “It sounds like a failure by the organisation in terms of not embracing change. It should be life long career development. Training might need to be delivered in a different way, but it has a lot to do with the method of communication and showing how to actually use and benefit from new technologies. Our challenge is knowing when to do the training. There is a difference between education and skills training, and with emerging technology, at what point do you invest?”

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### David Lowe Contractors – The Importance of Dialogue

(David M Lowe, Director, David Lowe Contractors)

**For a smaller business, informal and frequent dialogue can be the best way to communicate with the workforce.**

David Lowe Contractors is a micro company employing nine people. The majority of the workforce are over the age of fifty, as they have been with the company for a long time. David is very happy with his workforce and with his company’s current situation and has no plans to expand.

*“The older lads are so knowledgeable in what we do, so easy to get on with. They’re a really good asset to any business. They have a good attitude to customers and are responsible. They help the younger ones, who learn a lot from them. They’re established in their communities and are an inspiration for younger people and for their family.”*

For David, changes to the work place, the job roles or working conditions don’t have a role to play in the retention of his over-50 workforce. Career progression is also not actively desired by employees or incentivised by the business. “It would be very difficult for us to bring in flexible working. We’re a very traditional company. They have to go to site to do their job, so home working would not be appropriate. Our workers have always worked in this way, since they were 15 or 16, so they find it works very well for them. Because they’ve been doing the job for so long, there isn’t much else they can do, to learn and progress in their own roles. They’ve reached as far as they wanted to. If they’d wanted to go into management, that’s a different role altogether, and they’d have done it earlier.”

David argues that frequent, informal and open dialogue is the best way to assess the needs and goals of his workforce. They’re a very small business, so in his eyes, this is the only approach that makes sense within the business. He wouldn’t consider implementing a mid-life career assessment,

as this would just add to what he sees as red tape and to the costs of the business. For David, doing a formal assessment himself would be pointless, as he doesn't feel anything could be gained from this. Nevertheless, he is very open to an external mid-life career assessment, that would feed the results back to him. If a formal mid-life career assessment was carried out by a third party, anonymously, and was externally funded, David would be happy for his staff to take part. He would, however, leave that choice entirely up to the individual as he would not feel comfortable imposing it as mandatory. Furthermore, he would be interested in what this type of assessment would find out and whether it could add anything to ongoing conversations within the business.

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### **Barnfield Construction – Focus on the Individual and Generational Mentoring**

(David Shaw, Health & Safety Manager, Barnfield Construction)

**Focussing on and adapting to individuals' health, and their specific needs and abilities can promote longer-term working and effective generational mentoring.**

David Shaw works as Health & Safety Manager at Barnfield Construction, a company in the North West of England that employs around 200 workers.

A significant proportion of onsite staff are aged over 50, while the majority of project management staff fall into this age bracket. The oldest manager, recently retired, was 82.

For David, health is a major driver dictating when workers will retire. "About 80% of site labourers will retire at retirement age either because of the physicality of the work or because they are aware that construction historically has a link to health issues in later life; it doesn't mean they necessarily have any issues when they retire. Some will go to other jobs usually still within construction but perhaps in a more managerial role."

Comparing new and experienced workers within the sector, David feels that the mindset of the industry has altered between generations. "It's a very broad generalisation, but the younger guys tend to be more aware of health and safety duties. The industry has shifted, and the younger workforce have been brought up with an industry that performs better in this area."

David believes a generational gap also exists in skills and experience. "Younger workers tend to be very specific in terms of their expertise whereas over-50s have a broad range of skills and are more rounded. We value experience and the only way they get experience is to work in the industry. The younger guys get this from the older guys. We try to expose younger workers and managers to work in different sectors with experienced mentors who can help broaden their knowledge base."

Barnfield Construction also look to support staff by assigning work which is suited to their individual capabilities and needs. David comments: "People are considered as individuals rather than just a

resource. We tend to allocate projects with a mind to peoples' age and physical ability as well as their competence, and we are mindful of workers' capabilities. We have also looked at flexible working. We don't regard age as an issue providing the person has the competence and the physical ability to do the job role required of them."

With the difference in mindset between generations, David feels that a mid-career assessment would have a broadly positive impact.

*"In principle it's a good idea, especially if it focusses on both mental and physical health. It would encourage smaller employers who don't have much in the way of occupational health to review their position."*

Furthermore, David believes this assessment would also provide a platform to begin an open discussion.

*"It would give the employer and employee a snapshot of anything that hasn't been identified. Some employees are reluctant to raise issues with their employer through fear of termination. It would force the issue on both sides and then support can be put in place and action taken to help where needed."*

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## **T & B Contractors – Early Intervention, physical and mental health**

(Kane Blatchford, HSQE Manager, T&B Contractors Limited)

### **Early interventions, discussions and preparation – in the form of wellbeing and wellness campaigns – pay dividends with the workforce.**

Kane Blatchford is HSQE Manager for T&B Contractors Limited, based in South East England. The firm employs 135 staff a significant proportion of whom are aged over-50. Their employees mostly work away from the tools and instead direct and programme construction work in roles such as surveyors, and construction and site managers. While T&B don't specifically target the over-50s for recruitment purposes, the people that come forward for these jobs often tend to be older. As a result, Kane has found that the business has benefitted a lot from having staff who are older, as they are able to contribute their experience and knowledge to the company. "They've been there and done it. It's an essential part of having a diverse workplace, having people at different stages of their development. A mix of capabilities is good for business."

While T&B are open and welcoming to an over-50s workforce, they still experience difficulties recruiting for positions. When recruiting the over-50s, the requirement for CSCS cards can be an

issue. Kane comments: “If you have 30+ years of experience, you may not want to take an NVQ, or similar, to demonstrate your competence.”

Similarly, while Kane views the new apprenticeship scheme in a positive light, he also understands that it may not suit everyone. The new apprenticeships are perceived as a good opportunity for businesses to recruit new staff of any age, as the new levy is not age-restricted. On the other hand, Kane believes the term ‘apprenticeship’ itself will work as a barrier.

*“They may be new to the industry, but they could be older, experienced workers from another sector. The word ‘apprenticeship’ would put them off because everyone thinks apprentices are youngsters.”*

For Kane, it would be better if a separate route existed for these experienced individuals. Retraining programs, or reinstating a “robust, abuse-proof grandfather rights type scheme” could work well for the sector. He believes this could be especially relevant when considering recruiting workers who have been made redundant from other industries.

*“These workers will bring with them valuable, transferable skills to the workplace, but will also need to acquire new construction-specific skills. Redundancy funds and financial support to retrain and reskill workers could get more people transitioning from other industries into*

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*construction. Sites will have minimum requirements, but we need to go beyond that and make the place of work nicer to actually work in.”*

Regarding a mid-life career review, T&B feel that their annual review performs that purpose for their employees.

