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This company meets high standards of social and environmental impact.

TOTUM

LEGACY:
Future Proofing Law Firms

Creating positive change

Totum is the leading recruitment and executive search firm for business services professionals across the UK and globally.

We excel at making the right recruitment matches at the most senior level of business operations in professional services, placing COOs, CEOs, CFOs, CIOs, CPOs, NEDs and other director-level leaders across all business services functions. Last year, we placed an average of 43% men and 57% women into business services leadership roles at Director and Chief level, with 30% coming from outside law.

We will continue to ensure we promote equal opportunities for all at the most senior levels – delivering the kind of innovation in thinking that can only come from a diverse talent pool.

As a certified B Corp, we want to make a positive difference in all that we do, and this is further proof of our continued commitment to supporting equity of opportunity.

Foreword

Totum is the leading specialist in recruiting business services professionals for law and other professional services firms. As such, we conduct a lot of research into the key topics affecting firms, speaking to industry experts and senior leaders.

From salary and compensation surveys to the impact of data and ESG reporting on firms, as well as guidance on recruiting senior executives, Totum delivers insightful research, interviews and data tailored for Managing Partners and senior leaders.

Creating this content is impossible without understanding the trends and challenges facing the industry. This is why we also run regular networking groups for leaders on a variety of topics and themes across all business services functions.

This brochure is designed to give you a flavour of the topics we believe are - or should be - top of mind for professional services firm leaders. These include dealing with the new realities of running a law firm, how to tap into better leadership and management styles, and building data-driven decision-making in your organisation.

We're always keen to learn more about the topics that are important to you, so welcome feedback on our articles and ideas for other areas we can explore.

Enjoy the read.

WHY CRIPPS IS INVESTING IN BUSINESS SERVICES TO MEET ITS GROWTH AMBITIONS

Top 100 law firm Cripps is in the midst of an ambitious five year growth strategy, aiming to double its revenue by 2027. Managing Partner James Beatton took on the role in May 2023, and since then the firm has made a raft of appointments into its business services functions as it seeks to modernise its infrastructure, transform its processes and deliver on its ambitious plans.

Alongside Director of People and Talent Development Emma Richardson, Beatton candidly outlines the impact of such changes and how the firm is meeting its growth objectives in this interview with Totum's Managing Director Tim Skipper.

Tim: Quite often when new Managing Partners come into a firm, there is a lot of change in business services. Did you know that would be the case?

James: *I knew some things needed to happen and that others might happen in time. As a leadership team, we spent much of 2022 engaging with the business and our clients to develop our five-year strategy which gave us a crystal clear purpose, vision and values. That meant, coming into the role, I was able to hit the ground running implementing the ambitious growth strategy we had all signed up to.*

A key part of our strategy was getting the right people in the right places doing the right things. We had – and still do have – fantastic people in our business services group, but there was an obvious gap in that we did not have a Director of People in place. Happily, Emma joined us a matter of weeks before I started my new role.

Tim: So, what were your priorities when you joined, Emma?

Emma: *When I came in, there were some things the people team were exceptionally good at - for example policies and governance. However, what was missing was a strong strategic direction and ensuring the team was well-aligned to our five-year strategy. I wanted to know what was working and what wasn't, what people thought we should do and what their current priorities were. I think I spoke to 77 senior people in the firm as well as my own team in the first few weeks.*

By week eight, James asked me to bring our people strategy forward and, because of the insights I'd already gained, we were able to fast track the people plan, get Board approval and provide the business with a roadmap which aligned with the wider business strategy.

Alongside that, there were a couple of initiatives we already had underway. One was implementing a new HR system, which as anyone who has onboarded one before knows, can be a tricky and time-consuming process. However, it was necessary and the right thing for us to do. The second initiative was the introduction of our competency framework to give everyone a clear career path.

Tim: What other positions did you have to fill?

James: *The bit I thought we could wait on was hiring a COO. Having recruited Emma, we had a strong director group covering the key areas of finance, people, technology and marketing. However, a curveball came up when one of our directors decided to relocate to sunnier climes, which created a gap.*

At this stage we reached out to Totum for advice. Tim, you suggested I speak to Alastair Mitchell, who was at Pinsent Masons at the time, but had decided to retire. He came in, met everyone and gave me a two-page summary of what he thought we needed – which was perfect for me. That led to him working on a consultancy basis for us before joining us permanently last year and latterly taking on the role of COO.

Our strategy is all about growth, and that means delivering our services as efficiently and effectively as possible. We're at a tricky stage in our growth journey where we're big enough to require more infrastructure but also need to bring our people with us to understand why we need to make changes and put more rigour and process in place as we grow.

