

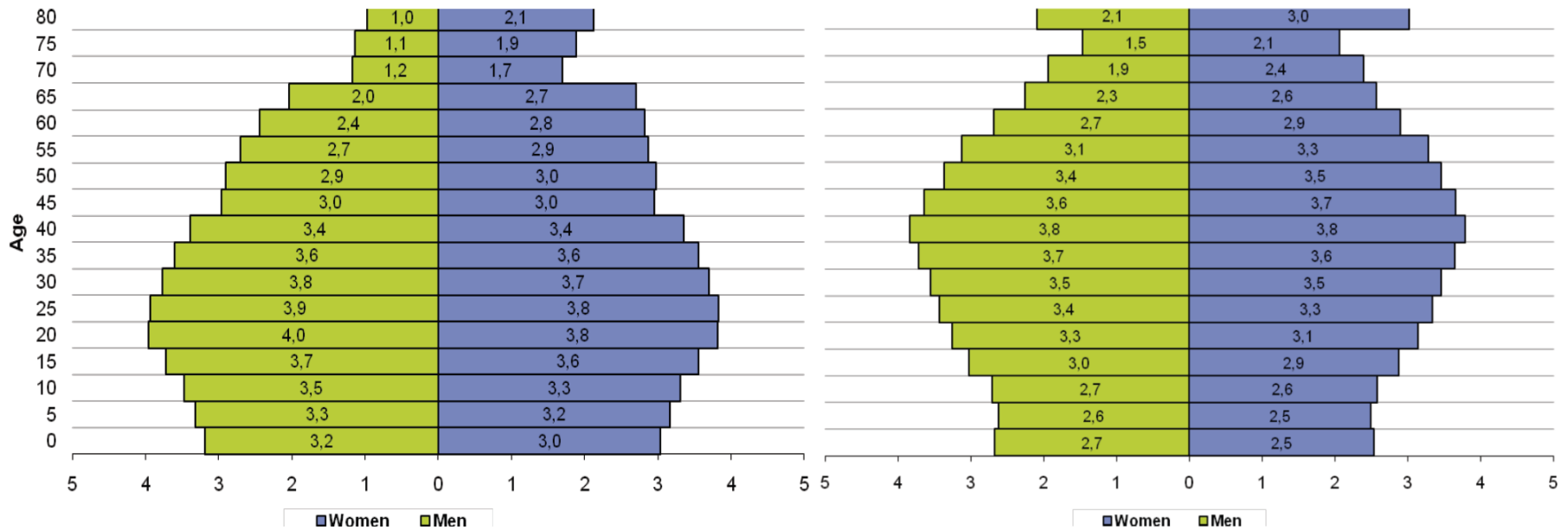
# Personnel Measures for Older Employees

