



EUROGAS, EPSU AND EMCEF

## TOOLKIT

# DEMOGRAPHIC CHANGE, AGE MANAGEMENT AND COMPETENCIES IN THE GAS SECTOR IN EUROPE



With the financial support of the European Commission

2009

BY DR JANE PILLINGER

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## PREFACE<sup>1</sup>

In 2009 the European social partners: EUROGAS, EMCEF and EPSU decided to consider the implications of demographic change on skills and competencies in the gas industry, and launched a project in the framework of the social dialogue committee.

A separate study was carried out by David Tarren of the Working Life Research Institute of the Metropolitan University of London, to provide an analysis of trends in demographic ageing, skills and competencies. The study found that demographic ageing and changes taking place in the industry will require new investments and skills and competencies. The study presents the results of a joint survey. From the responses it is clear that employers and trade unions need to set aside time and resources to properly study the effects of the sector's ageing workforce and adequately address them jointly. The survey responses indicate that there is a lack of discussion and bargaining on demographic change and competencies. The study highlights the specific jobs that will be affected, such as, meter readers, engineers, plant operators, and workers in customer services, distribution and exploration.

This Toolkit has been prepared to raise awareness and point to ways that the social partners can address the implications of demographic change on the skills and competencies that are necessary to ensure that the sector remains competitive in the future. The Toolkit identifies the challenges facing gas companies and how they can be resolved. It demonstrates how companies can benefit from the skills and motivations of different age groups in the workforce and provide guidelines, information and good practice approaches. There are several case studies, which exemplify joint company/ trade union approaches, including in the sectors main companies. The toolkit underlines the case for the role of the social dialogue in the management of demographic change, and will be useful for human resource and line managers and trade union officials working in the gas sector, who have a responsibility for drawing up policies and procedures and monitoring progress in this area. The European social partners want to see the toolkit used as a basis for addressing the implications of demographic change on skills and competencies. The toolkit was presented by Dr Jane Pillinger, an independent consultant working from Ireland.

A joint conference was held on "Demographic Change and Competencies in the European Gas Sector" on 4<sup>th</sup> November 2009. The conference was attended by employer and trade union representatives from gas companies across Europe. Presentations from the conference, a summary and full report of the study, and a summary Toolkit and full Toolkit can be found on <http://www.epsu.org/a/5743>.

EUROGAS, EMCEF and EPSU would like to thank all company and trade union representatives who contributed to this study, developed the case studies, provided useful information and fed valuable ideas into the Toolkit.

### **EUROGAS, EPSU and EMCEF**

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## **TWELVE POINT PLAN**

### **FOR SUCCESSFUL STRATEGIES ON AGE MANAGEMENT, DEMOGRAPHIC AGEING AND COMPETENCIES IN THE GAS SECTOR**

- 1. Take a strategic approach to age management, training and skills development.**
- 2. Create training and skills development opportunities for the whole workforce, including older workers.**
- 3. Remove age barriers and implement a culture of equality and diversity.**
- 4. Put in place new methods for providing and delivering education and training to workers.**
- 5. Create a learning organisation by embedding a culture of learning in the organisation.**
- 6. Address the career development of older workers.**
- 7. Develop programmes of job rotation and redeployment for older workers.**
- 8. Implement knowledge management and knowledge transfer programmes.**
- 9. Put in place complementary policies on age management: health and well being in the workplace and flexible working time.**
- 10. Develop programmes for attracting and retaining younger workers.**
- 11. Put in place methods for forecasting future skills and employment.**
- 12. Develop the social dialogue in the workplace, and integrate age management, training and skills development into collective agreements and workplace partnerships.**

## SECTION 1: INTRODUCTION TO THE TOOLKIT

Demographic change, age management, skills and competencies are critical challenges facing the gas sector. An ageing workforce and a declining pool of young new entrants into the workforce are affecting the whole economy across Europe. However, the gas sector faces particular challenges from demographic change. Looming skills shortages, difficulties in forecasting future competencies needed in the sector, changes in product markets and business practices, all exist in a climate of substantial restructuring and global competition.

### **Who should use the Toolkit?**

The Toolkit can be used by anyone interested in enhancing the way that companies in the gas sector respond to the training, competency and employment implications of demographic change. It has been developed for the social partners as a tool to enhance their actions in this area. However, it is also relevant to human resource practitioners, researchers, trade unions and managers who are tasked with addressing these issues.

### **Objectives of the toolkit**

The objectives of the Toolkit are to:

- Raise awareness of the implications of demographic change on skills, competencies and employment in the gas sector
- Provide guidance and enhance the management of demographic change and in the light of the challenges facing the gas sector
- Show how the social dialogue can provide opportunities for the management of demographic change in relation to skills, competences and employment.

The Toolkit will show how:

- Age diversity and age management policies and strategies can be developed in order to retain and attract the best staff and gain a competitive edge
- The skills and experience of older workers can be harnessed and developed for company competitiveness
- The talents of a diverse workforce can benefit companies seeking to recruit and retain the best workers.
- The role of the social dialogue utilised so that joint actions to plan for and forecast the skills and competencies of the sector in the light of demographic change

## SECTION 2: OVERVIEW OF THE EUROPEAN GAS SECTOR AND THE CHALLENGES THAT IT FACES

### 2.1 AN OVERVIEW OF THE GAS SECTOR AND THE CHALLENGES THAT IT FACES

#### The European Gas sector

The gas sector covers three main markets: production, distribution and retail. Gas currently represents around 18 per cent of the total energy market in EU. Natural gas is the second largest energy source in the EU, and the sector is likely to increase in the future as the demand for cleaner energy sources grows. Liquefied natural gasses (LNG) are of growing importance to the sector. LNG currently makes up 10 per cent of all gas imports and this is expected to increase to 35 per cent by 2030. Many electricity companies have diversified into the gas sector, because of the reliance on gas for electricity generation.

#### The challenges and changes facing the gas sector in Europe

The challenges and changes facing the gas sector include the introduction of liberalisation and competition in the sector, the development and investment in new product markets, particularly renewable energy sources, an ageing workforce and low levels of newly qualified young people to fill engineering and technical jobs and to meet future skill needs.

Because gas produces lower emissions of greenhouse gases than other energy sources it is anticipated that the market for gas will grow in the future. However, the EU is dependent upon gas imports and the sensitivity of this was seen in the disputes over gas supplies between Russia and Ukraine. There will in the future be a demand for renewable sources of energy, and through this the possibility of carbon trading, which the European Commission identifies as a new source of growth for the energy sector. The development of renewable energies has potential for employment in the energy sector in general, but also in the gas sector.

The following are the main changes and trends that have taken place in the gas sector, and which raise critical issues for future skills and employment needs in the sector include:

- *Liberalisation of gas markets.* This has resulted in prices being determined in the market, choice of energy supplier and the end of gas monopolies. The result is that mergers and acquisitions have become the basis upon which companies can expand their operations and compete in a global market, the result of which there is now smaller number of larger companies providing gas.
- *Climate change, political pressure to reduce carbon emissions and the drive to find renewable energy sources.* EU has set targets for reducing greenhouse gas emissions and increasing the consumption of renewable energy by 20% by 2020. The effect is that the energy sector has sought to reduce carbon emissions through renewable energy sources such as, such as wind power, solar power and biomass.
- *Increasing demand for energy.* It is predicted that demand for energy in Europe will increase by 2% or more each year for the next 20 years.

- *Energy infrastructure.* Restructuring and the move towards more renewable sources of energy have implications for energy infrastructure, which will require substantial upgrading.
- *Recruiting and retaining high skilled employees.* The predictions are that there will be a substantial demand for new jobs, particularly those that are high skilled, in the next decade. However, jobs in manufacturing and in the primary sector, and jobs with little formal skill, will decline substantially. The implications for gas companies are that there will be a growing competition for recruitment of highly skilled workers, particularly technical, engineering and scientific workers.
- *Forecasting future employment and skills in the European gas sector* will be critically important to company competitiveness and to sustaining employment levels in the sector.

In meeting these challenges skills and competencies will need to be transformed in the gas sector in the future. An ageing workforce and the demand for new skills is a major challenge for gas companies. In particular, the growth of new technology to update and develop the energy sector requires new skills and competencies, particularly as renewable energy sources become more important in the future. This can result in a number of alternative future scenarios, as shown below.

