

Managing the workforce without mandatory retirement: Case Study

The executive board of University X is discussing the implications of the removal of the default retirement age of 65 (DRA) for the management of human resources in the university. The following issues are raised by members of the board:

The Dean of the Faculty of Social Sciences expresses concern for the implications of removing mandatory retirement as she thinks that if older colleagues do not retire this could lead to a decline in the quality of academic staff performance. She comments that ‘the most significant contributions of an individual often are made at the beginning of his or her career’. She adds that there will be a need to take a more ‘robust’ approach to performance management.

The Dean of the Faculty of Combined Sciences explains that several professors in his faculty, who are approaching the age of 65, are still very committed to their research and intend to continue to contribute to their discipline. He is not concerned about their research productivity but about the implications that this could have for departmental budgets if they choose not to retire. He comments that ‘when someone is promoted to professorship a planning assumption is made that the cost of the promotion will be balanced out by retirement’. Therefore he worries that if older colleagues, on high salary grades, do not retire it will be difficult to create new lectureships to attract younger academics and provide promotion opportunities for existing staff. However, he is also aware of the fact that some staff need to continue to work for financial reasons.

The Director of the Library and IT services highlights that the removal of the DRA will create greater uncertainty about staff’s retirement plans and this will have implications for workforce planning. She would welcome ideas on how to reduce such uncertainty and on how to capitalise on the skills and experience of older workers.

The Director of Campus Management Services says that several manual workers in his department need to continue to work past the age of 65 as they do not have enough pension income. Thus, the main issue for his department is how best to support older workers.

Questions

1. Do you agree with the statement that 'the most significant contributions of an individual often are made at the beginning of his or her career'?
2. What advice would you give to University X in order to develop a more 'robust' approach to performance management?
3. What are the main issues raised by the Dean of the Faculty of Combined Sciences and, in your view, how could these be addressed?
4. What steps do you think could be taken to reduce uncertainty about staff's retirement plans and facilitate effective workforce planning?
5. Can you suggest ways in which University X could better capitalise on the skills and experience of older employees?
6. What advice would you give to the Director of Campus Management Services to support extended working lives for manual staff?