We're working out what that means for our business services function to continue to meet the demands of our business, but for example, another recent new hire for us was a full time Director of Risk and Compliance.

The journey we've been on over the past 18 months has been a challenging one and we've implemented a huge amount of change very quickly, which has been really positive on the whole. There is still a lot to do, but we have good people in our business services departments with clear priorities. We are well set for the next stage of our strategy, and I feel more confident about having the right people in the right places. It makes my life easier but also makes us a stronger business.

> "Our strategy is all about growth, and that means delivering our services as efficiently and effectively as possible"

Tim: How do you measure the impact of this investment in business services?

James: *Our strategy is underpinned by five strategic objectives with goals and metrics against each and these are driven out of our business services functions. We review and monitor progress on a quarterly basis. It is hard to measure impact purely in data but it's something we're working on, and I strongly believe that if you get great people working in these areas, then ultimately you will be more efficient and effective as a business.*

Emma: *We've got much smarter at our lateral hire process, particularly in our legal teams. We've been able to attract higher quality candidates more recently.*

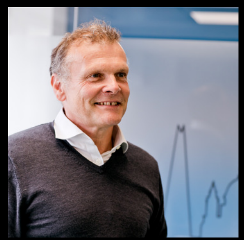
One of my new objectives is to look at our ROI for those strategic hires. I'll be sitting down with our recent salary partner hires to go through what this might look like. For example, we might look at the business plan they brought with them as part of the recruitment process and see what they've managed to achieve so far. It's not really part of the appraisal process, it's more about what they thought they would achieve here and whether they've been able to deliver. How could we have made it easier for them to get up and running?

"A key part of our strategy is getting the right people in the right places"

Tim: You've talked about taking people with you – how do you do that?

James: *I think we've learned a lot over the past 18 months about the pace of change and how much people can take at any one time to fully engage and embrace those changes. We appointed an Internal Comms Manager in 2023 and now have more frequent firmwide comms using multiple channels and more feedback mechanisms, including a revised employee engagement survey, a virtual AGM, our impact awards, DEI groups and roundtable lunches with me and the partners, so we are continually getting feedback and making changes where we need to in response to that feedback.*

Emma: *When it comes to bringing people with you, there is a role for key leadership positions at every level. There is also a big role for lateral hires, who perhaps have seen some of the things we're trying to do work in other firms and can act as real advocates for that change.*



Tim: How is the growth journey progressing?

James: *We're over halfway through our five year plan. We were turning over roughly £40 million when we started, and with a fair wind, we'll get to £55 million this year. That's not transformational, but a lot of what we've done over the past couple of years has been to help lay the foundations for our future growth.*

The ambition remains there. A realistic target is £80 million. At that scale, we will be a more stable business financially and be able to invest more in our people and technology. We are confident in our ability to achieve this organically but recognise that the timing can be accelerated by merger or acquisition activity. The legal landscape is changing dramatically and with that comes challenges but also great opportunity and with a solid team in place, I'm looking forward to what the next few years have in store.

How to recruit CHIEF-LEVEL EXECUTIVES

Hiring an individual to lead a business services function in a professional services firm is a complex job. Firms need to understand the skills, capabilities and personality required to meet the strategic objectives of that particular function, while at the same time ensuring the right mix of talent for the leadership team as a whole.

How do you decide on the right remit, job title and role for your function?

There are many complexities when considering how job descriptions vary for Chief, Director and Head Of roles. Not only do individual firms vary in their approach to each role, depending on their own structure, objectives and culture, but market trends shift too, meaning that even the terminology can feel difficult to pin down.

With that in mind, we're sharing our insights into the different leadership roles across business services functions and how firms tend to approach them in terms of their titles and remits.

Chief vs Director

Recent years have seen many more firms appointing standalone Chief Executive Officers (CEOs) and Chief Operating Officers (COOs). Below those positions, there has also been a shift, with the Director title (HR Director, Finance Director) increasingly giving way to Chief (Chief Marketing Officer, Chief Financial Officer), with many firms wondering what, if any, difference there is between the two.

In general, Chief title implies a role that goes beyond the function to encompass a firm wide leadership remit. Director titles are often more specific to directing the strategies and projects of that particular team. While not applicable to all firms, the move to Chief has become more common in leadership recruitment.

One key change has been the profile of business services leaders. Where a decade ago business services leaders would report into a board, today's leaders sit on the board themselves.