**Trends and drivers for change in the European energy sector. Mapping report of the European Monitoring Centre on Change (European Foundation for the Improvement of Living and Working Conditions, 2008).**

*The European Foundation for the Improvement of Living and Working Conditions has, under its monitoring change programme, carried out a number of sector and company studies, including the energy sector. Through these they have identified the following future scenarios for the energy sector, up to 2050.*

**Scenario 1: Business as usual.** This scenario foresees increased dependency on fossil fuels, dramatically rising energy prices, and damaging consequences from uncontrolled climate change.

**Scenario 2: Renaissance.** Technological breakthroughs in renewable energy production make such energy sources economically competitive with fossil fuels. The resulting surge in renewable energy activity generates substantial employment and eases energy prices.

**Scenario 3: Evolution.** The presence of international agreements on CO reduction encourages the steady development of renewables and carbon-neutral technologies. In the absence of any dramatic breakthroughs, prices will still rise. However, the overall shift to a renewable energy-based global economy will benefit Europe, which already enjoys a leading position in these technologies.

**Scenario 4: Revolution.** Binding international agreements on CO reduction force the rapid development of renewables. Moreover, small-scale decentralised energy generation facilities are introduced, profoundly changing the shape and size of the energy sector. By 2050, around 90% of Europe's total energy and heat production comes from renewable sources, resulting in low energy prices and rapid economic development.

**Employment in the gas sector**

In 2007, approximately 246,716 people were employed in 1,300 gas companies in the EU-27 (Eurogas 2008). The largest share of employees in the industry are found in Germany, France, Italy, Poland, Romania and the UK, which account for 81 per cent of the total EU-27 workforce in the gas sector.

Owing to restructuring and liberalisation, employment in the utilities sector declined by around 13 per cent between 2001 and 2005. This restructuring, prompted by EU Directives and policies on energy liberalisation since 1998, has had a significant impact on the structure and composition of the European energy sector. The energy sector overall still has a higher than average productivity, which

is 2.5 times the average European industrial productivity rate, and higher than average wage levels than other occupations across the economy.

The majority of employment in the sector is male employment, with women representing between 8 and 15 per cent of the overall energy sector. Women are clustered into administrative, customer service and clerical positions, and few hold managerial and executive positions. Addressing the low levels of female employment in the sector, particularly in non-traditional areas of employment such as engineering, will become increasingly important to the sector as it seeks to retain a competitive edge.

**2.2 DEMOGRAPHIC CHANGE IN EUROPE AND THE IMPLICATIONS FOR THE GAS SECTOR**

**European demographic trends**

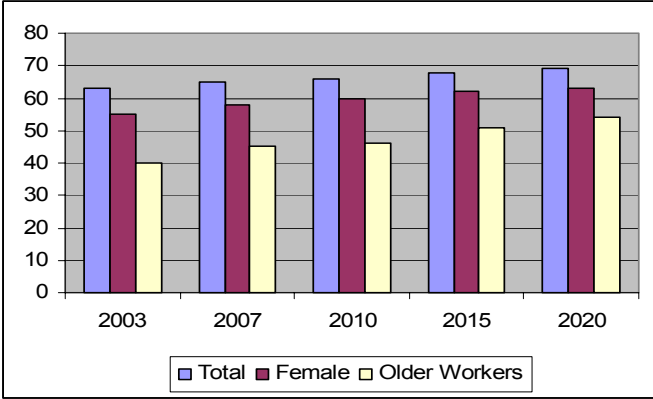
The ageing population in the European Union means that the number of people aged 20-59 years will decrease from 208.7 million in 2000 to 151.2 million in 2050. During this time, the numbers of people over the age of 60 will increase from 82.1 million to 125.1 million. In many countries, retired people will outnumber active workers by 2030.

Demographic ageing results from the fact that people are living longer combined with a reduction in fertility rates, the impact of which is a significant increase in the retired population relative to those of working age. The concern across Europe is that there will be insufficient numbers of economically active adults to maintain current employment rates and economic growth, as well as fund pensions and health care for an increasingly ageing population.

**Lisbon Strategy: labour force participation of women and older people.** Under the Lisbon Strategy a goal has been set to increase the labour force participation of women and older people, on the basis that this will enhance European competitiveness and provide the workforce needed in the future.

This has resulted in a 60 per cent employment rate for women, and an employment rate of 50 per cent participation of older people (between the ages of 55 and 64 years) by 2010. The 2002 Barcelona European Council concluded that there should be a progressive increase, of around five years, in the average age at which people retire by 2010.

Table 1 shows the projected employment rates of workers in the EU. By 2020 women and older workers will form a growing share of the European labour market.

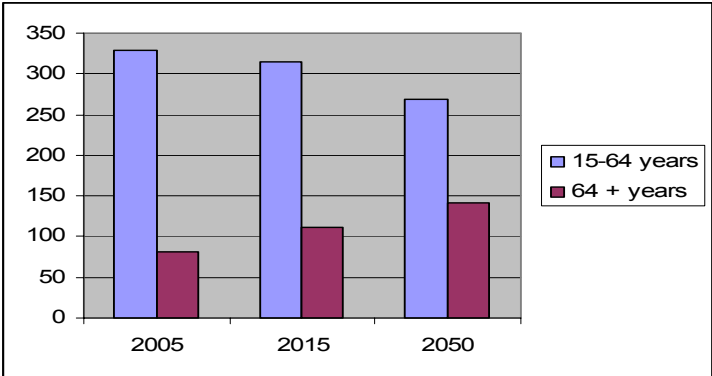


**Table 1: Projected employment rates in the EU27**



Table 2 shows the relationship between the ageing of the population and the reduction of adults of working age. It shows that in 2005 for every 100 people of working age there were approximately 25 people over retirement age; by 2050 this ratio will have changed to 100:53.

**Table 2: Adults of working age, 15-64 years, and those over 65 years**



The ratio of the workforce to the older population shows a more dramatic impact. In the EU 27 there are 35 people aged 65 years and over to every 100 economically active persons (35:100). By 2050 this ratio will rise to 75 people over the age of 65 years per 100 workers (75:100). This means that the working age population will face greater pressures in the provision of pension entitlements, health care and other services for the expanding number of older people.

However, demographic changes vary across the EU and in some countries, for example, Poland, Romania and Bulgaria, are experiencing population decline. In many Member States migrant workers have filled labour shortages. However, projections from Eurostat show that net migration in the EU27 countries will decrease from 1,683,921 in 2008 to 1,093,105 by 2030. This means that migrant labour cannot be relied upon to fill skills shortages.

**Demographic ageing in the gas sector**

As in other sectors of the economy the workforce in the gas sector is ageing. Between 10 and 40 per cent of the workforce are currently over the age of 50 years.

According to the 2005 European Working Conditions survey just over 40 per cent of workers in the electricity, gas and water sector were over the age of 45 years in 2005, of whom just under one-half were over the age of 55 years. The survey also found that older workers are more likely to work in managerial positions than in clerical, plan and machine operative, and craft occupations.

The main areas of employment in the sector are engineering, administration, extraction and building trades and electronic equipment mechanics. When these occupations are broken down by age groups there are some important implications for the forecasting of future occupations and skills. For example, engineers are found in all age groups, however, there will be a need for retention of and recruitment of more engineers in the future as the workforce ages. This also applies to the declining numbers of service workers, extraction workers and machinery workers in younger age groups. However, employment levels of machinery workers will in any case decline in the next decade as technological development reduce the reliance on these types of occupations.

## 2.3 SKILLS IN THE KNOWLEDGE-BASED ECONOMY AND THE IMPLICATIONS FOR THE GAS SECTOR

Building skills and competencies is an essential part of Europe's strategy for growth and to meet the future challenges of an ageing population.

The trend in the gas sector, as in other sectors of the economy, towards a more highly skilled workforce and for workers to hold higher educational qualifications results from the demands for a skills based knowledge-based economy. The Lisbon Strategy and recent European Commission documents on skills and learning have all identified need for higher skills levels in 'knowledge based' occupations such as business, health care, education and jobs requiring managerial, professional and technical qualifications.

In particular, the Commission's assessment of future skills needs are highly relevant for the gas sector, and particularly in the move towards a low-carbon economy and in attracting skilled workers into the sector.

In order to address this the European Commission recommends the establishment of sector skills councils, which will work closely with the sectoral social dialogue at the European level.

The Commission's assessment is summarised in Box 1, and shows that there is a need for new skills, competencies and qualifications to match future labour market demand in medium and high skill occupations. These trends affect the gas sector as much as other sectors of the economy and they have important implications for attracting skilled workers into the sector, particularly because it is anticipated that the labour market across Europe will tighten and that there will be a decline in growth.