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Brussels May 6 and 7, 2013



## Ageing of the population in Europe 27

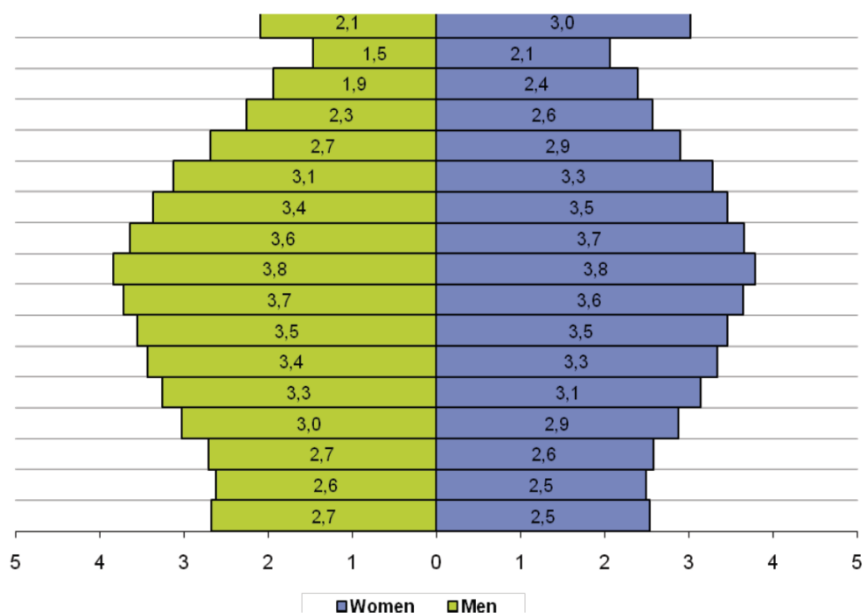


1990

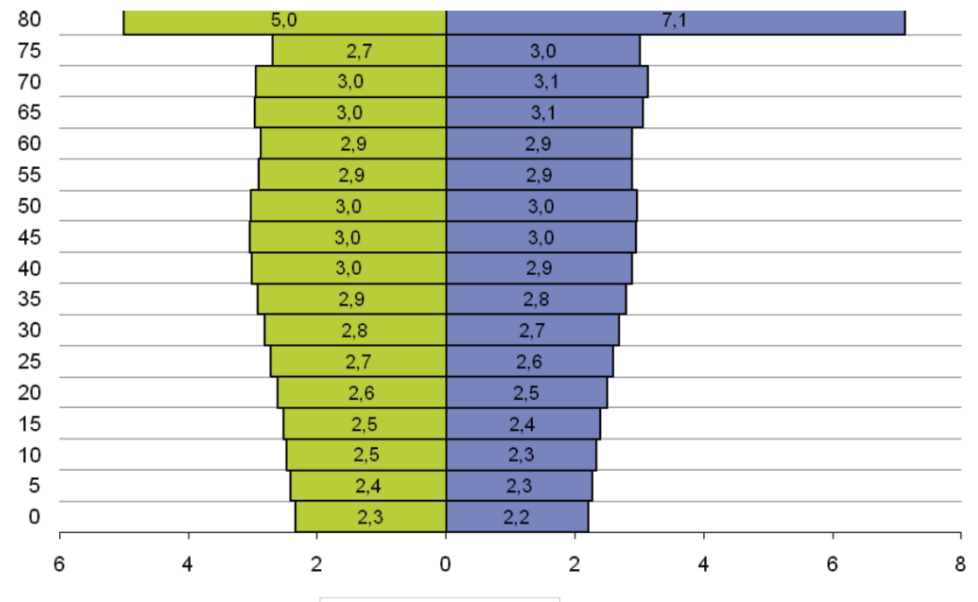
2009

Source: Eurostat Statistics Explained (2010)

## Ageing of the population in Europe 27



2009



2060

Source: Eurostat Statistics Explained (2010)

Average age of workforces will increase stronger than population

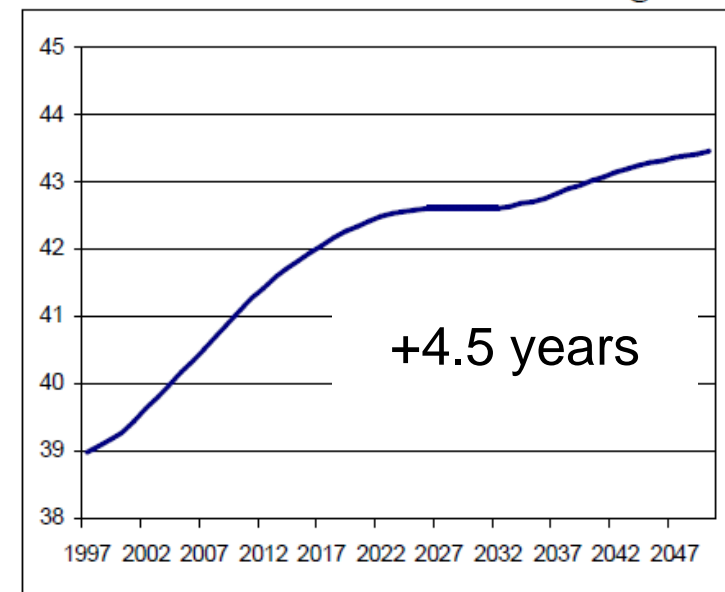
Change in behaviour

- Retirement age increases
- Labour market participation increases stronger for older employees than for other employees
- Longer qualification periods

