

WORKSHOP B1: AGE MANAGEMENT THROUGHOUT WORKING LIFE

1. SUMMARY AND RECOMMENDATIONS

Age management throughout working life is crucial in order to on the one hand recruit older persons or reintegrate them on the labour market and on the other hand retain older workers in employment. By introducing the diversity concept in SMEs, a shift takes place from a focus on age as a characteristic to a focus on skills and competences. As a consequence, older persons are active on the labour market and the firm benefits from assets specifically provided through a diverse workforce.

EQUAL projects have shown that capturing tacit knowledge and transferring that experience to younger generations is highly beneficial in order to retain older employees. The older employees are valued through this process, which empowers them and encourages them to stay longer in employment. Additionally, the added value for the company is clearly visible through a decrease in sick leave as well as the mentoring role older workers perform towards newcomers in the firm and this especially in firms where health and safety regulations are very important.

2. ISSUES

The workshop focused on age management throughout working life and, more specifically, on the strategies to encourage employers to recruit and retain older persons. Two principal issues were discussed in this respect:

- Age as an aspect of diversity management and the shift from a focus on age to skills and competences;
- Capturing tacit knowledge of older workers and using them as mentors for younger generations to enhance transfer knowledge from one generation to another.

The chair, Bertrand Gaudin, Head of ESF mission in France, introduced the Workshop panel, which was composed of advocates of good practices in relation to the two issues, developed within EQUAL, and of potential users of these practices. He also introduced the facilitator of the session, Nathalie Wuiame.

He introduced the issue of age management as being crucial and the challenge it poses for reaching the objectives set forward in the Lisbon Strategy. More specifically, a radical change has taken place in work distribution over the lifecycle in the past 20 years.). By 2030 there will be 110 million people aged over 65 in the EU 25, up from 71 million in 2000, and the working age population will stand at 280 million compared to 303 million today. As a result, the ratio of the total working population to persons aged 65 will fall from 4.27 to 2.35. The employment rate of the total population aged over 55 has fallen considerably in Europe during the last three decades. In 1999, it was 37% in the 55-64 age groups in the European Union. However, some progress has been made recently towards achieving the Stockholm and Barcelona targets. In 2002, employment of older workers increased by 5,4% corresponding to arise of 1.3 points in the employment rate to 40,1%. (50% for men and 30,25 % for women) while the average exit from the labour market increased from 60.4 years to 60.8 in 2002. While Member States are gradually starting to restrict the possibilities of early retirement, still a high proportion of companies encourage it. Additionally, there is a risk of losing the skills and knowledge of older workers when they retire early.

Older workers particularly lower skilled, do not necessarily have the opportunity for advancement, diversification, training or adaptation to new technologies. There is in general an insufficient focus of companies, HR managers and stakeholders on creating a working climate where knowledge exchange inspires workers to develop their careers and prolong their working lives. Moreover, a lack of intergenerational knowledge exchange prevents young workers from transferring their skills to older workers who could benefit from, for example, new technological knowledge.

This session on age management throughout working life specifically addressed the strategies to encourage employers to recruit older persons and to retain older employees in employment. Through the EQUAL projects the need for companies, public employment services and intermediate agencies to focus on the competences needed for a specific job instead of characteristics such as age has been stressed. Moreover, the projects have shown that experienced employees are of great value to the company because of their skills and/or their tacit knowledge and their role as a mentor for younger generations. These assets improve in-company networking and communication as well as contribute to higher levels of motivation for the older employees to remain in employment as long as possible. More specifically the following lessons have emerged from EQUAL:

- Employers of SMEs need to be informed on the benefits a diverse workforce might bring to their company. Awareness raising in general on engaging in diversity and supporting them with tools on how to manage a diverse workforce specifically is therefore crucial.
- Capturing the tacit knowledge of mature employees means understanding that older workers have a pool of knowledge and expertise. It is important to recognise and reward this for it to be transmitted and used in the most effective way. It benefits workers as a way to empower themselves and become aware of their learning capacities and training needs, while it effectively contributes to organisational learning.
- Mentoring models are used to support the flow of knowledge between older and younger workers in order to ensure that the ageing workforce can stay in their jobs and younger generations benefit from the experience of older workers.

After the introduction of the panel by the chair, the session was broken down into the presentation of two issues: "Age in diversity management: shifting from age to skills and competences" and "Intergenerational links". Both issues were discussed between the advocates and the users and well as the participants in the audience.