They are positioned at the heart of a firm, core to decision-making and strategy. In a world of constant change, they are defining and implementing transformation programmes. Often, these leading roles come with a Chief title.

There are some functions where the Chief title is more common, such as finance, technology and HR/People. However, regardless of title, all functions are essentially moving in the same direction. Strategic thinking, operational expertise and effective people management are all key traits for the future.

So does a title matter? Well, yes, up to a point. As firms increasingly look outside legal for talent, a Chief title more accurately reflects the roles that business services leaders now play. We also know that a job that has the Chief title in it is likely to attract more candidates looking for a more expansive job role.

The CEO and COO

The CEO position typically replaces the traditional Managing Partner role, allowing a business expert, rather than a lawyer, to determine and steer a firm's strategic direction. This frees up senior lawyers to maintain their fee-earning practices without the distraction of management and operations.

In law, the CEO role has tended to be more popular among smaller firms that benefit from the fresh insights brought in by business expertise. Larger firms have been more likely to stick to traditional Managing Partner/Senior Partner structures.

The COO role, however, has taken off, with a steady increase in their number among the Top 50 UK law firms.

Totum research shows that 62% of Top 50 UK firms have a COO, with just under a third (32%) of these being female.

This number reflects the significant growth firms have experienced in recent years - and the impossibility of the Managing Partner handling operations, strategy and fee earning alone.

Allowing the Managing Partner to work alongside a COO – who takes on internal operations alongside selected reporting lines - has enabled firms to become far more efficient and effective.

One change to note is that the background of COOs is evolving to reflect the needs of individual firms. Previously, COOs would come almost exclusively from a finance background. However, firms are increasingly appointing a COO role alongside a CFO position, freeing COOs from financial responsibilities and allowing them to bring new expertise to the table.

Consequently, firms are now hiring and promoting COOs with HR, marketing, business development and IT backgrounds.

This is also a role where the chemistry with the Managing Partner is particularly key. It is vital that the Managing Partner and COO work effectively together, complementing each other's skills and expertise. Individual firms have their own approach to a COO's reporting lines, with no obvious similarities in how firms choose who should report into the COO. Much depends on existing structures and the culture and personality of the firm in question.

That's why it's important for firms to tailor their approach to recruiting these senior executive roles. Those that have a keen sense of their firm's direction of travel, are in tune with their existing leadership team's capabilities and personalities, and know what areas need investment or additional focus, are typically well placed to source the right talent at this highest level.

It's one thing to define a job title, but another entirely to accurately scope out the responsibilities and abilities needed for a business services leadership position.

As a business that frequently helps firms define job descriptions that attract quality candidates, here are some things to remember.

One

Job descriptions should always start with the title, location, status (full-time, part-time, hybrid, etc), who the role reports to and details of direct reports. Be prepared to share information on your culture, values and strategy.

Two

Clearly state the context of the role (where it sits organisationally/board status), what operational functions it leads and whether it's a new or replacement post. Explain your board structure.

Three

Detail the chief priorities and purpose of the role. Some candidates may be attracted to roles that are either brand new to a firm or seek to further develop an established function/remit. The more clarity firms can provide at this stage, the better the chance of gaining the right applications.

Four

Planning ahead is a key component of successful recruitment. Once the basics are covered, set out a clear list of key responsibilities, so candidates are given a good sense of exactly what the role will entail across different areas of the team and wider business.

THE MINDSET OF A LAWYER

The stereotype of a lawyer is that of an argumentative, cynical perfectionist. And while these traits might make for an excellent legal brain, they don't always translate well into leadership and managerial positions. So how can we unpick this and help top lawyers become even better leaders?

"If we can shift our mindset, the possibilities are limitless"

Gavin Sharpe is a leadership coach, award-winning recruitment company founder and one-time lawyer. In a recent Totum Partners seminar, he explained that according to psychologist Abraham Maslow, just two per cent of people achieve their full potential.

But first, we have to know what we're dealing with. Dr Larry Richard is a leading expert on the psychology of lawyer behaviour. He set out to examine the key personality traits of lawyers, with his research finding that lawyers are dramatically different from those in other professions.

For example, said Sharpe, one of the attributes that lawyers score extremely highly in is cynicism. Lawyers are incredibly judgmental and highly suspicious, questioning the motive behind everything.

Other traits for lawyers include needing autonomy and independence, being result oriented, analysing everything and having a sense of urgency, with Dr Richard memorably describing it as "every lawyer acts as if they are on their way to a fire".

Conversely, lawyers score lower on some of the more emotionally intelligent skills, being less sociable, less resilient and less open to criticism than others.