Demographic changes

- Young cohorts on labour market are smaller than older cohorts

Average Employee Age  
In Germany



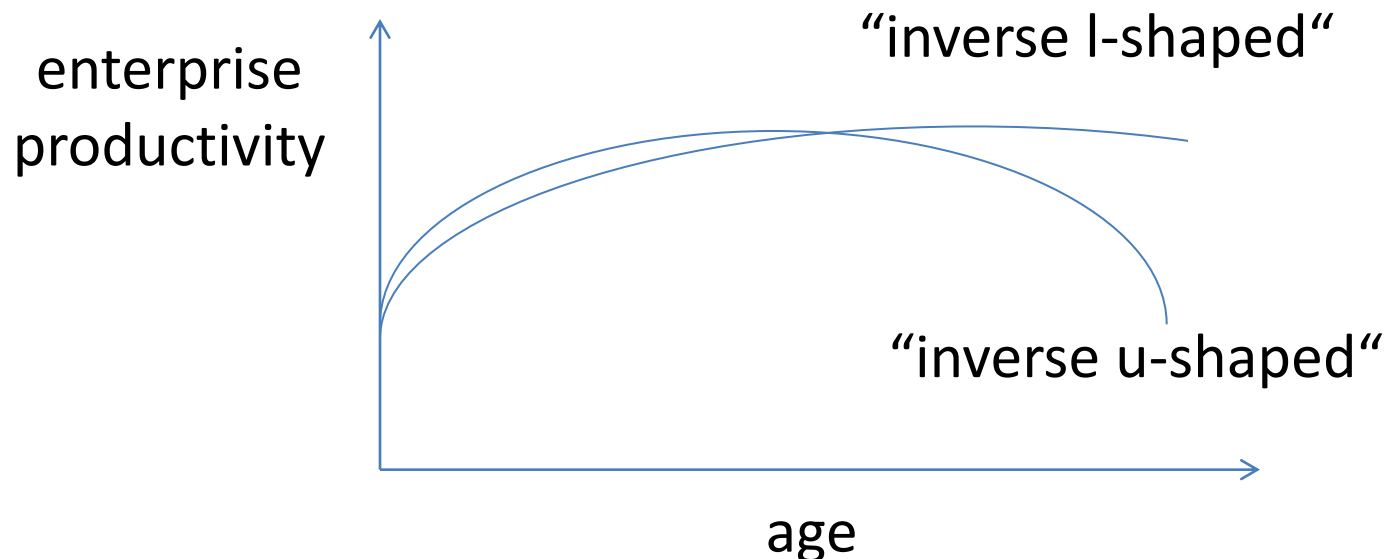
Source: Börsch-Supan, 2010

## Changes in individual capabilities when ageing

- Capabilities in tasks that demand experience increase
- Capabilities that demand adaptation, flexibility and learning decrease
- Individual capabilities can however not be directly translated into enterprise productivity :
  - Work seldomly demands maximum effort
  - Productive activity frequently occurs in teams
  - Selectivity increases with age (the more productive employees remain in work)
  - Difference between capabilities and output (motivation)