### Box 1 - The European Commission's assessment of future skills needs in Europe

The Commission's Communication, *New Skills for New Jobs: Anticipating and matching labour market and skills needs* (2008) is the first assessment of future skills needs in Europe up to 2020. The assessment concludes that there is a need for new and replacement jobs, that the demand for skills, competencies and qualification will increase significantly in the future, and that there is a need for a better match between skills supply and labour market demand.

It is anticipated that employment levels will rise in medium and high skill areas of the economy, particularly in high skilled non-manual occupations. The proportion of jobs requiring high and medium qualifications will rise from 38.8% in 2006 to 52.4% in 2020 (made up of high level qualifications rising from 25.1% in 2006 to 31.3% in 2020 and medium level qualifications will rising slightly from 48.3% to 50.1%). In contrast, jobs requiring low-level qualifications will decline from 26.2% in 2006 to 18.5% in 2020.

The assessment of future skills needs The Communication provides an assessment of future skills requirements up to 2020, looking at long-term trends in job creation and labour supply and at trends in skills needs and occupations. The main areas of job creation up to 2015 will be in business services, health care and social work, distribution, personal services, hotels and catering, in contrast to job losses in the manufacturing sector. In particular, the move towards a low-carbon economy is anticipated to have an important impact on employment in the energy, water, waste treatment, construction, transport, industry, agricultural and forestry sectors. The need for these higher skills results from globalisation and international trade, the move to a low-carbon economy, the growth of

and application of new technology. and the changes in work organisation that result from these factors.

Skills needs identified by employers include information and communications technology (ICT) and key competencies such as problem-solving, analytical skills, self-management and communication skills and linguistic skills.

The Commission argues that upgrading the skills of the population and improving skills development policies so that there is a better match between skills and future labour market needs is particularly important for the short-term recovery of Europe from the economic crisis, but also to longer-term growth, productivity, equality and social cohesion. In addition, the Commission argues that if companies are to be successful and competitive they need to be better positioned to match skills to labour market needs, by ensuring that workers and businesses achieve the correct skills levels and that more women have access to technical and managerial occupations where they are represented.

According to the European Commission: “The education, training and employment policies of the Member States must focus on increasing and adapting skills and providing better learning opportunities at all levels, to develop a workforce that is high skilled and responsive to the needs of the economy. Similarly, businesses have an acute interest in investing in human capital and improving their human resource management. Moreover, gender equality is a key factor in responding to new skills needs” (2008:1).

The Communication makes specific reference to the need to update the skills and to promote the employability of older workers in order to develop “a high skilled workforce that is responsive to the needs of the economy”. The Commission also proposes that new mechanisms be introduced for anticipating future skills needs so that labour and skills shortages can be anticipated and acted upon.

The Communication recommends that businesses establish:

- A dialogue between businesses, education and training providers in order to meet medium-term skills needs and the expectations of employers
- Methods for knowledge and awareness of forecasting skills needs through an employers’ survey tool and studies of skills needs
- Partnerships between companies, training providers and recruitment specialists to provide targeted training, and an annual ‘Partnership for skills and employment’ event be organised annually to examine innovative methods for matching skills supply and demand

The Communication recommends that the Commission will:

- Analyse skills and labour market needs in 16 key sectors, providing a picture of labour demand and implications for restructuring
- Discuss with stakeholders, through the sector social dialogue committees, the possibility of establishing sector councils on employment and skills at the EU level
- Draw on the expertise of the Member States, business, and social partners and others to establish a New Skills for New Jobs Initiative

EU Member States and the Commission have been cooperating, through the Open Method of coordination, to support national reforms of education and training systems and through the New Skills for Jobs initiative to improve education and training policies and the modernisation of the labour market. A set of common indicators and benchmarks have been included as part of the Integrated Guidelines for Growth and Jobs, which aim to increase investment in human capital through better education and skills, facilitating innovation, and promoting a more entrepreneurial culture.

Many governments, employers and trade unions across Europe, and the European Commission, view lifelong learning to be central to tackling economic problems, unemployment and demographic change. The objectives of lifelong learning are defined as active citizenship, personal fulfilment, social inclusion, employability and adaptability. It is defined by the European Commission as: “All learning activity undertaken throughout life with the aim of improving knowledge, skills and competences within a personal, civic, social and/or employment-related perspective” (European Commission 2001:10).

Lifelong learning is a key tool for companies and workers in keeping pace with the fast-changing economy and particularly in adapting to the ‘knowledge economy’ as set out in the Lisbon Strategy. Acquiring knowledge, skills and qualifications is increasingly important in the labour market, and this is not a once off event, rather a process of learning, training and development over a lifetime. Lifelong learning is more than having access to training to update skills. It also has a broader role in contributing to personal development, economic and social development, citizenship, equality and social cohesion.

Occupations within the gas sector tend to be of high and medium skill levels, with a growing trend for more skilled workers in the future. This has implications for company competitiveness and the development of training programmes to match skills needs.

When compared with other sectors of the economy employees in electricity, gas and water companies overall benefit from higher levels of participation in Continuing Vocational Training, although there are higher participation rates from younger, compared to older workers. This does show that energy companies take the continuing training and up-skilling of their employees seriously. However, it also clear that the sector does require higher levels of training, compared to other sectors, and will continue to do so in the future.

**Appendix 1 provides a summary of EU policies on training, skills and lifelong learning.**

## **2.4 SOCIAL DIALOGUE IN THE EUROPEAN GAS SECTOR**

The social partners (employers and trade unions) in the European gas sector have established a European social dialogue in the gas sector. This was formally recognised by the European Commission in March 2007. The European social dialogue in gas enables the social partners to have an input into European Commission decision-making, to undertake joint studies, and also to reach European agreements in the sector.

The employers in the gas sector are represented by Eurogas (representing 47 members from 27 countries, including 34 natural gas companies, twelve federations of natural gas companies and international organisation). The workers are represented by the European Federation of Public Service Unions (EPSU), who represent over 8 million workers from 200 trade unions in the public services and privatised utilities, and the European Federation for Workers in the Mining, Chemical and Energy Sectors (EMCEF) , who represent 2.5 million workers in 35 countries and 128 national trade unions across Europe.

The Social Dialogue in gas provides an important role for the social partners to influence the skills and employment composition of the workforce, and to address this so that it addresses the twin concerns of demographic ageing and restructuring, within a strategic framework of age management.

To date, there have been few examples of age management and demographic ageing issues being integrated into collective bargaining. In practice, age management is an issue driven by human resources personnel. However, in the future this will be an important area for social partners negotiations particularly in developing joint approaches to tackling the skills and employment consequences of demographic ageing in the sector. By planning for and projecting trends in employment and skills, and for the recruitment and retention of younger and older workers, the social partners are well placed to respond to these challenges that will enable the sector to remain competitive and reduce the risks and challenges faced by the sector at a time of considerable demographic change.

**SECTION 3: OVERVIEW OF THE GAS COMPANY SURVEY AND CASE STUDIES**

As part of the study carried out to inform this Toolkit, a survey of gas companies and trade unions was carried out, from which more detailed cases studies were drawn up. These are summarised below.

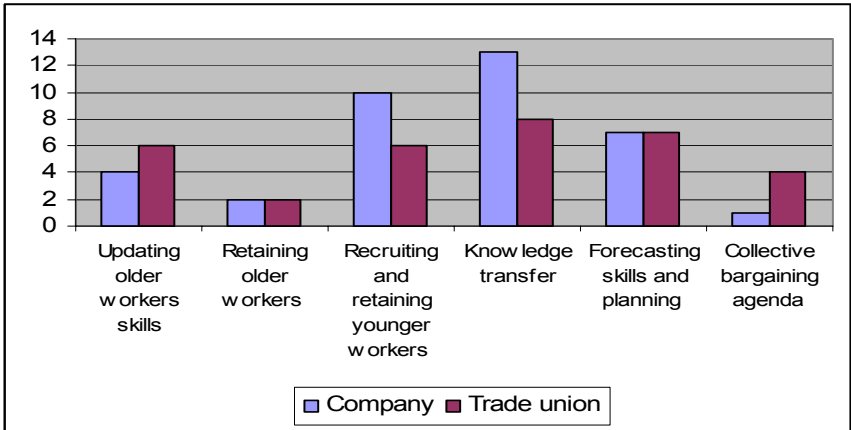
**3.1 SURVEY FINDINGS OF GAS COMPANIES AND TRADE UNIONS**

A survey of gas companies, based on a questionnaire, was sent to companies affiliated to Eurogas and the unions representing workers in the gas sector affiliated to EMCEF and EPSU. Of the 29 responses to the questionnaires, twelve were from trade unions and seventeen from human resource managers in gas companies. From these responses, more detailed case studies were also drawn up of companies in the gas sector.