For those of us who work with lawyers, much of this will be unsurprising. Yet the challenge lies in how these skills – or lack of them – stack up in the new world of work. "The skills that make great lawyers may have made them great managers too, ten years ago – but that's changed," said Sharpe.

"In this new world of work, leaders need to be resilient. Leaders need to be open to taking risks. They've got to be able to connect to different generations. As Marshall Goldsmith says 'what got you here, won't get you there'," he added.

Changing this behaviour requires understanding how our brains work. Human brains are wired for survival, dealing with the primitive fight or flight urge when we sense a threat. While the nature of that threat might have changed from avoiding predators to dealing with work stress, there is no doubt that many lawyers spend much of their time feeling under threat.

This stress overwhelms decision-making, leading to poor choices, bad management and the potential for errors. So how do you take a sceptical, cynical lawyer and get them to let go of that?

For Sharpe, the key to any coaching development is to be explicit about the change in behaviour you want to see.

"To get coaching right, something has to change. How do you measure that change? When will that change happen? Accountability is key to lasting change," he said.

A good way to build this is to have lawyers work in group sessions on leadership development, with Sharpe suggesting that lawyers respond and change much faster in a group setting. When a commitment to change is made, the group can hold individuals responsible.

Next is to break down that initial resistance to change by naming that first step to solving a challenge. For example, if someone is being asked to develop a million pound practice, what is the smallest step they can take to achieve that? Rather than contacting 100 new people on LinkedIn, perhaps they could follow up on the two conversations they had last week with potential new clients. That first step is good enough and is how change begins to happen, argued Sharpe.

The rise of the COO

The Chief Operating Officer (COO) position continues to be increasingly important to modern law firms. As business pressures grow and business services functions expand, firms continue to turn to COOs to drive innovation, manage change, enhance efficiency and streamline processes to allow legal professionals to focus on what they do best.

Why are firms hiring COOs?

Put simply, firms are undergoing huge transformation. Rapid market changes are putting pressure on existing processes, business services functions are growing at pace and the impact of technology means efficiencies and new ways of working need to be found.

Dealing with these challenges while running a successful practice is often too much for Managing Partners alone. Consequently, firms of all sizes are hiring COOs to oversee internal operations, align expanding functions against common objectives and help build a dynamic and successful business that integrates the best legal talent with high calibre business services professionals. Managing Partners and COOs need to have a trusting relationship, with synergy in how they operate, manage people and communicate.

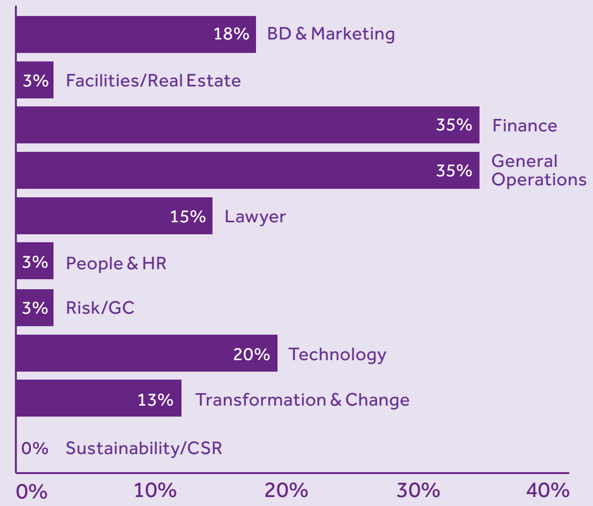
The most effective COOs are those that fill operational gaps and skill sets within their chosen firm, providing strategic support and business expertise to Managing Partners.

Who becomes a COO?

The COO role varies vastly across different firms, with different reporting lines and responsibilities. Traditionally, COO roles were the remit of finance professionals, with the Finance Director often promoted to COO to provide financial expertise alongside oversight of other functions, while the Managing Partner dealt with strategy.

This is borne out by our survey of COOs at 71 different firms of various sizes, which shows that 48% have an accountancy qualification.

Figure one: Functional background of COOs



However, as the COO role has become more strategic and wide-ranging, firms have increasingly sourced talent from non-financial backgrounds to meet other business needs. This might be around the need to lead on technology transformation, a cultural overhaul or other programme management.

As such, we've seen candidate placements into COO roles from a variety of functional backgrounds. While finance (35%) and general operations (35%) remain the most common background to hire a COO from, technology (20%), business development and marketing (18%) and lawyers (15%) are not far behind.