*“We do reviews annually that cover development needs and whatever issues the individual wants to bring up. Years ahead of retirement age, we will have a conversation with staff and we will explore different options. Some want to carry on, some don’t and wish to retire fully.”*

As part of their drive to retain staff, T&B actively promote wellness and wellbeing in the workplace. They feel this is particularly important when it comes to their over-50 workforce, who may have a greater need at this stage of their lives.

T&B offer their staff flexible and remote working opportunities, access to occupational health specialist nurses, and organise wellbeing initiatives to keep people working longer. “We invest in this because a healthy workforce is more productive and happier.”

As part of their wellness and wellbeing drive, T&B are also aware of the importance of tying in mental health and physical wellbeing. Managers have mental health training, there are mental health first-aiders, and mental health trainers among their staff. Kane comments:

*“Don’t talk about your feelings’ is still a rule in this sector. We work to improve awareness, to reduce stigma, to intervene early, and to promote professional help before issues become real problems. This is beneficial to everyone.”*

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## **Hodgson Sayers – Commitment to people development**

(Mike Wade, Financial Director, Hodgson Sayers)

### **Increased safeguarding, and a culture of respect and equality driven by senior management, promotes richer working lives**

Mike Wade works as Financial Director at Hodgson Sayers, an SME based in the North East of England specialising in roofing, fencing, building works and metal fabrication. Employing over 100 staff, about 30% are aged over 50, with an even split between those in administration roles and those on the tools. However, Mike notes that the ability to work beyond the statutory retirement age is markedly different for these two groups. “The fallout rate of operatives who stop working between 50 and retirement age is effectively 90%, whereas you get the reverse for admin staff – they have the choice to work beyond or otherwise as they have capability.”

Mike puts this down to a lack of safeguarding in the industry a generation ago. “When the people who are now approaching 60 started employment 40 years ago, the safeguards that are in place now weren’t in place then. It’s the physical aspects that have the greatest effect.” However, he believes things have since changed for the better. “Now we have lifts and hoists to reduce risks and this removal/reduction of extreme physical activity helps. Those starting careers now are far more likely to be fit and able at age 50.”

One route that avoids the inherent physical nature of the work is to move off the tools into an admin-based role. However, while this might be theoretically possible, Mike comments that the reality is somewhat different. “As our staff are split with two thirds being operatives and the other third in admin roles, it’s a numbers game and we don’t have the space for everyone to come through. Secondly, it’s down to whether employees have the will or ability to move or up/re-skill. Some workers have a high quality of work but wish to stick with what they know and be productive. As an example, of the first two apprentices whom we employed in 1982, one now heads up the flat roofing division, while the other has chosen to remain on the tools. It’s a massive contrast.”

When it comes to recruitment and retention of workers aged over 50, Hodgson Sayers are blind to age and do all they can to hire and keep skilled employees, accommodating specific requests as required. Partly in recognition of this commitment to people development, Hodgson Sayers were awarded British Chamber of Commerce UK Company of the Year in 2015. However, Mike believes that approaches taken in this regard vary from company to company. “It’s down to the attitude of senior management and company owners. If they have the same philosophy that we do of not discriminating (the principles of the CITB Be Fair Framework are part of what we do), that’s great, but it’s not the same across the industry. It needs to be fed down from senior management, then you can gain the confidence of staff.”

While supportive of a mid-career assessment, Mike feels it is important that such a program encompasses all workers. “Advice and information is always useful. However, if you said there’s a course on retaining workers aged over 50, then you’ll get those who care attending, but the real target is those who don’t. It’s the same with pension contributions, you will only get those who believe it’s a key and important part. The appetite is there, but not from everyone, and it is important to capture everyone.”

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## Unnamed Construction Company – Respect and Support

### Fostering a culture of respecting age, and providing meaningful support, enables extended careers in construction

*While providing detailed information on their approach, and agreeing to the case study being publicised, this company requested that their name not be used in the report.*

The organisation is a privately-owned group of companies that employs over 600 staff in operations across the UK. Over half are directly involved in construction, with about 100 in hourly paid roles – the average age of this latter group is 53. With no set retirement age. The interviewee commented:

*“We’ve got quite a high proportion that are long-serving and they tend not to keep to the age 65 retirement age. Here, the longer you’ve worked, the more experience you have, and so the more valued you are. It tends to be that long-serving workers just stay on.”*

Being a regional company with hourly paid roles means that there is flexibility for employees about where they work, but the company is also aware that this creates issues around staff retention.

*“Some of the business in construction is regional so people join and work in the vicinity and that suits them. That’s where we suffer from the bigger players: if we have a job outside of our base area, then once that’s finished we’re then unable to move people on within that locality, and they will move onto another local job.”*

Such roles may end up being sub-contracted in the mid-term, but the interviewee acknowledged that these workers will still need the same skills as they’ve always needed.

Recruitment is conducted without age bias.

*“If you have a CV with a wealth of experience, recruiting managers want to see that individual, they don’t think about age, it’s not a problem.”*

From an age perspective, the firm feels it has a special charm – it respects age. The interviewee commented:

*“What I want to do from an HR perspective is to respect this and create a mentoring system for staff who’ve been here a while. I do think part of my role is to generate that interest and to help managers consider that. I’d like to ensure people can work post 55.”*

The company believes that meaningful support is also required for the workers themselves, not just their managers, to retain and upskill staff, particularly on IT and digital technology.

*“We still have a generation of seasoned workers (over 50/55) saying ‘Oh no, I don’t do that’, but in the future things like appraisals and personal admin will be on online portals rather than handwritten. If they’re not going to feel isolated, they need to familiarise themselves with technology, and we need to think about how we reach across.”*

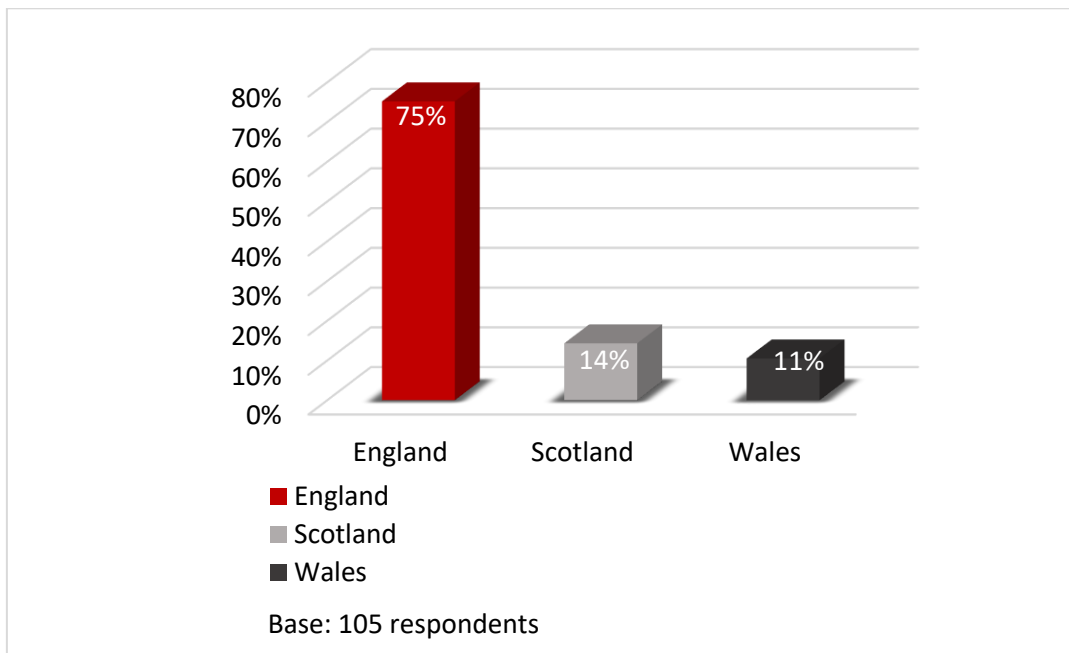
While they already have conversations with employees about health, a mid-career assessment would be a good and positive introduction, they feel.