In the majority of companies, between 20 and 30 per cent of the workforce is currently over the age of 50 years. Of the seventeen responses to the survey, eleven stated that up to 30 per cent of the workforce, and two companies stated that up to 40 percent of the workforce, are currently over the age of 50 years. The majority of companies anticipate that demographic change would have an impact on job functions and future skill, particularly in the areas of engineering and information technology. Five companies stated that this would have a large impact. A number of companies have begun to address the effects of demographic change, although these actions had been carried out largely without trade union involvement.

The survey found that companies face a range of future challenges, resulting from demographic change. These are summarised in Table 3.

**Table 3: Challenges faced by companies and trade unions in responding to demographic change**



Knowledge transfer, followed by recruiting and retaining younger workers and forecasting of skills and planning are identified as the most important priorities for companies and trade unions. A larger number of trade unions identified the need to update the skills of older workers and getting the issues onto the collective bargaining agenda.

Companies have responded to these challenges in a number of ways, including the introduction of knowledge management, mentoring and other programmes for older workers, specific initiatives to attract and retain young workers, and the inclusion of all workers in company training and development programmes.

A summary of a selection of companies responding to the survey can be found in Box 2. These summaries cover the extent to which demographic ageing will have an impact on jobs and skills, the initiatives that have been introduced in response to demographic change and the forecasting of future skills requirements, as well as future challenges that companies have highlighted that need to be addressed in the future.

**Box 2: Company profiles: survey responses**

**E.ON Ruhrgas AG**  
Thirty per cent of the workforce is over the age of 50 years. Although the company is unsure what impact this will have on job functions and future skill needs, it is anticipated that there will be a large impact across the company, particularly in blue-collar jobs. The company has responded by putting in place a programme of strategic workforce planning and a study is currently being carried out on the impact of demographic change to the company. The company does not run specific training programmes in response to demographic change, although mentoring and knowledge transfer initiatives are carried out on an individual basis. The company has had some discussions with the trade unions about the impact of demographic change on competencies, although this has not resulted in any concrete initiatives. The company sees the updating of the skills of the whole workforce as being very important and to date there has been no problem in updating the skills of older workers. The company believes that in the future it will be important to address the challenge of how to recruit and retain young workers and the forecasting and planning for future skills requirements.

**Swissgas Ag**  
Thirty per cent of the workforce is over the age of 50 years. However, the company does not consider this a major problem, as this is associated with the normal process of people retiring. The company has not put in place any specific initiatives to address demographic change as this has to date not been presented as a problem. There have been some discussions with trade unions in the company with regard to initiatives to help the company adapt to new skills requirements resulting from demographic change. In particular, the company identifies knowledge transfer as a challenge it needs to address in the future.

**Gas Terra BV, Netherlands**  
Twenty per cent of the workforce is over the age of 50 years, and therefore the company does not regard demographic change to be an important issue at the moment. The company has a company programmes for all workers and through its competency based human resource management programme has identified job descriptions and a career path for workers based on competency development. Knowledge transfer is identified as a challenge for the company in the future. As the company is relatively small, job rotation has been a common practice and knowledge transfer is a key success factor of this initiative.

**Polish Oil and Gas Company**

Twenty-five per cent of the workforce of Polish Oil and Gas are over the age of 50 years and the company believes that demographic change will have a large impact on the company's jobs and skills in the next one to two years. This particularly affects jobs with an engineering profile. The company has training and career development programmes for all workers, although no specific programmes for retaining older workers have been put in place. The company has been active in supporting vocational education programmes and in offering student placements and financial support to students undertaking relevant university courses. There have been some discussions of these issues with trade unions in the company's social dialogue as part of employment restructuring programmes. The company identifies the retaining of older workers and the recruitment and retention of younger workers as being key challenges that need to be addressed in the future.

**DEPA S.A, Greece**

Forty per cent of the workforce is currently over the age of 50 years and the company is unsure about the impact that this will have on job functions and future skills needs. The company has training and development programmes for the whole workforce. The issue of training and skills resulting from demographic change has not been part of the discussions with trade unions in the company. The company identifies knowledge transfer as being a key challenge for the future.

**Égáz-Dégáz plc., Hungary**

Thirty per cent of the workforce is over the age of 50 years and the company anticipates that this will have a small impact on job functions and future skills needs in the next five years. In the company, older workers are typically skilled administrators with secondary qualifications, and providing special training to update their skills has been identified as something that the company needs to address in the future. The company has carried out some work to identify future skills and competencies, and carries out training and development programmes for the whole workforce. Discussions have taken place with trade unions, although no specifically on issues concerning the impact of demographic change on competencies. The company identifies the recruitment and retention of younger workers, knowledge transfer and the forecasting and planning of skills as key challenges that will need to be addressed in the future.

**Égáz-Dégáz Natural Gas Distributor plc.**

Thirty-eight per cent of the company's workforce is over the age of 50 years and the company anticipates that this will have a large impact, particularly in the next five years. The ageing workforce will particularly affect jobs for physical specialists, where there is currently a deficit of skilled workers on the labour markets, engineers and technicians. In the case of technicians, the company has in-house training programmes to ensure that there is an adequate supply of technicians. The company has established contacts with educational institutions to help overcome the deficit of trained employees in the areas where they anticipate future shortages. They are also considering offering scholarships to school leavers to facilitate recruitment in the company. The company's training and career development programmes aim to compensate for a loss of knowledge by developing the general 'universal' competencies of younger and middle aged professionals, to enable them to be have options to move between jobs. The company identifies the recruitment and retention of younger workers, knowledge transfer and the forecasting of skills and planning as key challenges.

**RWE Westfalen-Weer-Ems AG, Germany**

Thirty per cent of the workforce is currently over the age of 50 years and the company is unsure at this stage what impact this will have on future job functions and skills needs. The jobs most affected are in engineering. The company is involved in a number of initiatives to retain the skills and competencies of older workers by focussing on areas such as age-based leadership, health and well-being of older workers and personnel planning. The company has introduced knowledge transfer programmes and provides training and development for all workers. Through the company's Works Council there have been a number of specific initiatives to help the company to adapt to new skills requirements resulting from demographic change, for example, project work that is supported by the

Works Council and the employer. The company identifies future challenges to be the updating of the skills of older workers, retaining older workers in the company, recruiting and retaining younger workers and knowledge transfer. The company's focus on managing diversity has been the basis upon which demographic problems and changes in company culture are addressed.

#### **Wien Energie Gasntz GmbH**

Thirty per cent of the workforce is over the age of 50 years and the company believes that although it is affected by demographic change that this will have a small impact on changing job functions and future skills needs. However, it is in the area of engineering that the company sees that the biggest impact will be felt. With this in mind the company has put in place specific training and development programmes for older workers and knowledge transfer programmes, in addition to its mainstream programmes of training for all staff and apprenticeship training. Demographic change has been included in company agreements between the social partners on skills and training. The company's future challenges include the updating of the skills of older workers and knowledge transfer.

#### **GDF Suez Infrastructure Branch, France**

Thirty per cent of the workforce is over the age of 50 years and the company believes that in the next five years demographic change will have a large impact on changing job functions and future skills needs, particularly in the area of engineering. The company aims to include in its next negotiations with trade unions on manpower planning specific training and development programmes for older workers and job rotation programmes for older workers. In addition to this the company currently has training and development programmes for all workers, knowledge transfer programmes and mentoring programmes. The company identifies challenges that the company needs to address as the updating the skills of older workers, retaining older workers, recruiting and retaining younger workers, knowledge transfer, forecasting and planning and getting the issues on the collective bargaining agenda.

