



BRITISH BUSINESSES SLOW TO ACT ON AGE LAWS

Three quarters of Britain's small firms have yet to put in place procedures to allow their employees to carry on working beyond 65, despite recent changes to the law, according to new research from Lloyds TSB Business and the SERTeam at the Open University.

The study found that only a quarter of firms (25 per cent) had put in place the 'right to request' rules for employees, which make it possible for staff to work beyond retirement age. Almost half (45 per cent) of those questioned said they were still undecided as to whether they would implement the procedures, while a third (28 per cent) claimed they intended to do so.

Those employers who are yet to implement the rules, introduced in October 2006, appear to be holding back for a number of reasons. Two fifths (40 per cent) expected the laws to create more red tape and a fifth (21 per cent) anticipated rising costs. However, half (49 per cent) of employers didn't believe the changes in legislation would have a significant impact.

When asked how they would treat requests from employees to work beyond the age of 65, just over half (57 per cent) said they would do so favourably, while one in ten (7 per cent) said they would be inclined not to honour such requests.

The survey also revealed that small businesses who fail to plan for future workforce succession could be setting themselves up for a fall. Despite the apparent reluctance to encourage staff to work beyond the age of 65, more than a third (34 per cent) of those surveyed said they were bracing themselves for a drop in the number of younger workers over the next decade. Amongst larger firms this view was even more widely held, with 57 per cent of firms employing 20-49 people expecting a fall in younger employees.

Also surprising, given the number of firms yet to put in place the 'right to request' rules, is that most employers admit the skills of older workers are at least equal to, if not better than younger employees. In fact, most business owners rated older workers as having a slight edge over younger staff in several areas, including commitment to business goals, loyalty, diplomacy, reliability and punctuality. IT was the only skill in which younger workers were seen as markedly stronger.

Stephen Pegge, head of communications, Lloyds TSB Business, said: "Older workers clearly have everything to offer businesses in terms of their skills and knowledge and as this study demonstrates, employers do recognise these strengths.

"Given their positive attitudes to the contribution made by older workers, it is surprising that so many small firms are still undecided about whether to allow their staff to work beyond 65. Potential costs are one the reasons given by some firms which have not yet established systems to allow their staff to carry on working, but it's important that all businesses create an environment where older workers are encouraged.

"With skill shortages one of the biggest issues, it's vital that small firms make the most of the talent older employees have to offer and this may save them money in the long term. Planning ahead now could also avoid costly legal disputes in the future."

Given the importance of understanding employment issues, especially in the light of the legislation, Lloyds TSB Business has produced a special guide to recruitment: <http://www.lloydstsbusiness.com/microsites/recruitment/guides/mrrecruiting.asp>

The SERTeam interviews more than one hundred small and medium sized firms for each of its surveys and is interested in finding future participants. Any businesses, typically with up to 50 staff, who are interested in taking part in the study should complete the application form on the SERTeam website: www.serteam.co.uk

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Notes to editors:

- The research was conducted predominantly amongst small firms (rather than sole traders) with fewer than 50 employees.
- The research was carried out for Lloyds TSB by the Small Enterprise Research Team at the Open University Business School. The report is based on responses from a panel of over 350 small businesses within Britain drawn mainly from the manufacturing, business services and retail/distribution sectors of the economy.
- The Small Enterprise Research Report, 'The ageing Workforce' (£40), is available to order from the SERTeam website (www.serteam.co.uk) or contact telephone number: 01908 655831.

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