*“We’ve predominantly put a focus on wellbeing and having a visible occupational health base; we are proactive rather than reactionary. A formalised process would help start the discussion. It would challenge employers to make sure they view staff as individuals, rather than resources, and it would also help employees to have something they can refer to to begin a conversation.”*

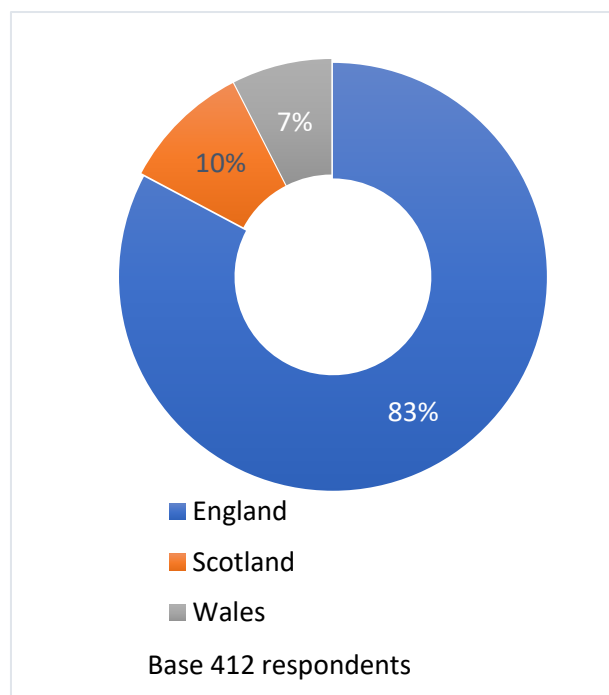
## Appendix 2: Additional Data

All Figures based on results from Pye Tait Consulting’s surveys for CITB, 2018.

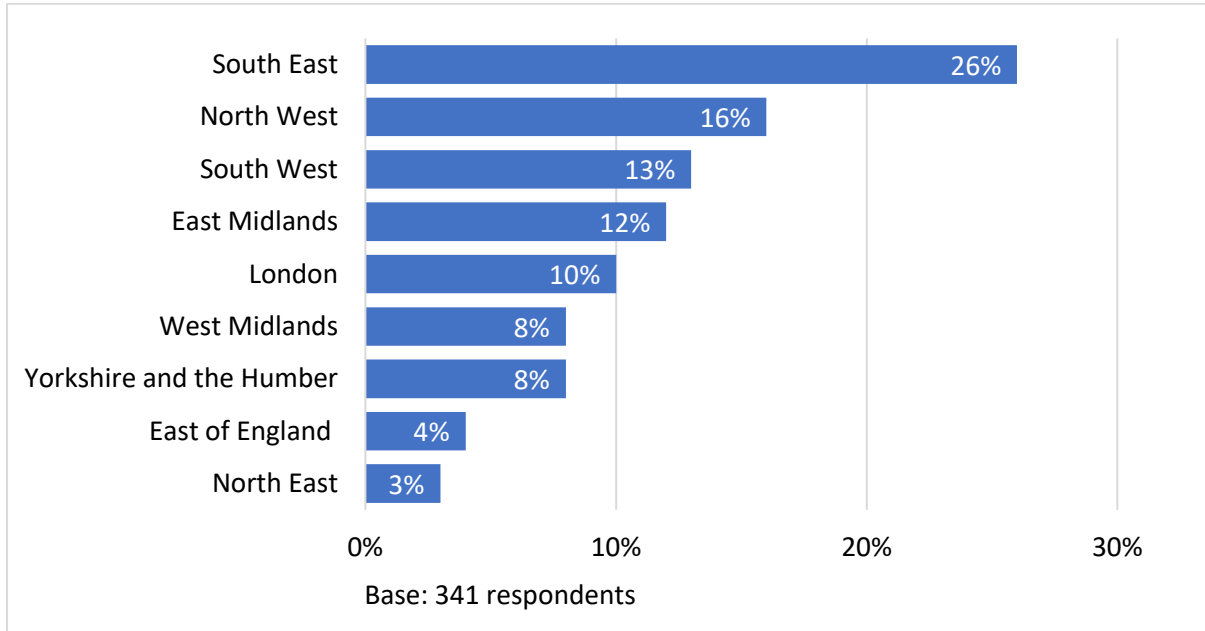
**Figure 33: The nation in which surveyed construction workers predominantly work**