#### **MITGAS Mitteldutsche Gasversorgung GmbH, Germany**

Twenty per cent of the workforce is currently over the age of 50 years and the company identifies demographic change to be a big challenge, with an anticipated large impact, in the next few years. The company believes that the increasing competition in the gas sector puts high demands on the qualification levels of employees and that finding skilled and appropriate staff, particularly in engineering, has become more difficult. The company responded by putting in place intensive marketing for new personnel, the establishment of a dual course of study (Bachelor of Engineering), the development of an extra-curricular course of study for technicians and demand orientated apprenticeships. The company has a programme for training and development, and introduced the concept of institutional personnel development for all employees. Specific agreements have been signed by the social partners that aim to address the challenges faced by the company; these have been progressed through the company's co-determination process in the Works Council.

#### **Slovak Gas Industry, Slovakia**

Thirty-three per cent of the workforce is over the age of 50 years. The company states that as the average age of employees increases and as they face growing difficulties in recruiting new graduates, demographic ageing will have a significant impact on the company in the future. The company has introduced a project on anticipation management to enable them to define risks associated with an ageing workforce. Training and talent management programmes have been introduced and specific job rotation programmes, knowledge transfer and mentoring programmes have been introduced for older workers. Demographic change has not been discussed by the social partners. The company anticipates that future challenges include the updating of the skills of older workers, recruiting and retaining younger workers, knowledge transfer and the forecasting of skill and planning for the future.

#### **RWE Transgas, AS, Czech Republic**

Thirty per cent of the workforce is currently over the age of 50 years and it is anticipated that demographic change will have a large impact in the next five years, particularly in engineering jobs.



The company has introduced some initiatives to forecast future skills and competencies and has programmes of training and development for all workers. The company identifies the recruitment and retention of younger workers and knowledge transfer to be the main challenges that it needs to address in the future.

#### **Süwag Energie AG, Germany**

The company believes that demographic change will have a large impact in the next five years. Currently twenty per cent of the workforce is over the age of 50 years. The jobs most affected are jobs with an engineering, information technology and commercial profile. The company has introduced programmes for anticipating and forecasting future skills for the company and runs training and development programmes for all workers. The company identifies the retaining of older workers in the company, knowledge transfer and the forecasting of skills and planning as the key challenges that need to be addressed.

### **3.2 SUMMARY OF THE MORE DETAILED COMPANY CASE STUDIES**

From the survey, more detailed company case studies and examples from the gas sector have been drawn up. A summary of the more detailed case studies of gas companies can be found below. Examples from these case studies are referred to in different parts of this Toolkit, to exemplify different approaches taken by companies.

#### **E.ON Földgáz, Hungary**

E.ON Földgáz is a natural gas provider in Hungary and is one of nine market units in the E.ON Group. It has a total of 250 employees. Of these employees, 150 work in blue-collar jobs, a large number of whom are older workers. One of the strategic objectives of the company is dealing with diversity and in promoting the continuous development and professional training of staff. The company has identified competencies as a significant future challenge, and although they have not yet fully addressed the issue of demographic ageing, they are very aware of the need for action in this area. The focus has been on the recruitment of younger new employees, rather than addressing the needs and retention of older employees. The company has largely been successful in retaining its employees, owing to the fact that there is security of employment. Currently 20% of the workforce are between the ages of 50 and 60 years; 35% are between the ages of 40 and 50 years; 40% are between the ages of 30 and 40 years; and only 5% are under the age of 30 years.

The company has been facing some skills shortages in recent years, particularly in the area of professional knowledge, engineering skills, and the operation of technical equipment. This particularly arises from the shortage of specialist skilled employees in gas engineering, particularly those newly graduating. The particular problem faced by the company is that there is significant competition for skilled engineers in the gas sector. Only two universities in Hungary run the relevant training for gas engineering. In practice, this only provides the company with a small number of new employees each year, since many newly qualified graduates travel overseas, and particularly to the USA, where salaries are higher. The company also faces problems in retaining young skilled workers, many of whom are attracted to working overseas. Competency development and providing opportunities for training and career development are seen as critical to competitiveness and to retaining the best staff.

As a result, the company has put in place a number of practices and policies to address these challenges in the following areas:

- On-the-job training
- Forecasting skills shortages
- Scholarship programme
- Job rotation policy

The social dialogue is relatively undeveloped in the area of competency and skills development, although trade unions do play a role in negotiating annual salary levels and other issues as they arise on a topic-by-topic basis. There are two unions in the company. A Works Council exists at company level, made up of three members elected for units with 50-100 employees, and five members for 100-300 persons.

### **Eni S.p.A Gas and Power, Italy**

Eni is an integrated energy company operating in the oil, gas, electricity generation and sales, petrochemical, oilfield services construction and engineering industries. It has a total workforce of 78,880. Eni S.p.A Gas and Power has a total workforce of 11,389, of whom 8,810 are based in Italy.

The company recognises the importance of investing in human resources and as the 2008 Annual Report states: "People are our most important asset. In managing human resources, we are committed to implementing programs to improve leadership skills, increase knowledge and promote international development". Eni's objectives for human resources (as set out in the 2008 Annual Report) includes:

- Protecting, sharing and developing strategic know-how for developing the business;
- Developing leadership ability in managers as well as their ability to analyse and interpret economic and financial indicators, in order to manage and control activities' performance;
- Investing even more in young people, in terms of development and retention, with the general policy in better employ a assess Eni's employees;
- Supporting the engagement of personnel, as an element linked to company performance.

Eni has developed a range of training initiatives that has resulted in an investment of €34 million for training in Italy. This has included the establishment of an Eni Corporate University providing services in knowledge management, recruitment and personnel selection; a masters programme in cooperation with SDA Bocconi and the Milan Polytechnic; and a master diploma in the area of planning, development and managing integrated systems; a training programme for compliance of employees to Eni's ethical code, and training on health and safety.

The company has also focused on quality management systems and in 2006 Eni Gas & Power Division was awarded certification under ISO 9001:2000 for its quality management system, which complies with customer and regulatory requirements. The system defines requirements, sets measurable parameters and documents performance results. This has provided a framework for continuous improvement and helping to minimise the risk of failure in meeting customer expectations.

The company operates in an increasingly competitive environment and for this reason the development of skills and competencies have been critical for the company. In recent years core skills such as information technology, risk management, negotiation skills, customer-focused and commercial skills have become important to company success and competitiveness. The company has progressively increased the provision of and resources for training in these areas, although it recognises that this continued development will be important in the future.

As with other companies in the sector, there is an ageing workforce. In 2009, approximately 30 per cent of employees were over the age of 50 years. The main jobs affected by demographic ageing are found in administrative, information technology and commercial related jobs. The ageing profile has reduced somewhat in recent years as the company has downsized. This has mainly been achieved by an incentive package for older workers between the ages of 55 and 60 years to take early retirement. While the company sees the importance of retaining older employees, there have been no specific programmes to retain older workers. The focus has been on the recruitment of younger people. The company has found that the employment of younger people has been important to enhancing flexibility, improving business development opportunities and enabling the company to face uncertain scenarios. However, the company recognises that it is also important to build the

competencies of older employees, and particularly to address the emerging need for to transfer knowledge from older to younger workers.

Specific policies have been put in place in the area:

- Forecasting of skills and competencies
- Knowledge owners: knowledge transfer programme
- Training and development programmes
- Specific training programmes for older workers
- Identifying employees' skills needs

The social dialogue has been very important to initiating new training programmes, including the programmes outlined above. In Italy, legislation provides for employers with public funding for the adaptation of workers skills and competencies. This has enabled the company to develop a number of agreements with trade unions for new training programmes. The social dialogue in Italy takes place at the national, regional and local level. Workplace agreements on training have been reached in the company with FEMCA-CISL, FILCEM-CGIL and CEM-UIL. The unions and management report that there have been positive relations through the social dialogue in the company and this has had the added-value of stimulating new training programmes and updating the skills of workers. Because the company is facing enhanced competition tackling the skills needs of the workforce at all levels of the company has become a priority for unions and management. In particular, the unions recognise that there is a need for there to be greater capacities to enable the company to respond flexibly to risks and new challenges.

#### **Fabricom, Norway**

Fabricom provides engineering, maintenance and modification services, along with fabrication and installation work for the onshore and offshore oil and gas industry. The Group is owned by the Belgium company Groupe Fabricom, which is owned by GDF-Suez. The company's main strategic objectives include: health, safety and personnel; people and working together; quality; customers; finances; and corporate and market development. The company recognises the importance of the business case for managing diversity across the grounds of gender, age, disability and ethnicity. Fabricom has been through some significant changes and restructuring in the last decade. The company has recently developed a new strategic focus to its operations based on competency development and customer service, which has become particularly important to its competitiveness and in winning contracts from external companies.