## Literature on age productivity profiles at variance

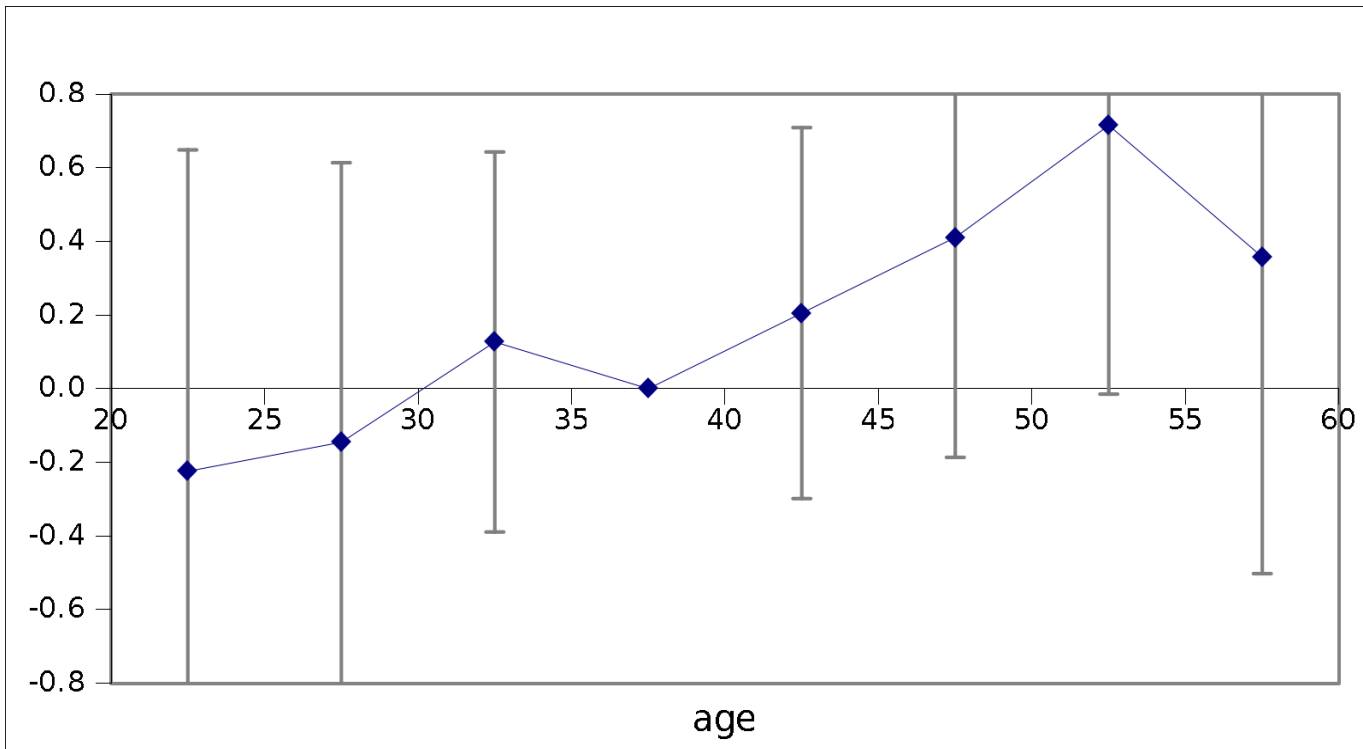
- Paul Johnson, LSE (1993): “Everybody believes that productivity decreases after 40. Why bother to proof the obvious?”
- Early studies (1995-2002) show negative impact of older employees on productivity (“inverse u-shape”)
- Newer studies (since 2003) do not show negative impact of older employees on productivity (“inverse l-shape”)



## Explanation of differences in age-productivity profiles

- Older studies are cross section and newer studies longitudinal
- Labour productivity continuously increases from cohort to cohort – this effect lets older employees look like as they were less productive when cohort effects are mixed with age effects
- Longitudinal studies can separate pure ageing and cohort effect
- No reduction of establishment productivity by ageing has been shown in longitudinal studies for Austria, Belgium, Canada, France, Germany, The Netherlands, Portugal, and Sweden (one exception is a study for Belgium)

## Age-productivity profile in longitudinal estimation for Germany



Source: Göbel  
and Zwick,  
2009

High variance between enterprises partly can be explained by different approaches in HRM methods for older employees