2.1. ISSUE 1: AGE IN DIVERSITY MANAGEMENT: SHIFTING FROM AGE TO SKILLS AND COMPETENCES

The good practice

Anneleen Peeters, from Idea Consult and coordinator of the Flemish DP Paradox, explained how the shift to a focus on skills rather than on characteristics such as age encourage employers to recruit older persons and at the same time introduce diversity in their workforce.

This DP operated in a context of high unemployment of older workers and a general tendency to retire early in the Region of Antwerp. In addition to that it addressed the paradox resulting from the mismatch often occurring on the labour market: a high level of unemployment on the one hand and a low level of available vacancies being filled in on the other hand. The objective of this DP was to increase the recruitment of older workers by developing tools to raise the awareness of employers on the benefits of diversity in their workforce and to develop methodologies to approach the target group of older unemployed persons.

On the demand side, in total 1200 SMEs have been contacted, of which 700 face-to-face. The intermediate consultants discussed the issue of diversity in the workplace and tried to identify the level of diversity for each individual firm on the basis of the diversity manual. At the same time, the diversity guide provided for in depth information for the employer in order to accompany him or her to a subsequent level of diversity. The guide provided for five "diversity profiles/phases", ranging from a low level of diversity (very homogenous workforce in terms of age, ethnicity, gender, etc.) to a high level of diversity (very heterogeneous workforce in terms of age, ethnicity, gender, etc.). Additionally, 320 feasible vacancies were identified in order to match the demand for specific skills and competences with what was available in the target group.

The approach consisted in making employers aware of the benefits a diverse workforce could bring to their firm and the importance of focusing on competences and skills rather than on characteristics such as age to avoid mismatches and to create the opportunity to recruit older persons. Another argument was that it was more beneficial for the firm to hire a person than to

leave a vacancy open for a long time even if that potential candidate was not completely what they expected in terms of age but fulfil the skills and competences required.

On the supply side, 600 candidates (non-natives and older workers) had been identified of which 130 candidates have been placed (of which 34% were older persons).

In terms of qualitative results the following has been achieved:

- A real shift in awareness because most of the firms interviewed were in phase 1 of diversity.
- A positive feedback from employers, counsellors and policy makers (the public employment service, VDAB, wants to introduce the diversity manual as a training for their consultants).
- The diversity guide and manual is easily transferable to other target groups and other regions.

It was stressed that every firm has its own needs and businesses so a tailored approach is necessary in order to obtain the best results. In addition, the integrated approach of working on the intermediate level is crucial.

The debate

The first potential user, John Muijsers, HRM consultant for DSM Limburg a chemical company, wondered if the diversity tools would also be applicable to, for example, a very large company where the take up of early retirement is a general practice.

Anneleen Peeters responded that the diversity guide also works for larger companies in terms of raising awareness on diversity. It explains the social (for example, a better image) and economic (for example, attracting new clients) benefits of a diverse workforce. Pre-retirement systems though make it harder because a particular mentality is already installed. It is a responsibility to be shared by employers and employees.

The second potential user, Gérard Dantin, from the French Trade Union CFDT and a member of the European Economic and Social Committee, mentioned the opinion adopted in December 2004 on the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on increasing the employment of older workers and delaying the exit from the labour market (SOC/178). He added that a firm which is already investing in human capital is more open to ideas such as diversity. Furthermore, he stressed that a psychological change is needed because it became a logical thing that older workers retire early. So not only retirement schemes should be targeted.

His question related to the tailored approach, more specifically, the fact that public employment services struggle with whether to take on board a general or a more specific approach towards the recruitment of older persons.

Anneleen Peeters commented that there are indeed some specific issues involved when dealing with older persons. They sometimes need more advice in making for example their CV in order to make their skills visible.

A participant from a German DP working on older workers and representing a public employment service raised the question if all these actions targeted towards the recruitment of older workers were really effective. In Germany federal action is already taking place to encourage the recruitment. But it is not only a question of SMEs, it is the bigger companies that should set the example and fight early retirement. The labour market conditions are gradually changing and early retirement will become more and more difficult. It is therefore important now to focus on the skills the older workforce has and to keep them employable.

Gunter Gebauer who represents the German DP NETAB explained that Volkswagen tries to set the example and provide good practices to firms but not many employers reacted to that campaign. The problem is still that most firms only react when trade unions come into action. It is therefore important to find new ways to tackle the problem. Age as such should not be tackled but it should be tackled as a specific problem within the company.

A representative of the Ministry of Employment of Luxembourg raised the question if the project did also take into account regional labour market disparities into account. Because, for example, in Luxembourg the young workforce is better skilled and therefore more easily hired.