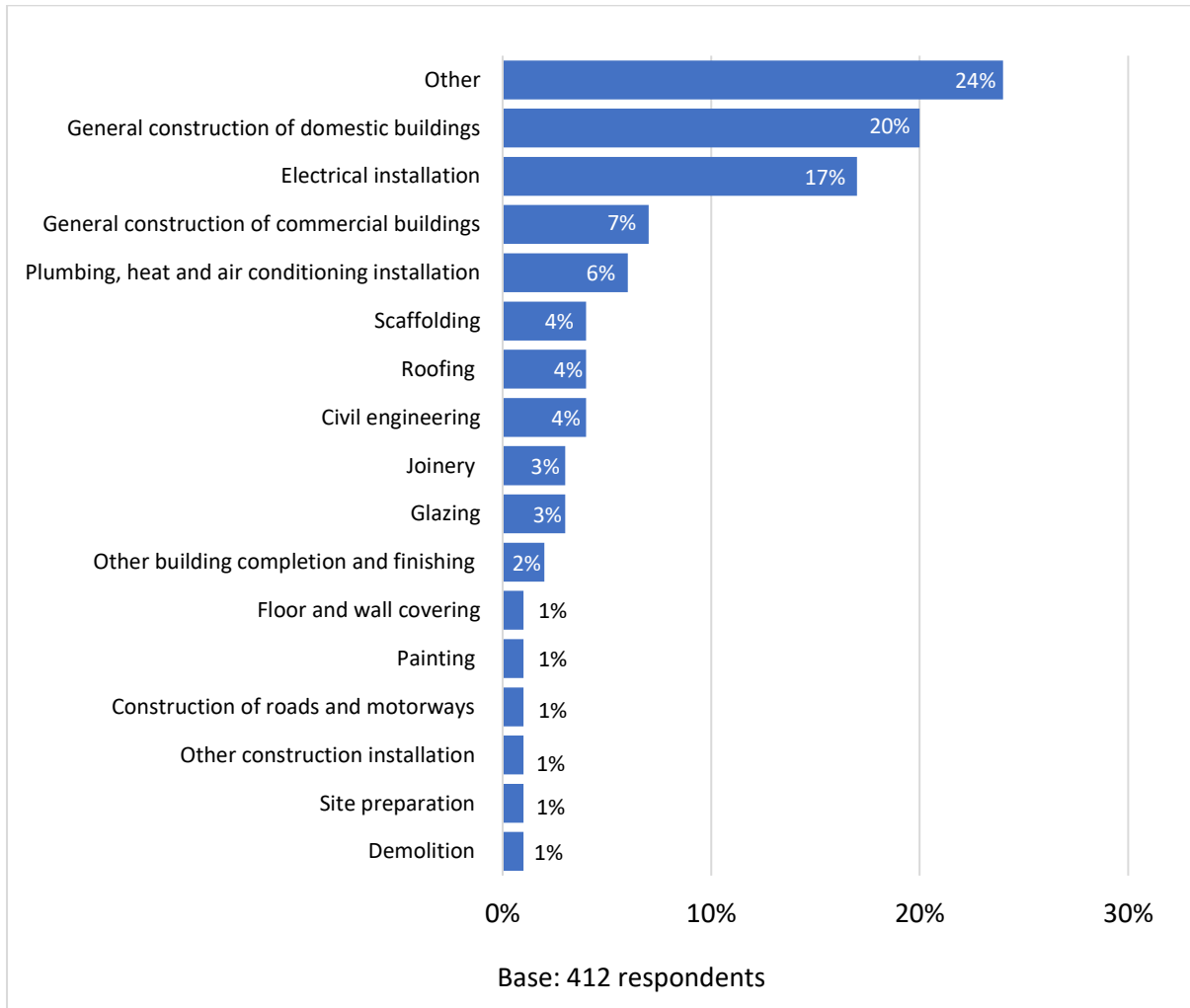
**Figure 34: Nation where main or Head Office is based**



**Figure 35: Region of England in which organisation is based**



**Figure 36: The main type of work that organisation carries out**

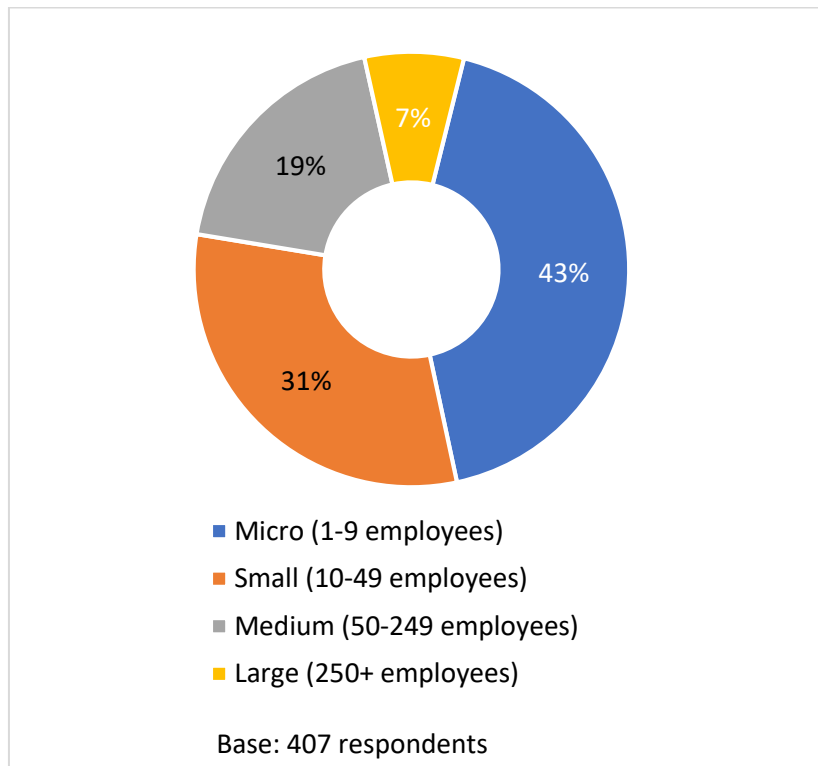


**Table 14 : Number of employees excluding sub-contractors**

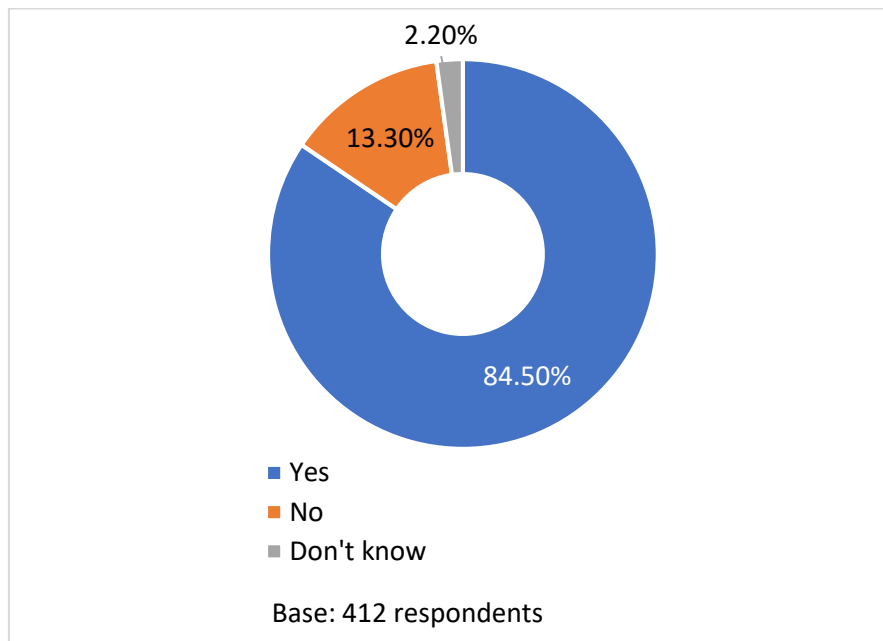
	Base	Average number of employees	Most Common number of employees
The number of employees that organisation employs in total excluding sub-contractors	412	73	3