The total workforce in Fabricom in April 2009 was 1165 (made up of 739 employees and 420 contracted employees). There is an ageing workforce in the company with more than half (433) of employees being over the age of 40 years; 238 over the age of 50 years; and 58 over the age of 60 years. Fabricom has increasingly relied on the hiring of overseas workers to fill skills gaps. In addition, the company has been very successful in recruiting women engineers, and in providing career development paths for women in the company.

The company has identified the following priorities in terms of its role in age management and competency development:

- Retention of older workers, and adaptation of their skills to keep them in the labour market for as long as possible.
- Recruitment and training of older workers with comparable skills, from other sectors.
- Recruitment and retention of younger workers by providing excellent opportunities for training and career development, including a focus on the recruitment and training of women engineers.
- The importance of an inclusive working environment that values and sustains the work potential of all employees.

In response the company has put in place policies and practices in the following areas:

- Training and competence development

- Performance evaluation interviews to identify career development and training needs
- Retaining older workers through competency development and job rotation
- Knowledge transfer programmes
- The integration of equality and diversity in all aspects of human resources

Company level agreements and negotiations between the social partners are required under Norwegian legislation. The company has established a Social Dialogue Committee, and trade union representatives participate in the company's Competency Committee, the Work Environment Commission and the Equality Commission. Trade unions have also been involved in issues concerning rotas and changes in job content for older workers and in establishing the inclusive workplace agreement in the company. Trade unions have raised the issue of the differential access to training and competency development for workers in operations and in off-shore work, and particularly the need to upgrade the skills of older workers to enable them to continue in their jobs or in alternative jobs. Overall, trade unions are actively involved in identifying skills and competency requirements, and see that they need to play a more active role in this regard in the future.

### **Wales and West Utilities, Newport, Wales**

Wales & West Utilities is a regulated gas distribution business with around 34,000 km of gas distribution pipelines located in Wales and the South West of England. WWU serves a catchment area with a population of 7.4 million and employs 1,450 people. The main business of the company is to ensure that gas is piped in a safe and efficient way, with responsibility for dealing with gas escapes, laying new gas pipes, and replacing and moving pipes and meters. The company won the Gas Industry 'Network Operator of the Year' in 2008.

A large number of employees in the company are employed in manual work in engineering. There is currently a retirement age of 60 years and the majority of employees do not stay on in employment beyond 60 years. This is attributed to the fact that there is a defined benefit pension scheme and also because many manual employees find the physical demands of the job more difficult as they age. While the company does encourage employees to stay in their jobs beyond 60 years, this only tends to be taken up by employees in administrative and managerial positions.

There is an increasingly ageing workforce in the company. Both the company and the trade union believe that this will have a large impact on changing job functions and future skills needs in the next 1-5 years, particularly for engineering and technical jobs. This has led the company to consider a range of strategies to recruit, retain and develop new employees. The company has put in place a graduate development programme and has extended its apprenticeship scheme in order to attract new employees.

In particular, the company identifies the following main challenges in managing and responding to future skills needs:

- Updating the skills of older workers
- Recruiting and retaining younger workers
- Training and competency development
- Knowledge transfer
- Forecasting skills and planning for future skills and employment

It has put in place specific practices and policies in the following areas:

- Measures to retain and update the skills of older workers
- A training and competency development programme
- Career development programme linked to competency development
- Equality and diversity policy

The social dialogue at company level has developed in a very positive way. There is an agreed joint consultation structure, which meets regularly, where any side can raise issues or initiatives associated with skills and training, and the balance between resources and workload. This has resulted in detailed consultations on workload/manpower matching, establishing career paths and career development programmes. The trade union has supported the recruitment, training and development of new employees and is consulted on new policies and procedures. There are good relationships, understanding and trust between the trade union and management.

### **RWE, Germany**

RWE is a large energy provider with a growing share of the European gas market. The company operates in the generation, trading, transmission and supply of electricity and gas. The company employs 66,000 employees and has continuously expanded its position in the gas market across Europe, including Central and Eastern Europe. As a large company it has become critical to find a method for anticipated future skills needs and areas where there will be potential staff shortages. This is particularly important to the company as demographic ageing is likely to have a major impact on skills in the next decade. As a result, the company has established a set of priorities for managing demographic change and recognises that addressing these will be a key priority for their future competitiveness.

The company has had difficulties in recruiting sufficient new young talent and in retaining staff in the long term. The company also recognises that work life balance and improving career opportunities for women will become more important in the future because of changing demographics. The company's human resources policies have been developed to address long-term personnel planning and retention, including the training of young adults, the systematic promotion and career development of employees in order to achieve the correct skills mix for the future, the recruitment of new young talent, the retention of older workers, and improvements in the health and well-being of older workers. The company has developed priorities in its demography manual and has addressed the potential of employees early on and in a systematic way.

It has put in place practices and policies in the following areas:

- Specific policies and strategies address demographic change across RWE companies
- A model for anticipating future skills and employment requirements in the company
- Measures to retain and update the skills of older workers
- Training and competency development programmes
- Career development programmes, based on an assessments of an individuals strengths and weaknesses

The priorities established by the company in its 2007 'Demography Manual' include recommendations for corporate culture, human resources development, flexible working conditions and health promotion. One innovative approach has been the development of a method for assessing the potential of employees on the basis that many employees have "multi-level potential". The objective is to promote talent by identifying individual strengths and weaknesses. By comparing employee skills with the job requirements, the company is able to identify necessary action and initiate special personnel development measures early on. At the same time, this tool puts the company in a position to identify personnel-related risks and take countermeasures where necessary. RWE has initiated a number of projects and has joined with other companies in the 'demographie network' which is an initiative of the Germany Ministry of Labour and social Affairs and the Initiative for New Quality at Work.

## SECTION 4: AGE MANAGEMENT, SKILLS, COMPETENCIES AND EMPLOYMENT IN THE GAS SECTOR

Section 4 introduces the reader to age management and age diversity as approaches to implementing change in the sector, and shows how a comprehensive and strategic approach to age management in the can be introduced. It shows that added value that the social partners can play in this area. It covers:

- 4.1 Introduction to age management and age diversity
- 4.2 The business benefits of age management and age diversity
- 4.3 Age management, skills, training and employment in the gas sector
- 4.4 The challenges facing gas companies
- 4.5 Developing a strategic approach to age management and age diversity
- 4.6 Putting age management into practice
- 4.7 Integrating the social dialogue into age management strategies and policies in the gas sector

### 4.1 INTRODUCTION TO AGE MANAGEMENT AND AGE DIVERSITY

#### What is age management?

Age management is an integrated and comprehensive approach to tackling demographic change in the workplace. This includes tackling age barriers in the workplace, promoting age diversity and practices “to ensure that all employees can reach their potential, without being disadvantaged by their age” (European Foundation 2006). Age management means that there is an understanding of the capacity and skills of all workers, and particularly this forms the basis upon which plans for future workforce skills and employment are designed and implemented.

#### European Working Conditions Survey: working conditions of an ageing workforce (2008)

An analysis of the working conditions of older workers, based on data from the European Working Conditions Survey find significant differences between younger and older workers. The survey covered 31 countries in Europe in 2005.

- Older workers have less exposure to physical risks in the workplace, enjoy a higher level of autonomy and a lower level of work intensity, than younger workers. However, they are less likely to be involved in new organisational developments, and to participate in training and development.
- Outside of the workplace middle-aged workers have a higher level of responsibility for caring for dependent relatives than do younger workers; they also report a lower level of satisfaction with work-life balance.
- Job quality and job satisfaction are key factors in the sustainability of work and in retaining older workers in the labour market.
- Discrimination by age increases as people get older, with older women citing the most significant levels of discrimination in the workplace.
- In some countries there is a decline in earnings in the older age groups of workers (particularly significant in the UK, Ireland and Eastern European countries).
- Older workers are also found to have high levels of attachment to their work, have high levels of performance in their jobs, and good attendance at work.

Age management policies and strategies can exist at several levels:

- At the individual: these are strategies that focus on individuals and related to working ability, skills and training, health and well-being, social relationships and the contribution that older workers can make to companies.
- Collective: these are strategies developed through collective negotiations and partnerships between unions and employers.
- Organisational: these are strategies that are drawn up at an organisational level and concern the retention of competence and labour, knowledge transfer, human resources practices and changes in work organisation and working time.
- Societal: these are strategies developed by governments that concern active ageing, improved health and well-being, reduced costs for pensions, health and welfare services.