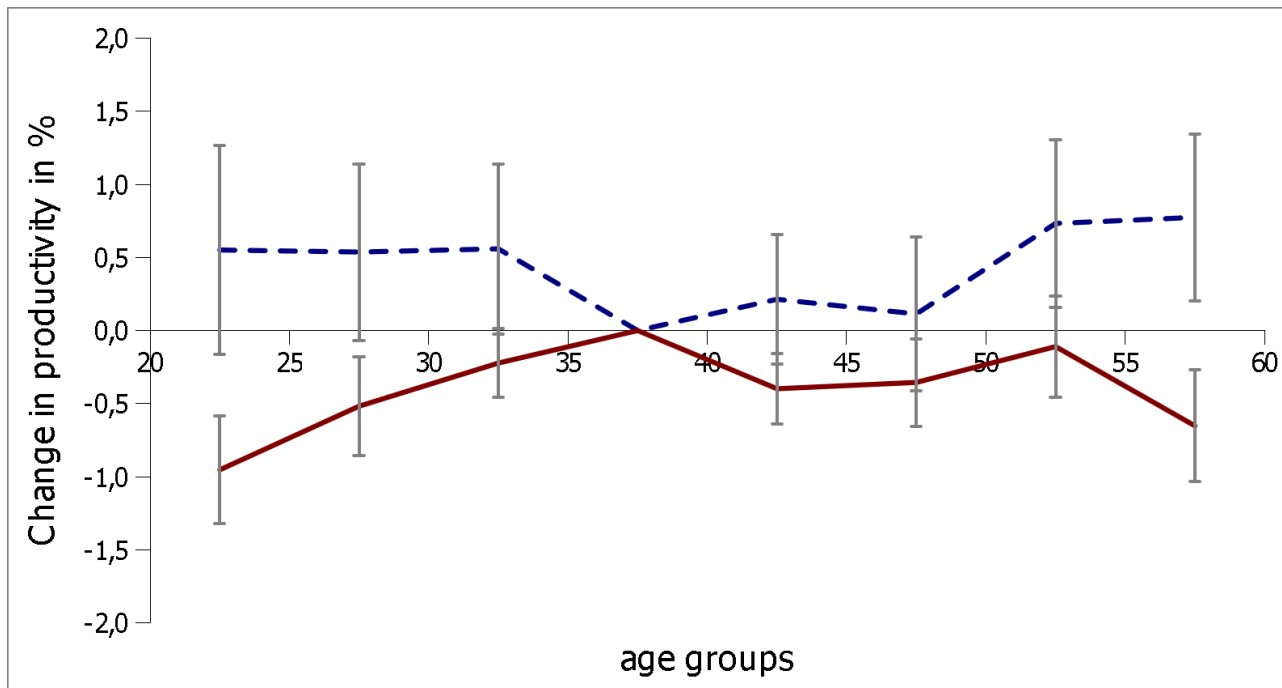
## Share of usage of HRM Measures for older employees in Germany

<b>Specific Measures for Older Employees</b>	<b>Share</b>
At least one SMOE	50,4%
Specific equipment of workspaces	5,1%
Reduced working time	37,2%
Age specific jobs	6,2%
Mixed-age working teams	20,5%
Training for older employees	18,1%

Source: IAB Establishment Panel 2006/Göbel and Zwick (2013)

## Which personnel measures increase productivity of older employees?

- Age-mixed teams (also increases productivity of young employees)
- Special workplace improvements for older employees
- Age specific jobs



Example Age-mixed teams  
Source: Göbel and Zwick  
(2013)

## Why are training and reduced working times for older employees not (yet) effective?

- Training contents and forms are similar over the work life for those who participate
- Older employees have different preferences with respect to training, however (Zwick, 2013)
- They are interested in management and communication training, quick results and (time) flexible on the job training
- They are not interested in abstract and technical training and formal training
- Reduced working times are so far mainly used as block model (early retirement)

## Discussion

- Average age of working population will stronger increase than population age
- Besides demographic factors also reduced early retirement, higher employment shares of older employees and longer education periods play a role
- On average enterprise productivity does not decrease with higher shares of older employees
- There is a high variance between enterprises, however – some gain and some loose productivity with ageing workforces