Survey covered firms employing over 29,000 people – smallest having just one and largest 2,500 – mode was 3

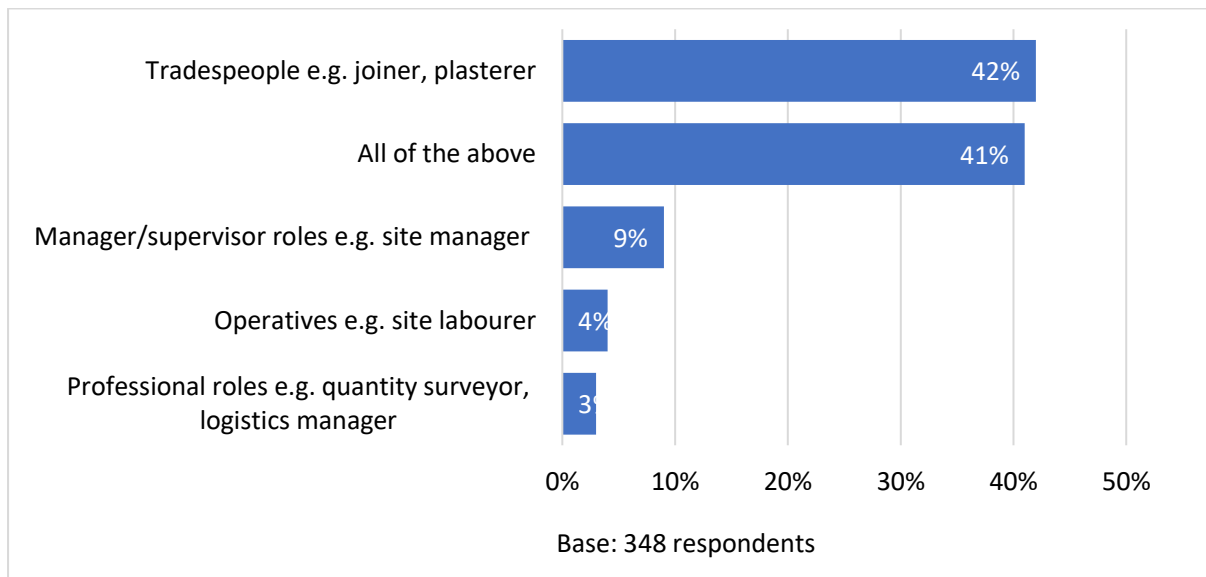
**Figure 37: Size band of organisation**



**Figure 38: Proportion of respondents having employees/sub-contract aged 50+ in past 5 years**



**Figure 39: Employers focused on these roles when answering questions about 50+**

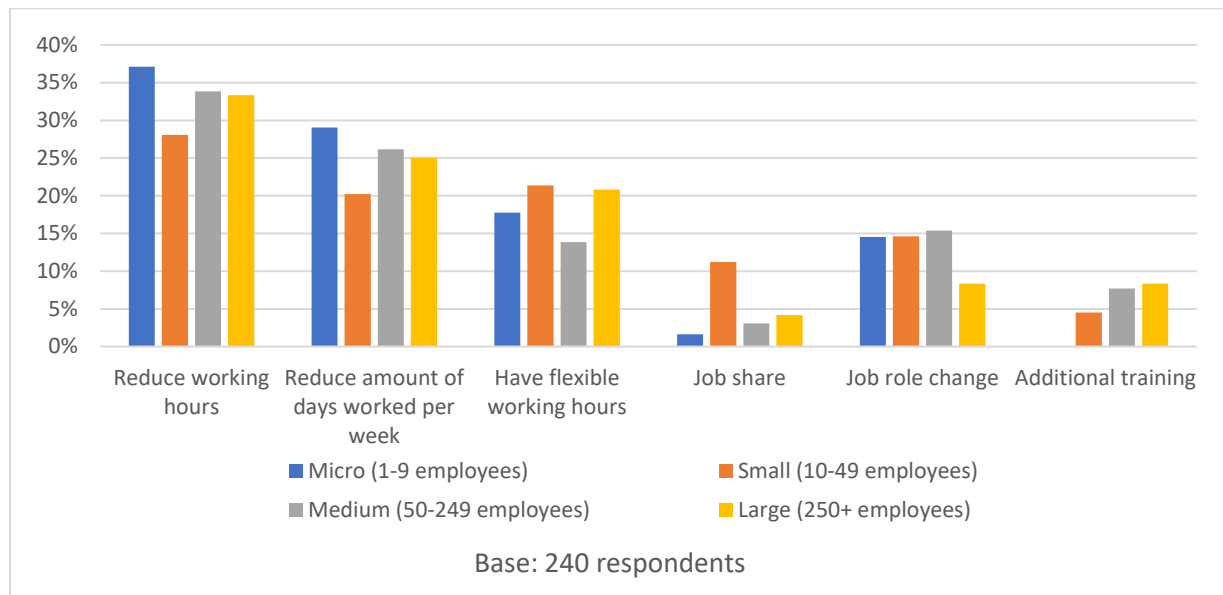


### Appendix 3: Headline findings by size of employer

Of the companies which we spoke with, 72% of the micro businesses said that they employ workers aged over 50 or have within the past five years. This figure rose as the business size grew, reaching 100% when the same question was asked of large businesses.

Employers were asked about the types of request they had received from their over 50s workforce that would enable them to stay working in the construction industry. Small businesses (those with between 10 and 49 employees) were less likely to receive requests from staff for reduced working hours or working days; instead, small businesses were more likely for their workforce to request a flexible working arrangement, either through a job share or through working flexible hours. It was also observed that larger companies received a higher proportion of requests for additional training.

**Figure 40: Requests received by employers from their over 50s workforce (by company size)**



We also asked companies what actions they thought might help attract/retain workers aged 50+. Micro and small companies were somewhat pessimistic with their most common response being 'Nothing'. However, medium and large businesses were more upbeat, mentioning increased training, flexible working and healthcare benefits most often.