The breadth of backgrounds for COOs shows how broad each individual role can be. Figure one details the background split among current COOs based on our recent survey of 71 firms.

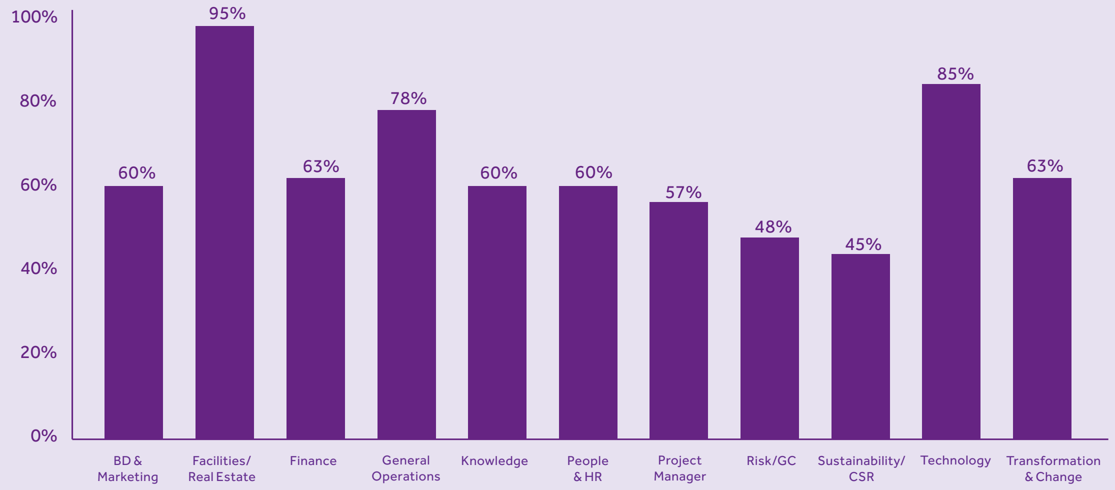
What does a COO do?

The structure and remit of COO roles might vary considerably, but there is one common theme: taking operational responsibility away from Managing Partners so that they can focus on leading the business. This is particularly true for smaller firms or for those recruiting their first COO.

For some, this might mean taking responsibility for all business services functions, working in partnership with Managing Partners. Others might focus on different areas or have functional carve outs.

Figure two shows the breadth of responsibilities COOs have, with almost all firms (95%) having Facilities and Real Estate functions reporting into a COO. At the lower end of the scale, Risk (48%) and Sustainability/CSR (45%) are the functions least likely to report into a COO.

Figure two: *Functional areas reporting into COOs*



The qualities of a transformative COO

While each firm will have different requirements from a COO, there are some common traits and capabilities that effective COOs share. They have the ability to inspire and influence others, but also the political astuteness to understand complex situations and gain support for change. They are excellent communicators and relationship builders, but also have the business acumen to contribute to strategic goals and business targets. The COO's skills should complement those of the Managing Partner.

Ultimately, the COO role is one that touches on almost all parts of legal business management. As such, it is a pivotal role that will help law firms shape their future and requires credible leaders with the ability to juggle functions, responsibilities and people. Getting the right candidate with the right approach is key.

Why hire a **NON-EXECUTIVE DIRECTOR?**

Looking to recruit your first or replacement non-executive director (NED)? This increasingly important role can have a transformational impact on your firm's leadership capabilities.

But with individual firms looking for different profiles and skillsets from an NED, what process should they follow when recruiting NEDs and what value can the position bring to a firm's strategic direction?

This was the theme of a recent Managing Partners' Forum roundtable, moderated by Totum's own Managing Director, Tim Skipper. Here are five key takeaways.

1. NEDs can bring independent thought to business decisions, challenging existing strategy and providing a sounding board for board members
2. NEDs may bring external expertise that existing board members do not have
3. As they aren't bogged down in day-to-day business running, NEDs can focus on horizon scanning and future-proofing firms
4. NEDs are often able to offer additional support and coaching to leaders facing new challenges
5. NEDs are often experienced business professionals with a vast network of contacts. This networking ability can help solve problems, find talent and build new relationships

To find out more about the benefits of NEDs and how to hire one, contact tim.skipper@totumpartners.com

DATA-DRIVEN DECISION-MAKING: WHY DATA IS THE NUMBER ONE CHALLENGE FOR FIRMS

The availability and analysis of data is transforming every industry, supporting strategic decision-making, improving client experience and streamlining processes.

According to research by PwC, highly data-driven organisations are three times more likely to report significant improvement to decision making. Yet implementing effective data analysis and insight is still a challenge.