## Discussion

- Effective in increasing productivity of ageing workforces are mixed-age teams, specific equipment of workplaces and age-specific jobs
- No effect have so far training and reduced working time for older employees – this might be a consequence of the implementation instead of the measures themselves



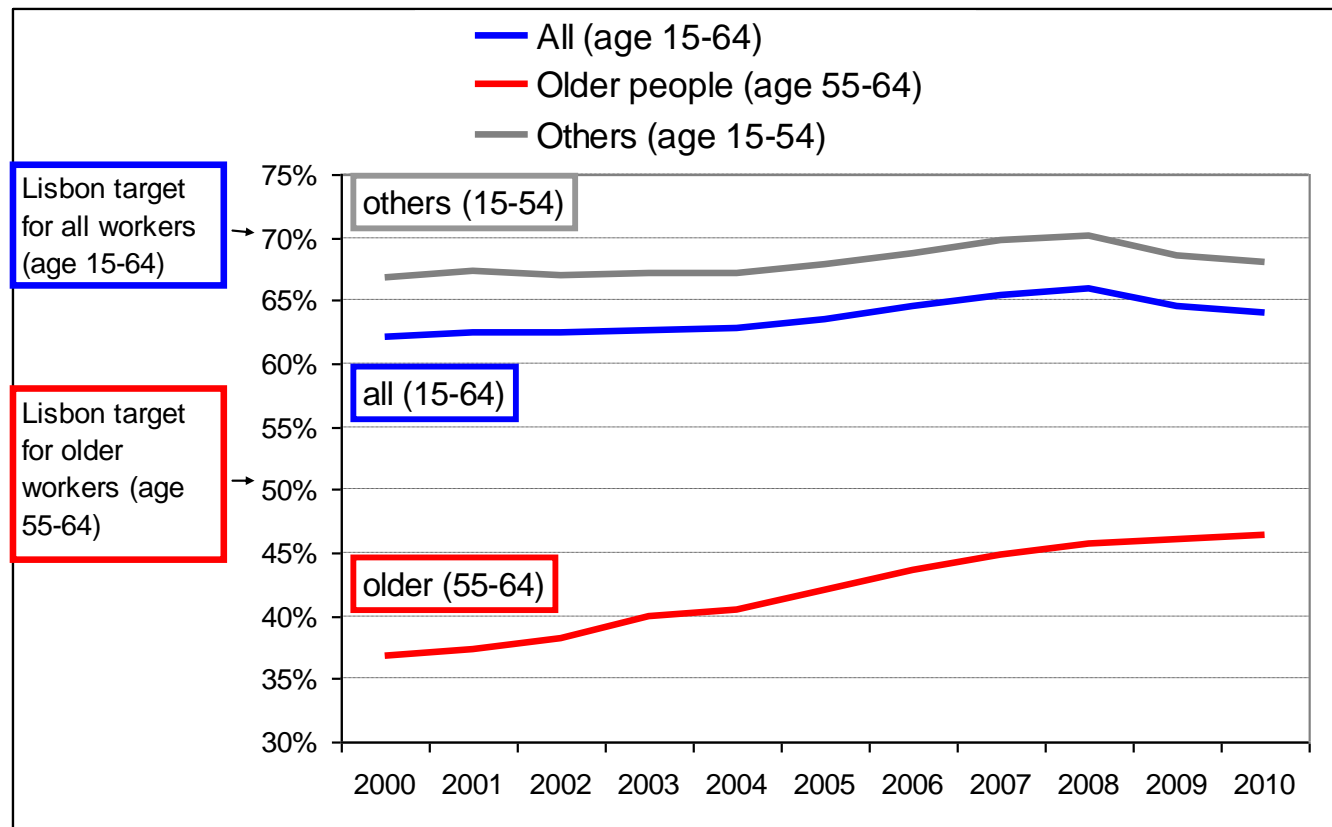
# Thanks for your interest!

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## Employment rates by age group, EU 27



Source: Eurostat LFS