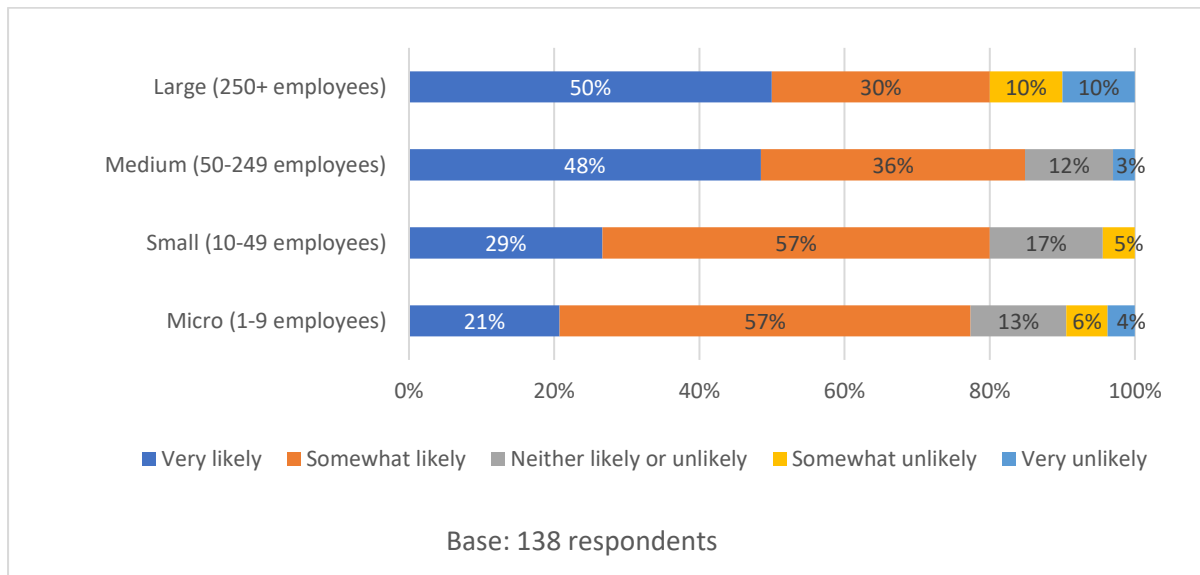
Following this, employers were also asked what specific training and development is currently offered to workers aged over 50. We found that, with increasing business size, there was an increase in the proportion of employers offering classroom-based learning, while conversely there was a decrease in the proportion of employers offering informal on the job training.



When looking at the specific skills pathways (outlined in Section 3.2.4) it was observed that the larger the organisation, the higher the proportion of employers who perceived ‘advanced IT skills’ (such as use of BIM, VR, AR etc.) to be necessary. A similar trend was observed for both the ‘Basic IT skills’ (e.g. use of iPads, mobiles etc.) and the ‘Supervisory’ (leadership, management) skillsets by employer size. This is perhaps unsurprising given the greater breadth and depth of the operating scales of large companies.

More than four in five employers would be very or somewhat likely to use a mid-career review if it were introduced, with nearly half of medium and large businesses very likely to do so. It was also found that a higher proportion of larger businesses (37%) offer similar initiatives already, compared to 8% of micro businesses.

**Figure 41: Employers’ likelihood of using a mid-career review (by company size)**



## Appendix 4: Headline findings by nation and English regions (employers)

### Employer Survey Targets/Achieved:

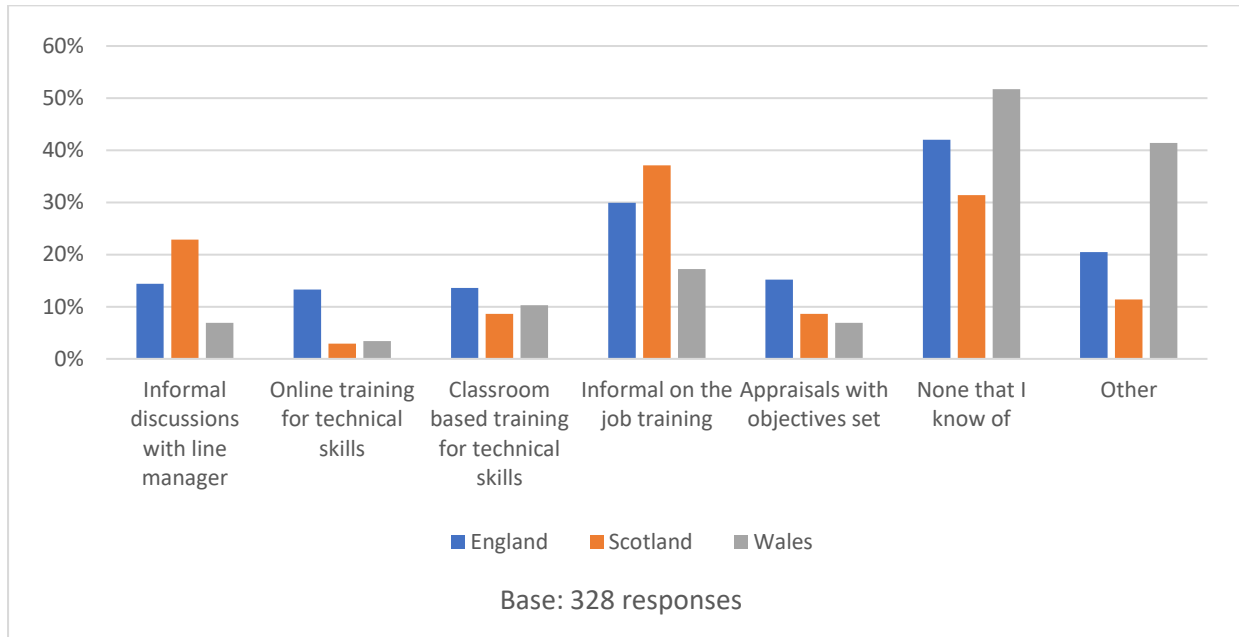
England	330	341
Scotland	40	40
Wales	30	31

Seven in ten employers based in Wales cited health-related issues for staff leaving before retirement age, such as injury, illness or the physically demanding nature of the work. The most common reason for workers leaving before retirement in England, other than for health reasons, was that they were financially secure and able to do so; this was particularly pronounced in Yorkshire and the Humber, as flagged by almost one in three businesses in this region. Meanwhile in Scotland, the main issue (after health) for employees leaving early was because they no longer wished to work in the industry, as cited by 20% of employers.

To probe the reasons for leaving more deeply, employers were asked whether employees made specific requests which would enable them to remain in the sector. Welsh employers received a notably higher proportion of requests - compared to other nations - to support a job share or a job role change, with 40% having received such requests. On the other hand, two in every three employers in Scotland had had requests for reduced or flexible working hours from their workforce.

