

AGE DISCRIMINATION

Companies should never put age before profitability

Retailers guilty of ageism in their employee selection and promotion processes should begin preparations for EU legislation that will take effect from by 2006, writes **Linda Clark**

Why would a company refuse to hire employees who delivered higher profits, had lower rates of staff turnover and delivered better customer service? Answer: because they are too old. Ageism, or age discrimination, is just part of the broader picture of prejudice in the workplace.

But whereas there are now laws prohibiting discrimination by race or sex, no such force exists when it comes to age. So what do we mean by 'older'? For some organisations, it is a 'woman over 55' and a 'man over 42' and yet others believe that 'anyone over the age of 50 is too old to be retrained'. And while it is usually the upper end of the age scale that attracts media attention, sometimes people can be too 'young' – a 29 year old secretary with 8 years experience – to move into their next role.

It is an issue that is becoming increasingly important as the socio-demographics in the UK are changing. The proportion of the population over 50 is due to increase from 33 per cent to 41 per cent over the next 25 years,

and, coupled with the reduction in the birth rate, this adds up to more older people and less younger people.

Older people are also fitter and healthier than ever before, and believe they have much to contribute; while for others, it is a sheer necessity as the value of their pension and savings has become eroded in recent years.

The law is about to change however. In 2000, the UK signed up to a European Union directive that will prohibit age discrimination by 2006. It means that employers will be forced to recruit, promote, train and develop employees based on merit and experience, without taking age into consideration. Many of the UK's top businesses have already committed to fair policies for all, and a number of governmental and quasi-governmental bodies, including Employers Forum of Age (EFA) and Third Age Employment Network (TAEN), have been set up to address this issue.

Retailers have been very much at the forefront of this initiative. In the late 1980s, as (a now well-documented

experiment, B&Q opened a superstore in Macclesfield staffed entirely by over 50s. The results spoke for themselves – profits up by 16 per cent, staff turnover six times lower, 39 per cent less absenteeism, improved customer service and increased skill base of the staff.

B&Q HR director Mike Cutt says: "People who have experienced various life-stages have a better idea of service. They're more relaxed about themselves, which means they can put the needs of the customer first. It's also especially relevant in our sector, because our employees will have managed their own homes, done a bit of DIY and therefore have gained their own hands-on experience. In many cases, they have been customers of B&Q before coming to work here, so they are familiar with the stores – that gives us a huge natural advantage."

But what about progression opportunities for the more ambitious? Cutt says: "We don't run a graduate scheme anymore; rather we have implemented a fast-track development



A good vintage: age brings experience, knowledge and less absenteeism

programme that moves employees up the various levels in stores through to general and regional management. Older people can apply to be considered for these programmes as much as younger ones."

Nowhere will the issue of age and related legislation have a greater effect than in recruitment. Not only will it be illegal to state an age range, but also it may be that the law will make it impossible to specify experience levels (indirect discrimination against the young), education criteria (for example, a greater percentage of the young have degrees) or even, such personal attributes as 'high energy levels' (a term generally applied to

younger rather than older people).

But surely it is more a change of mind-set than change in the law that is called for? As organisations appreciate the many business benefits that older people bring – greater experience, higher loyalty, maturity and confidence – they will see that a workforce of mixed ages makes good commercial sense. Getting older may mean a few more grey hairs, but it also brings with it an ability to empathise, an essential attribute in customer-facing roles in the retail sector.

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healthcheck



Every week Pragma evaluates the health of a retailer based on the strength of the brand, the store environment, products and competitive threats

THIS WEEK:	BRAND	PRODUCT	ENVIRONMENT	THREATS	PRAGMA RECOMMENDATIONS
<p>Mango</p> <p>OVERALL SCORE ★★★★★</p> <p>Scoring key: ★ Very poor ★★ Poor ★★★ Satisfactory ★★★★ Good ★★★★★ Excellent</p>	<p>Continuing its international expansion, Spanish retailer Mango has succeeded in establishing itself as a player in UK high street fashion. Building its brand around quality European style at affordable prices, Mango has differentiated itself from other UK retailers competing for the late-teen to early-20s market, something that French retailers Kookai and Morgan have been unable to do in recent years. Mango is a good few steps up the ladder from throw-away fashion.</p>	<p>A clever mix of cosmopolitan catwalk designs and sultry Spanish femininity, Mango offers a refreshing change to run-of-the-mill British retailers. From simple basics to frilly chiffon occasion wear Mango tries to cover all bases, but falls down a little on its casual and sportswear, which can sometimes be slightly off the mark and is much better done by the likes of Top Shop. The quality of materials used, however, may have slipped recently, particularly knitwear and tops.</p>	<p>Mango stores are modelled on stylish minimalism, adding to the brand's cosmopolitan image. The combination of floor-to-ceiling glass, wooden floors, bold primary colours and space gives the feeling of stepping into something a bit more upmarket than a high street store. Merchandising is strong, although too many folded tops means that products can be missed and shelves can become untidy. This effect is exacerbated during sale periods, when rails are packed and untidy.</p>	<p>Not surprisingly Mango's biggest threat comes from competing Spanish retailer Zara. Offering the same blend of international trends, good quality fabrics and affordable prices, Zara has the edge on Mango when it comes to more grown-up sophisticated clothing. Attracting an older clientele, with more disposable income, Zara usurps what could be a lucrative market for Mango. Quality issues are also a worry – if not addressed soon Mango may lose some of its more savvy customers.</p>	<ol style="list-style-type: none"> 1 Keep to Mango's original offer of quality clothing 2 Don't try to be everything to everyone 3 Increase shoe and bag offering – quality Spanish leather and stylish designs will sell and can be sourced easily 4 Display garments to their best advantage – hang tops and don't crowd rails 5 Focus collections and marketing on the more lucrative early-20s market <p>Pragma: 020 8744 1222 www.pragmauk.com</p>