For law firms, data can be valuable across a number of functions. Marketing and business development teams are increasingly using data to win new business through pricing analysis and pitch refinement (one McKinsey report suggest data-driven sales-growth tools can grow EBITDA by 25%), while knowledge management teams can enhance customer experience by tracking engagement, prepping for briefings and segmenting clients based on pre-defined criteria.

Most commonly, data can be used to assess productivity and performance, analysing billed hours and expenses to identify potential cost savings.

> “The companies that truly leverage data to drive value are the ones that treat it as a strategic asset”

Austen King is a data management and business intelligence consultant with more than 25 years’ experience of data leadership, having previously served as Global Head of Data & Analytics at Clyde & Co and Head of Large Holdings Data Operations at Barclays.

“In my experience, the companies that truly leverage data to drive value are the ones that treat it as a strategic asset, not just a by-product of operations. The most impactful use cases come when data is directly tied to business outcomes,” says King.

Behind the data curve

Traditionally, the legal sector has been slower than other sectors to utilise new technology – and data analysis is no different. According to a 2019 survey by RELX Group, the legal sector finished last among US industries in utilising big data, with only 44% of law firm leaders offering employee training on big data, artificial intelligence and machine learning.

Using data effectively requires accurate, up-to-date information. Yet much of the data held by a law firm is tangled between different functions, separated into various silos and stored in systems that don’t communicate.

Creating a single source of truth on data means creating a team to take ownership of it and drive it forwards. So while practical data governance requires engagement from the entire firm, it’s no surprise many firms are focusing on building out their data teams to manage, sort and analyse their data.

“Over the last 18 months, we have seen a rise in data vacancies within our clients, ranging from Data Analysts, Engineers and Testers right through to Data Governance Managers and Heads of Data. Firms are looking at gaps in resources within their existing teams and where improvements can contribute to their overall data strategy,” says Ross Mackenzie, Head of Technology Practice at Totum Partners.

Building a modern data team

King believes that there are three key elements to building successful data teams.

“First, having a clear vision is absolutely key. I’ve led teams where we’ve had to deliver under tight deadlines or in high-pressure environments, and what made the difference was ensuring everyone understood how their work contributed to the bigger picture. It’s not just about delivering data, it’s about solving real business problems,” he says.

“Secondly, it’s all about investing in your people. You can have the best tools in the world, but if your team doesn’t feel empowered and supported, it won’t matter. It’s about creating an environment where they feel like they can make an impact,” adds King.

Underpinning these elements is a strong foundation where processes, procedures and reporting is robust.

“Strong foundations make everything else possible. I’ve worked in industries where trust in data was critical, whether for regulatory reporting, operational dashboards or machine learning projects. Establishing robust governance, clear processes and leveraging the right tools not only improved accuracy, but also gave the team confidence to innovate,” says King.

Today’s data teams need to deliver live data that can be actioned by business users, not other data engineers. They need to work with data from an ever-growing number of sources, while meeting data privacy regulations and dealing with security challenges. Like every other business function, they also have the challenge of rapid transformation as firms become increasingly agile in their approach to technology.

Strategic use of data

For technology leaders looking to build out their data teams, it often helps to start with the end in mind. Audit where your data governance is now and define where you're trying to go. Think about three key areas: people, technology and systems, and audience.

From a people perspective, understand who is currently on your data team and what role they perform. What specific skills and experience do they have? How do they fit with the company culture, and how quickly can they turn the data into insights?