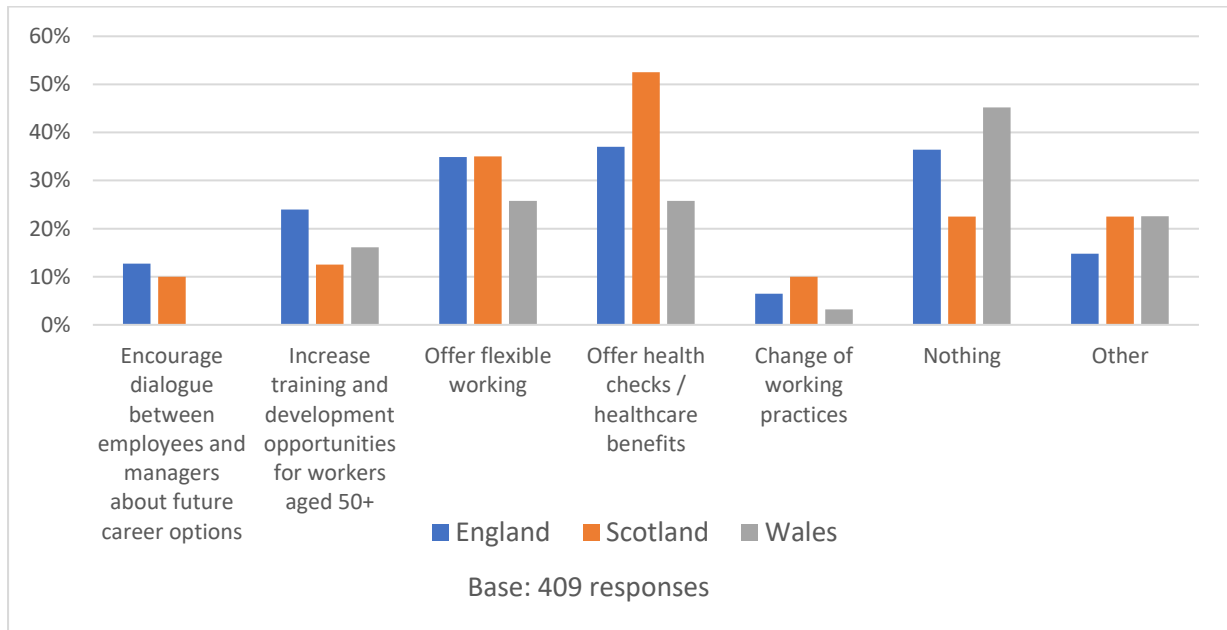
When asked about the training and development opportunities offered to workers aged over 50, a greater proportion of those in Scotland stated that they offer informal training or informal discussions (60%) compared to those based in England (44%) and Wales (24%). A higher proportion of English employers provide online or classroom-based training or hold appraisals and set formal objectives, compared to Scotland and Wales. This was particularly notable in the South West, with classroom-based training offered by two in five employers and online training by a third of employers. Almost half of employers based in the South East (49%) offer informal on the job training.

**Figure 42: Training and development offered by businesses to over 50s (by nation)**



When employers were asked about what actions companies could take to recruit and retain workers aged over 50, over half of Scottish employers (53%) believed offering health checks would incentivise workers to remain in the industry longer; 55% of London-based companies thought likewise. Nearly half of the businesses we spoke with in Yorkshire and the Humber and in London (46%) believed that offering flexible working would have a positive impact. The most pessimistic businesses were those in the East of England and the East Midlands, with around 50% believing ‘Nothing’ would help to attract/retain workers aged over 50.

**Figure 43: Actions that companies could take to recruit/retain over 50s workers (by nation)**

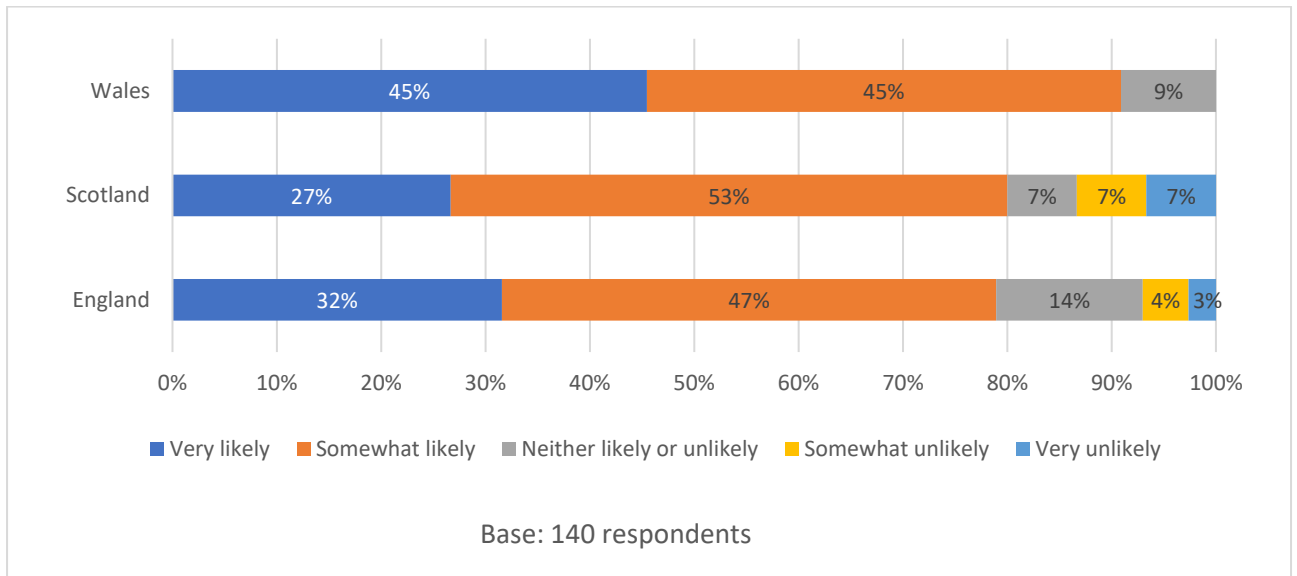


When examining the demand for such skills pathways (defined in section 3.2.4) by nation, there was a slightly higher demand for ‘advanced IT skills’ in Wales (18%) compared to England or Scotland (12%). The opposite was true when considering basic IT skills, with Welsh employers being the largest by nation to rate these as not necessary (69%) compared to England (60%) or Scotland (58%).

For supervisory skills, there was a notable difference between employers from the three nations in their requirements, with nearly half those in England (47%) rating these as desirable or essential, whereas fewer than one in three Welsh employers answered similarly (30%). Employers in the North West and in London were particularly notable in this regard, with over 70% viewing such skills as essential or desirable for their workers.

Only a fifth of companies are already taking initiatives similar to a mid-career review, although this was split across the country being more common in London (41%), East Midlands (36%) and Scotland (25%), and less so in West Midlands (4%) and North East (8%). Were a mid-career to be introduced, Welsh employers were most likely to use it, with nine in ten responding favourably to any implementation, slightly ahead of Scotland (80%) and England (79%), with the East Midlands and the South East the regions which rated this most highly.