Many of these approaches are overlapping, for example, societal strategies can be important to what companies and the social partners can do, as they set retirement ages or develop national policy frameworks on skills development, lifelong learning or flexible working time.

#### **The human capital argument**

Demographic change and the move towards a knowledge-based economy make it even more important to invest in human capital. Investment in human capital includes training, knowledge, skills development and learning that make a person productive in the labour market. Investing in human capital has become all the more important for an ageing workforce in the gas industry, particularly in the area of adapting skills to new technological changes. Staying competitive in the gas industry in Europe means that companies have to utilise the full potential of their resources. Many companies realise that their best assets are their staff and that by focusing on the development of their staff they can achieve the competitive edge.

#### **The age diversity argument**

Older workers are regularly viewed by employers as being loyal, dependable and knowledgeable. However, there are often perceptions, based more on age related discriminatory attitudes than on evidence from research, that older workers are not interested in building their skills, they are inflexible, and that they are just waiting for retirement and their pensions. Studies do show that these views are misplaced and that if different attitudes and approaches are embedded in human resources practices, it can be possible to realise the value of older workers and their contributions to organisational and business success. Increasingly companies across Europe are viewing older workers as valued workers who bring companies unique assets, rather than incurring costs that can be cut. Attitudes and perceptions towards older workers are slowly changing and older workers are increasingly viewed as an untapped resource, and their value is increasingly associated with valuable skills, knowledge and experience that can be preserved and utilised.

Research shows that there are no significant differences in job performance between older and younger workers. The capacity of workers to maintain productivity as they age is influenced by a range of factors including their occupation, working conditions and lifestyle. Because older workers have poor access to training to help them to deal with rapid changes in the gas industry, productivity decline is often attributed to age rather than lack of training. Contrary to popular belief, there is substantial evidence to show that older workers are as just as productive as and perform as well as younger workers. Older workers often use experience to offset a decline in physical or cognitive ability and they are just as capable as any other age group of learning new skills. Indeed, it is a myth that older workers are not interested in their careers and self-development. If learning programs are tailored



to the age, knowledge and experience of older workers then learning is just as effective, and no more expensive than it would be for young workers.

Company strategies in the area of age management also need to address negative stereotypes and age based discrimination in the workplace. For this reason, employers need to ensure that they comply with anti-discrimination legislation so that their policies, practices and procedures do not directly or indirectly discriminate against older workers.

In practice, older workers can experience a range of barriers in the labour market resulting from age-based stereotyping and discriminatory practices and which discourage older workers from remaining in or returning to the workplace. Companies need to be more aware of the impact of age-based discrimination in the workplace and that investing in people, irrespective of their gender, race, religion or age, is crucial to maintaining productivity and gaining a competitive edge in the economy.

Age based discrimination can result in damaging practices and perceptions that become embedded in an organisational and work culture, and which work against the development of the capabilities of all staff. There are many good practices across Europe of age-friendly approaches to recruitment, selection, training and development, promotion, redundancy and retirement. In particular, actual or perceived discrimination at work can have a negative effect on investment in the skills and learning of older workers. This can affect the motivation and interest of an older worker.

#### **Myths and realities about older workers and their motivations for training**

##### **Myths about older workers**

There are many inappropriate stereotypes of older workers, which result in negative perceptions about older workers. It is often believe that older workers have:

- declining productivity levels;
- diminishing health resulting in higher absenteeism and accidents;
- a cultural misfit in a fast-paced and dynamic business environment; and
- decreased intellectual and cognitive capacities.

##### **Realities of older workers**

Many of these perceptions have no basis in reality, since research shows that:

- there is no significant difference between the performance of older and younger workers
- older workers use experience and skills to offset a decline in performance due to ageing;
- older workers are just as flexible, if not more, than younger workers with regard to working conditions;
- older workers are interested in undertaking training and furthering their careers.

By virtue of the EU Employment Framework Directive (2000/78/EC) discrimination is outlawed on the grounds of age in employment, self-employment and occupation, vocational training and guidance, and in the membership of organisations. The social partners are encouraged to work in partnership to remove age barriers in job recruitment, training and promotion, and in removing negative stereotypes about older workers. The Directive provides an important framework for removing age barriers and discrimination in employment and to promoting a work environment based on principles of equality.

Introducing age diversity in gas companies means that companies will have a broader talent pool from which to recruit, and through this, creativity and innovation can be fostered. There is a risk of not managing this diversity, which can result in misunderstandings between different members of the workforce, leading to conflict and disengagement.



In the gas sector, as in other sectors of the economy, the management of a diverse workforce will become a central and critical element of human resources strategies. Line managers, in particular, play a key role in the decision-making process of older workers, particularly in making decisions about whether workers take up training or career development opportunities. Attitudes towards older workers are often barriers to the inclusion of older workers in training and career development, and are based on inappropriate stereotypes and discrimination.

### **How can companies benefit from the skills and motivations of different age groups in the workforce?**

Having an age diverse workforce can bring opportunities for companies, particularly because evidence shows that different age groups contribute different skills and experience. Inter-generational work teams, knowledge transfer and skills sharing between different generations can bring an added-value to companies seeking to retain and increase skills and knowledge.

Companies also need to be aware of the different motivations and interests of different age groups, particularly in relation to skills, training, learning styles and expectations, part and skills development and career development aspirations. As Box 3 shows being in touch with and aware of the expectations, interests and motivations of different age groups can help companies draw out the potential and contribution of workers to company success. The mix of attitudes and motivations across the generations does present companies with some real challenges, for example, in the management of inter-generational teams and working methods, in career development and training programmes and in performance management. This will affect areas such as leadership development and different models of leadership that reflect the views and aspirations of different generations in areas such as hierarchies and team working.

The implications for company strategies are that there is a need for more bespoke personal development and training opportunities that can respond to the career development demands of the older generations and the self-sufficiency of Generation Y to manage their own career development. In addition, there is an identified need for cross-generational skills development in specialist areas and for people management skills, as part of these bespoke opportunities. This also means that communications and training will need to be provided through a variety of challenges. It is clear that one size will not fit.

#### **Box 3 - Age diversity: how companies can gain benefit from the skills and motivations of different generations**

Research by CIPD (2008), based on a survey of 5500 employees in France, Germany, Ireland, Spain, Sweden and the UK, identified four generations in the workplace that bring different skills, learning styles and expectations. The question raised in the research is how can these different attributes and learning styles be utilised to their full. As the CIPD's report states: "Skills in digital technology, information management and entrepreneurialism are mixed with long-standing wisdom, change management and customer service ethos".

The four main generational groups currently in the workforce are:

- Veterans (born 1939-1947)
- Baby Boomers (born 1948-1963)
- Generation X (born 1964-1978)
- Generation Y (born 1979-1991)

In addition, a new Generation Z (who are currently under 16 years of age) will soon be entering the labour market.

The research found that most employees expect to be offered personal development opportunities in the workplace, although there are differences in the nature of development preferences between the generations. Baby Boomers and Gen X consider these opportunities to include internal job moves within their organisation, while Gen Y is more interested in being given specialist skills training and opportunities to grow 'on the job'.

Veterans are, more than any other generation, want to have training to coach, advice and support others. This is particularly important as tapping into the knowledge and skills held by older workers can be very beneficial to an organisation. Baby Boomers seek coaching and mentoring skills and Gen Y seek training in how to manage their job prospects and to have access to training in people management and customer services skills. Gen Y want to work collaboratively and respond well to bespoke training and development programmes that respond to the needs and expectations of specific employees, rather than a structured process.

## 4.2 THE BUSINESS BENEFITS OF AGE MANAGEMENT AND AGE DIVERSITY

In the future age management strategies will need to become more integrated into how gas companies manage a diverse workforce. This will be particularly important to ensuring that the skills and competencies of older workers in the gas sector are developed and retained so that companies can compete across Europe and sustain the best workforce. This means that gas companies will have to consider new strategies if they are to ensure that their workforces meet the new challenges ahead.

For example, many companies are now addressing skills shortages by making much better use of an ageing workforce. Research by Taleo Research and The Age and Employment Network (TAEN) (2006) *Tapping into the older worker talent pool*, suggests that taking advantage of the growing talent pool of older workers will be increasingly relevant to maintaining a competitive workforce. As well as recruiting older workers, the research suggests that companies should consider re-skilling and up-skilling new and existing employees.

