Older workers and employers: The Dutch case

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Development labour force participation older workers

The graph shows the participation rate of older workers in the labor force from 1992 to 2013. The x-axis represents the years (1992 to 2013) and the y-axis represents the percentage of the population in the labor force. Different age groups are indicated by different colors:

- Blue for 50-54 age group
- Red for 55-59 age group
- Green for 60-64 age group
- Purple for 65-69 age group

Over the years, there is a noticeable increase in the participation rates, especially among the 65-69 age group.
Expected consequences of ageing staff
(source: ASPA employers survey)

**Labour costs**
- Netherlands: 75% increase, 24% stays the same, 1% decrease
- France: 51% increase, 43% stays the same, 6% decrease
- Italy: 49% increase, 48% stays the same, 3% decrease
- Germany: 48% increase, 51% stays the same, 1% decrease
- Sweden: 45% increase, 49% stays the same, 6% decrease
- UK: 34% increase, 62% stays the same, 3% decrease
- Denmark: 33% increase, 61% stays the same, 6% decrease
- Poland: 16% increase, 74% stays the same, 10% decrease

**Labour productivity**
- Netherlands: 8% increase, 58% stays the same, 34% decrease
- France: 7% increase, 64% stays the same, 28% decrease
- Italy: 14% increase, 62% stays the same, 25% decrease
- Germany: 10% increase, 54% stays the same, 36% decrease
- Sweden: 8% increase, 55% stays the same, 37% decrease
- UK: 12% increase, 74% stays the same, 15% decrease
- Denmark: 10% increase, 71% stays the same, 19% decrease
- Poland: 10% increase, 61% stays the same, 29% decrease
Perceived costs – productivity gap
(source: ASPA employers survey)

% expecting growing productivity-pay gap

Netherlands
Germany
Sweden
France
Italy
Denmark
UK
Poland
Solutions from an employer’s perspective

- Decrease job protection
- Increase wage flexibility and demotion
- Reduction of seniority based wage systems
How difficult is it to fire a worker?
(source: ASPA employers survey)

% (very) difficult to fire a worker with permanent contract
What are the consequences of decrease in job protection? Views of Dutch managers (N=850)

- Older workers are fired faster
- Higher wages as compensation for higher risk
- Young workers are fired faster
- Allocation labor market improves
- Older workers obtain a job faster

% who agree
Average annual number of times ‘demotion’ is mentioned in Dutch national newspapers

Source data: Lexis Nexis.
Percentage newspaper articles approving of ‘demotion’

- 1990-99: 50%
- 2000-2009: 60%
- 2010-2013: 80%
Expected consequences of demotion for the organisation

- Loyalty to management: (strong) decrease
- Motivation to work: (strong) decrease
- Power to attract new employees: (strong) decrease
- Solidarity young and old employees: (strong) decrease
- Willingness to train: no change

Legend:
- (strong) decrease
- No change
- (strong) increase
Demotion only for the very worst cases

Translation: “Let me put it like this. It seems that you’re at your peak of productivity when you are taking your nap. So.....”
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