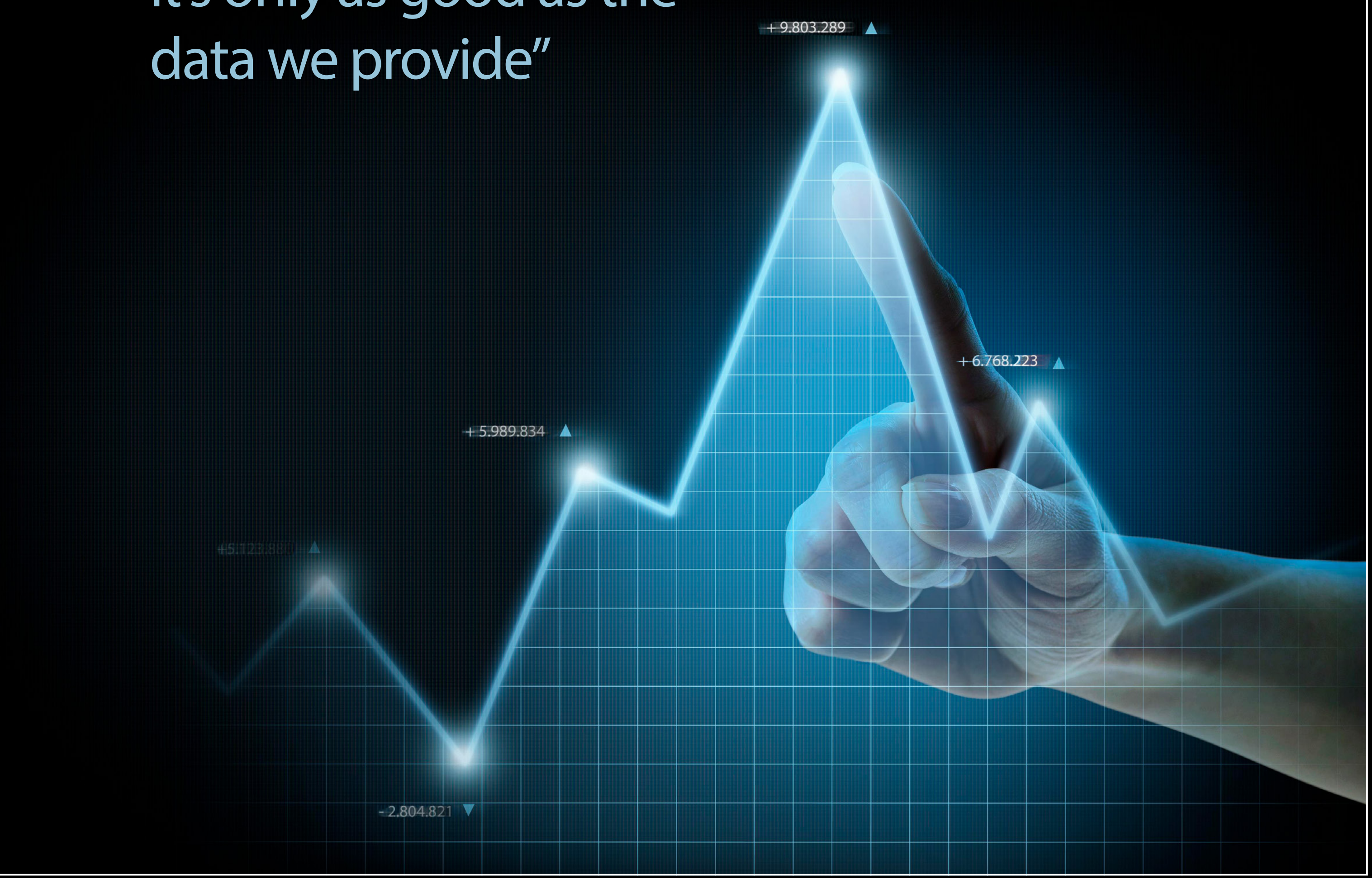
When it comes to technology and systems, it's likely that you'll need to invest in new technology to consolidate your data. However, before you do that, review your current data stack. How do you store, model and process data? How do you ensure that your existing data is accurate, and that it creates actionable insights?

Finally, consult with leadership teams to understand the audience for your data. Who will be using data insights and what do they need from it? How efficient are your current processes in providing them with the information they need?

"We're seeing advancements like generative AI and automation revolutionise how organisations process and analyse data. These tools are making it faster and easier to derive insights, but they're not the whole story," says King.

"What's critical is maintaining a human-in-the-loop approach. AI is powerful, but it's only as good as the data we provide. I've seen first-hand how human expertise – whether in governance, analytics or decision-making – remains essential for ensuring AI and other technologies deliver value in an ethical, responsible way," he adds.

"AI is powerful, but it's only as good as the data we provide"



Redefining work in an age of longevity

The age of longevity means we need to radically rethink our approach to working lives. With one in five babies born today likely to live to be 100 and average life expectancy in the UK already touching 80, the idea of a three-stage life of education, work and retirement at 65 is increasingly outdated.

This means we all need to rethink how we will support ourselves financially as we live longer. According to research by wealth management firm Investec, nearly half (48%) of people in the UK fear running out of money during their retirement.

At the same time, the UK's productivity is lagging behind its international neighbours. According to the Office for National Statistics, the UK's productivity sits behind the US, Germany and France and is growing at the slowest rate of all G7 countries, excluding Japan. Skills shortages are affecting the speed at which firms can grow, with a talent war underway in different sectors.