Anneleen Peeters answered that the project was located in the region of Antwerp where a specific type of vacancies was available. These were targeted at low skilled labour force. The problem is that when the jobs are located further away, there is an issue of mobility with older persons.

John Muijsers added that older workers should be kept fit for the job. A tailored policy is needed for older as well as younger workers. Trade Unions could, for example, suggest part-time work for older workers with a slight decrease in salary. This will allow for more free time and a gradual transition to retirement. Reviews should be held with them and more training should be given to this target group.

Gérard Dantin stressed the importance of looking at the problem in a life cycle approach. Moreover, a distinction should be made between blue collar and white-collar work. From the white-collar employees, four out of six do not want to retire early. Therefore flexibility is needed within the system to allow for a different approach between the target groups according to their specific needs.

2.2. ISSUE 2: INTERGENERATIONAL LINKS

The good practice

Two EQUAL advocates, Nanette Wilhelmsson and Matti Tuimala, were invited to present the good practice of their DP and this in the area of intergenerational learning.

Nanette Wilhelmsson, who represented the Finnish DP “The Power of the Experienced”, started her presentation by saying that in Finland work is very important to people and that they are discouraged by the ‘old image’, i.e., the idea that persons having reached an older age are not valuable to the labour market anymore. The project was targeted at SMEs because they have less time to engage in human resources in general. The stress was on communication within the firm, especially in terms of finding out what tacit knowledge the more experienced employees possess. In this project the bottom-up approach was crucial in order to make the ideas of the older workers visible. This was done through coaching sessions. Bridges are built between the different departments in the firm in order to enhance communication and to get know each other. Managers, which are usually younger, are encouraged to engage in dialogues with the older workers. The result is that the older workers are clearly more motivated and empowered because they are being heard and as a consequence there is a decrease in sick leave.

Matti Tuimala presented the good practice of the Finnish DP ‘The Route of the Professional Shipyard Worker’. 50 firms were involved in the development of a new guide on health and safety in the shipbuilding industry. The Finnish shipbuilding industry had recently faced a structural change and as a consequence the health and safety guidelines were outdated. Moreover, the Finnish occupational safety legislation was harmonized with EU directives, which included new definitions and terminology like shared workplace especially for business sectors with many SMEs. Therefore the adaptation was needed across borders. As a consequence, the development of the guide was a result of at the same time adjusting to structural changes in the shipbuilding industry and the obligation of conforming to EU directives on occupational health and safety. The “Learning by Doing” method (for example, on the job training) was applied in order to catch the tacit knowledge of older workers which contributed to the new guide. The guide was written in a user-friendly way and was issued in English, Swedish, Finnish and Russian. The layout and content is the same in all languages in order to facilitate transnational cooperation. 10,000 copies have been published so far.

The results are mostly visible in terms of an increased level of safety and as a consequence a lower rate of occupational accidents, from 450 accidents in 1995 to 33 accidents in 2004. Sick leave has also decreased considerably, which brings savings for the companies and society as a whole. This is specifically beneficial to SMEs, which do not have the resources to issue such a guide themselves. The good practice is being disseminated by organising training sessions for around 3,000 employees. Moreover, the method is easily transferred to other sectors like for example the construction sector.

Furthermore, the project has been very beneficial in terms of intergenerational learning. For young people with no safety experience it was ideal to be confronted to the same work method and safety training applied in several companies. In addition, more young people are attracted by the improved health and safety working conditions and thus gaps are being filled up gradually.

The project had two main benefits with regard to making older workers stay longer in employment:

- The capturing of tacit knowledge and the important role they play with regard to training younger workers makes them feel empowered and motivates them in their work
- The improved health and safety conditions increase their well-being as well as decrease the possibility of working accidents which again is an incentive to remain longer in employment and this in good health conditions

The debate

Jozef Niemiec, representative of ETUC and the Polish Trade Union, explained that these “on-the-ground” examples are very helpful and contain many positive elements to be mainstreamed at higher levels. He stressed that the social partners at EU level must be involved and he asked if they would be capable of picking up this challenge at EU level. Furthermore, he asked if these practices and methods would be transferable to the New Member States, knowing they face even more challenges. Additionally he raised the question of actions in the situation where the involvement of social partners is low.

Matti Tuimala explained that employers are very keen on engaging in this project because it is a win-win situation.

John Muijsers expressed to be very convinced of the “empowering” approach in convincing older workers to stay longer in employment. He wondered though about the sustainability of this change in mentality.

Nanette Wilhelmson confirmed that the employers who were involved in the project still organise the coaching sessions. Furthermore she stressed the importance of this model as being a role model for younger generations.