**Figure 44: Employers' likelihood of using a mid-career review (by nation)**



## Appendix 5: Example of overseas initiatives directed at older workers

- Germany: 2005-2015 “Perspektive 50plus - Employment Pacts for Older People in the Regions” was a programme which supported long-term unemployed people over 50 to return to the labour market. *“The initiative was developed in parallel with legislative measures to gradually increase the retirement age, and summarised existing and new measures to improve employment opportunities for older people.”*<sup>54</sup>
- Denmark: has a set of collective labour agreements (CLAs) between social partners. Most CLAs have linked messages for older workers, about ‘development dialogue’ (to develop high quality end-of-career pathways) and about establishing flexible work practices for older workers. There is also a measure called ‘senior freedom’ under which a worker, 5 years from the official retirement age, can draw up a written agreement with an employer about shorter working hours or more days leave.<sup>55</sup>
  - A Danish construction company has introduced various initiatives support ‘older workers’ (age unspecified), such as *“increased flexibility in working hours and tasks, task rotation, conferences where older workers are informed about available career opportunities and health checks.”*<sup>56</sup>
- France adopted legislation in 2008 obliging social partners to conclude company agreements on the employment of older workers, meaning that the issue is on the agenda for company level negotiations.<sup>57</sup>
- The New Zealand Human Rights Commission released a practical guide for businesses on how to recruit and retain ‘older workers’ (50-64 although it is noted that the term is subjective). Main actions included:
  - Employers deliberately positioning their organisations to employ older workers effectively:
    - “Identifying what they wanted to achieve
    - Understanding what the specific issues are for their organisation
    - Getting leadership commitment to address the issue
    - Working in partnership with their employees and/or their union to explore the issue
    - Developing a practical response to the issue that was relevant to their organisation
    - Implementing that response
    - Checking the results, and when necessary adapting the response
    - As necessary, repeating steps 2 to 7 either to develop the response further or to spread it wider in the organisation.”

<sup>54</sup> CIPD (2016) EU Briefing: How can European workplaces create longer, more fulfilling working lives?

<sup>55</sup> OECD (2015) Working Better with Age in Denmark: Assessment and key recommendations

<sup>56</sup> CIPD (2016) EU Briefing: How can European workplaces create longer, more fulfilling working lives?

<sup>57</sup> CIPD (2016) EU Briefing: How can European workplaces create longer, more fulfilling working lives?

- Key dimensions for recruiting and retaining older workers:
  - Removing unnecessary barriers
  - Making sure they are giving older workers a fair go
  - Actively tapping into that part of the labour market
  - Designing work for older people (awareness of workloads, physical / environmental / emotional / time based)
  - Structuring jobs for older people (flexible working options / phased retirement options)
  - Helping people through transitions
  - Effective supervisors and managers understanding and communication properly with older workers
  - Managing performance
  - Training and development
  - Motivation and rewards (valuing experience)
  - Health and wellness (medical checks and health programmes)<sup>58</sup>

#### Other UK Planned/Actual Initiatives

- The Government's Business Champion for Older Workers<sup>59</sup> called on UK employers to publicly commit to employing 12% more 'older workers' (50+) by 2022. He has also sought that businesses publish this data on their websites to encourage transparency.<sup>60</sup>
- Companies which have committed to above mentioned 2022 target to employ 12% more older workers include; Aviva, Atos, Barclays, The Co-operative Group, Home Instead Senior Care, Mercer, Boots UK and the Financial Services Compensation Scheme.<sup>61</sup>
- As of June 2018 there were no construction sector employers listed as committed to this.
- *"Business in the Community [BITC] has produced a guide to support all employers to Commit & Publish their workforce data by age, including for their workers over the age of 50."*<sup>62</sup>
- The main initiatives practised by other sectors include:
  - Recruitment
  - Training and upskilling
  - Provision of flexible working arrangements, about hours, days leave and care arrangements
  - Performance discussions
  - Phased retirement
- The Welsh government launched a campaign in May 2017 called People Don't have a Best Before Date, which aims to challenge stereotypes and demonstrate the value of a

<sup>58</sup> New Zealand Human Rights Commission (2008) Valuing Experience: a practical guide to recruiting and retaining older workers

<sup>59</sup> Andy Briggs, CEO of Aviva UK Life was appointed in 2016 as the Business Champion

<sup>60</sup> BITC (2017) *Press release: UK employers asked to publish age data in support of Business Champion older worker target* [Online] (Updated 23 May 2017) Available at: <https://age.bitc.org.uk/news-opinion/news/press-release-uk-employers-asked-publish-age-data-support-business-champion-older> [Accessed 24 April 2018].

<sup>61</sup> BITC (2017) *Press release: UK employers asked to publish age data in support of Business Champion older worker target* [Online] (Updated 23 May 2017) Available at: <https://age.bitc.org.uk/news-opinion/news/press-release-uk-employers-asked-publish-age-data-support-business-champion-older> [Accessed 24 April 2018].

<sup>62</sup> BITC (2017) *Press release: UK employers asked to publish age data in support of Business Champion older worker target* [Online] (Updated 23 May 2017) Available at: <https://age.bitc.org.uk/news-opinion/news/press-release-uk-employers-asked-publish-age-data-support-business-champion-older> [Accessed 24 April 2018].

multigenerational workforce, encouraging employers to continue to invest in the skills of their colleagues throughout their working lives.<sup>63</sup>

This campaign states that in the next 5 years, 1 in 3 people of working age will be over 50 in Wales. It sets out 5 reasons to invest in 'older workers' (50+):

- Older workers bring skills and experience to a business
- Businesses with older workers tend to spend less on recruitment as they stay in their jobs longer than younger workers
- Older workers take fewer short term sickness days
- There is great opportunity for mentoring younger workers
- Older workers can appeal to a wide customer base.<sup>64</sup>

The website also encourages the upskilling of workers at any age<sup>65</sup>, and provides case studies of the benefits of older workers.

The campaign has also published an Employer Toolkit: Guidance for Managers of Older Workers to assist in training, retaining and recruiting an all age workforce. Broadly, it advises businesses how to:

- Build a picture of the business's workforce
- Train
- Retain
- Recruit<sup>66</sup>

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<sup>63</sup> Wales Online (2017) *Why there is no best before date for Welsh workforce as over 50s come into their own* [Online] (Updated 17 May 2017) Available at: <https://www.walesonline.co.uk/special-features/no-best-before-date-welsh-13043800> [Accessed 23 April 2018].

<sup>64</sup> Business Wales: *5 compelling reasons for businesses to invest in older workers* [Online] Available at:

<https://businesswales.gov.wales/skillsgateway/5-compelling-reasons-businesses-invest-older-workers> [Accessed 18 May 2018]

<sup>65</sup> Business Wales: *The Age of Investment* [Online] Available at: <https://businesswales.gov.wales/skillsgateway/age-investment-0> [Accessed 18 May 2018]

<sup>66</sup> Welsh Government (2017) *The Age of Investment Employer Toolkit*





## **CITB REPORT**

CITB, Bircham Newton, Norfolk, PE31 6RH  
+44 (0)344 994 4400  
[www.citb.co.uk](http://www.citb.co.uk)

Pye Tait Consulting  
Royal House, 110 Station Parade, Harrogate  
HG1 1EP  
01423 509 433  
[info@pyetait.com](mailto:info@pyetait.com)  
[www.pyetait.com](http://www.pyetait.com)

**Pye Tait**  
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