A seemingly obvious solution would be to tap into the growing cohort of older workers, or 'mid-lifers' as some have dubbed them. By 2050, one in six workers will be aged over 65, according to the OECD. Surely, businesses are missing a trick by not looking into this talent pool?

"Being longevity ready is one of the top strategic issues that all businesses have to deal with. I really think it's up there with climate change and AI as one of our biggest challenges," says Julia Randell-Khan, longevity expert and Director of Partnerships at edtech start-up the Purpose Xchange.

Missed opportunities

The problem is that we haven't been doing a good job of hiring, retaining and engaging midlifers. PwC's Golden Age Index looks at how different economies are attracting and utilising over-55s in the workforce, ranking performance against seven key indicators that reflect the labour market impact of this demographic. It placed the UK in 21st out of 35 countries, underperforming relative to the OECD average.

The employment rate of 55-64 year olds in the UK is a full 13 percentage points lower than top ranking New Zealand, with relative pay compared to younger workers and upskilling challenges other areas the UK lags behind in. And things could get worse before they get better – while employment rates for 55-64 year olds improved across most OECD economies between 2021 and 2022, they actually fell slightly in the UK.

"Understanding the cause of these labour force trends is crucial for the UK, as convincing older workers to return to work could help businesses deal with labour shortages fast with experienced staff, ultimately helping to alleviate domestic inflationary pressures," said PwC chief economist Barret Kupelian on the release of the report.

"It's vital, therefore, that businesses and policymakers focus on designing policies to support those who want to continue to work, as well as help to incentivise older workers to return to work they want to," he added.

> "By 2050, one in six workers will be aged over 65"

This is exactly what the top-ranked nations in the report have done. In Japan (ranked 3rd), the government raised retirement ages to retain its older labour force and provided guidance to the private sector allowing employees to work until 70. In Sweden (ranked 4th), policymakers set up a Delegation for Senior Labour programme in 2018, which promotes inclusive work opportunities for mid-lifers and protects older job-seekers from age-based discrimination. And in top-ranked New Zealand, the Older Workers Employment Action Plan helps jobseekers aged over 50 to develop skills to meet current job market requirements.

Diversity reporting

For Randell-Khan, there are many practical steps firms can take to tap into the potential – or 'experience dividend' as she calls it – of older workers.

"One of the big things is around recruiting and hiring practices. There is still a huge amount of unconscious bias and ageism in recruiting. The Golden Age Index report suggests that 40% of managers will not hire someone in the 50-64 age bracket. We have to help hiring managers – who are often at the younger level – to understand the value older workers can bring," she says.

> "There is still a huge amount of unconscious bias and ageism in recruiting"

One way organisations can do this is to publish data on age as part of their DEI practices, in the same way they are now doing with gender and ethnicity. Another is to be aware of the growing number of age discrimination lawsuits businesses are facing, such as Google paying $11m to 200 jobseekers aged over 40 to settle a lawsuit alleging age discrimination and IKEA's ongoing cases.

Another is to empower older workers to learn new skills and adapt to new jobs. With lifelong learning part of our new working reality, it's time to dispel the myth that older people can't learn new skills and transition into new roles later in life. In fact, it's going to become increasingly common.

Honest conversations

> "In a longevity society, it's about being very skilled at transitions"

For Randell-Khan, creating the space to talk through options is vital – both for individuals looking to transition careers and businesses looking to support older workers.

"As an individual, you have to change networks. Your whole identity group will shift, which can be scary if you're senior and your identity comes from a status and position in an organisation. To move on from that can be a big step," she says.

At the same time, organisations shouldn't be fearful of talking to older workers about their aspirations. Often, it's about understanding the different motivations mid-lifers have. Rather than money or salary, it might be about feeling valued or being able to transfer knowledge. It might be about offering flexibility or different working patterns. Ultimately, it's about engaging your workforce and personalising your approach.

"Be creative and brave enough to have that conversation. Don't ignore that demographic and wait for them to exit. Harness their skillsets before it's too late," advises Randell-Khan.

According to the OECD, extending working lives beyond our current retirement age could add trillions to GDP. However, beyond the pure economic value, there is an ethical and societal imperative to harnessing the potential of mid-life workers.

As we all live and work longer, change will become an inevitable part of life. The 50 year career at one organisation is over, with people taking on different roles and positions, sometimes all at the same time. Whether we like it or not, older workers have a key role to play in future workforces.

"Everyone has to understand that in a longevity society, it's about being very skilled at transitions as we live these long, multi-stage lives. It's a mindset shift that we all have to go through in terms of realising that longer, healthier, more productive lives require a rethink in how we work and live," says Randell-Khan.

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