A strategic approach to age management can ensure that all workers reach their potential and that companies can draw on the best talent. Utilising the potential and talent of the workforce and building on the capacity and skills of the whole workforce are essential elements of improving the working conditions of all workers.

The business benefits of age management and age diversity for gas companies are as follows:

- ***Gas companies are forward looking and have a competitive edge in the industry.*** By looking forward and planning for future competencies gas companies are more likely to be competitive, efficient and have reduced costs; utilising the skills and capacities of the whole workforce can result in reduced costs, for example, in severance pay, lower absenteeism rates, better motivation of workers and a decline in staff turnover.
- ***Gas companies can meet future skills and employment needs.*** Planning for the skills required for technological and other changes means that gas companies can create the correct skill-mix and skills requirements for the future. Retaining the skills, knowledge and experience of older workers is particularly important to retaining valuable knowledge and skills in the organisation.
- ***Gas companies can attract and retain a high skilled and high quality workforce.*** Attracting and retaining the best and most talented employees of all ages is an important component of a highly skilled and high quality workforce. Having a strategic approach and by investing in training and

career development of all employees will enable gas companies to achieve the full utilisation of skills of all age groups.

- ***Gas companies become employers of first choice and have an improved public image.*** Gas companies can become employers of first choice and have an improved public image if they offer opportunities for the training and development of all workers. A diverse workforce means that customer satisfaction will also be enhanced.
- ***Gas companies achieve improved employee relations and employee satisfaction.*** Workers who benefit from training and development will be more satisfied, challenged and motivated at work. This will result in the improved retention of staff and reduced absenteeism at work. Social partnership in the workplace can result in improved employee relations, employee satisfaction and company loyalty.

#### **4.3 AGE MANAGEMENT, SKILLS, TRAINING AND EMPLOYMENT IN THE GAS SECTOR**

As mentioned above age management strategies and policies that have the twin goals of managing an ageing workforce and attracting young people into the industry, will become increasingly important to gas companies in the future. The implications for the skills and competency development of the workforce are all the more relevant because of the trend in the gas industry towards employment in more highly skilled occupations and a shift towards service-orientated business development. This means that gas companies need to invest more in the training and education of the workforce, and particularly to ensure that older workers remain productive and have opportunities to keep up to date with new work processes and technological changes.

All workers need to keep up to date with changes in new technology, in the business environment, and in operations and processes. Increasingly, workers need to have transferable skills and the ability to work as part of a team. Our survey of gas companies found that these new requirements have particular challenges for older workers, who may have opted out of training for who may not have been offered training and development opportunities.

An area of concern for the social partners in the gas industry in Europe is that of emerging skills shortages. This results from a decline in employment in technical and technological (crafts and engineering) jobs - in part reflected in the ageing profile of the industry; and a shortfall in meeting the demands for new skills (sales, trading, commercial activities, and customer-oriented skills) that are integral to the emergent European gas industry. This means that there is a need for long-term planning for training and strategies for lifelong learning.

Some of the strategies used in the past to reduce the workforce, through early retirement and redundancies, will become less important. In the future, because of the ageing workforce and skills shortages in the industry, it will become more important to retain and upskill the exiting workforce. There will be costs, in terms of company competitiveness and skills, if companies if they do not maintain and enhance the skills of the workforce.

As a result, a new approach that promotes age diversity by retaining and utilising the skills of older workers, means that older workers have to be trained to keep ahead of technological and other changes. Companies also have to consider other elements of age management, such as the health and well-being, job content and working conditions of older workers. Age management in the sector

also means that there are more effective means for transferring and retaining the knowledge of older workers. Furthermore, creating meaningful and good quality employment that is adapted to and meets the needs of workers will become increasingly important to the retention of older workers.

#### **4.4 ADDRESSING THE CHALLENGES FACING GAS COMPANIES THROUGH AGE MANAGEMENT POLICIES**

As Section 2 has shown the gas sector faces significant challenges because of competition, restructuring, liberalisation, the move to renewable sources of energy, and an ageing workforce.

These challenges can be effectively addressed through innovative approaches and responses from the social partners. As we have seen, the business benefits of age management are directly related to the skills and capacities of the workforce and include:

- Managing and ageing and diversity workforce
- Valuing, harnessing and retaining the skills and experience of older workers
- Providing quality work for older workers
- Tackling age barriers and age discrimination in the workplace

##### ***Managing an ageing and diverse workforce***

Companies responding to our survey highlighted the need to put in place new strategies to manage an ageing and diverse workforce in the future. An essential element of this is workforce planning and identifying future skills needs, and matching these to the existing workforce. Line managers in particular play a key role in retaining and developing the skills of all workers, including older workers. Ensuring that line managers are trained to respond effectively to the diversity of the workforce is crucial to the implementation of age diversity policies. Changing the mindset and perception of older workers' skills, capacities and potential is important if the organisation is to value the contribution of older and more experienced workers. This also means developing an understanding of older workers specific needs in the workplace, for example, around working time or job content.

##### ***Attracting, recruiting and retaining young people***

A key challenge for many gas companies responding to our survey is how to attract, recruit and retain young skilled employees. It is in this area that companies have developed a range of initiatives, including scholarship programmes, work experience, training, career development and mentoring programmes. A key issue for companies is how the image of the gas industry can be made attractive for young people, and how working conditions, job profiles, training opportunities and career development opportunities can be developed to make gas companies attractive, challenging and interesting places for young people to work.

##### ***Valuing, harnessing and retaining the knowledge, skills and experience of older workers***

Many of the gas companies responding to our survey identified the need for knowledge management and transfer programmes, on the basis that the experience and skills of older workers will need to be more effectively harnessed and retained in the future. As well, companies identify the need to find more effective ways of recruiting and retaining older workers in order to fill skills gaps,

to retain and maintain valuable skills, and to provide continuity and valued knowledge as companies face organisational change and restructuring. In many cases this means that it can be more cost-effective to invest in the training of older workers and to adapt working conditions to their needs, in order to retain them in the labour market for as long as possible. Involving older workers in knowledge transfer, mentoring and other programmes can also provide an important impetus to increasing motivation and providing satisfying and challenging work for older workers.

### ***Providing quality work for older workers***

Many older workers leave the labour market early because of the quality of their work. Many companies are now striving to find ways of improve the quality of work of older workers in order to retain them in employment by addressing the working environment, health and well-being, flexible working hours, and opportunities for older workers to improve their professional development, skills, working conditions or to change their jobs.

#### **The quality of work for older workers**

The quality of work is an important element of the retention of older workers. Job quality was a priority established by the 2000 Lisbon European Council, and has been an objective of the European Employment Strategy. As part of the European Employment Strategy, the assessment of job quality takes place through a set of indicators. These are particularly relevant to age diversity and include: skills, lifelong learning and career development; gender equality; health and safety at work; flexibility and security; inclusion and access to the labour market; work organisation and work–life balance; social dialogue and workers’ involvement; diversity and non-discrimination; and overall work performance.

Research by the European Foundation for the Improvement of Living and Working Conditions (2007) has found that at different stages of a person’s working life their personal resources and the working environment in which they work will change, for example, because of changes in technology, company restructuring or arising from the effects of the ageing process. If older workers can find a good balance between their personal resources, job content and working environment then they are more likely to stay in the labour market.

The European Commission (2007) has identified a ‘good quality job’ as providing appropriate levels of income, opportunities for skill development and career progression, healthy and safe working conditions, flexibility in work organisation combined with employment security, the reconciliation of work and family life, and equal opportunities and non-discrimination.

### ***Tackling age barriers and age discrimination in the workplace***

Tackling age barriers and discrimination in the workplace is important because negative stereotypes can be de-motivating. For example, stereotypes include not being regarded as healthy or as competent as younger workers, not as flexible or open to change, or unable to adapt to new skills and challenges. Age discrimination can result in the exclusion of older workers from promotion and training, reduced job responsibilities, or encouraging older workers to retire early as a strategy for dealing with redundancy. While some older workers may not be able to perform all of the tasks required of them, this does not mean that their skills, knowledge and competencies cannot be applied to other tasks. Breaking down age barriers does require a change in mindsets and this is as important to company culture as it is to the attitudes in the workplace to older workers.

## 4.5 DEVELOPING A STRATEGIC AND COMPREHENSIVE APPROACH TO AGE MANAGEMENT

A **comprehensive approach** can include issues such as work organisation, training and development, employability, working time, human resources policies, job tasks and organisational changes that take account of different age profiles in the organisation.

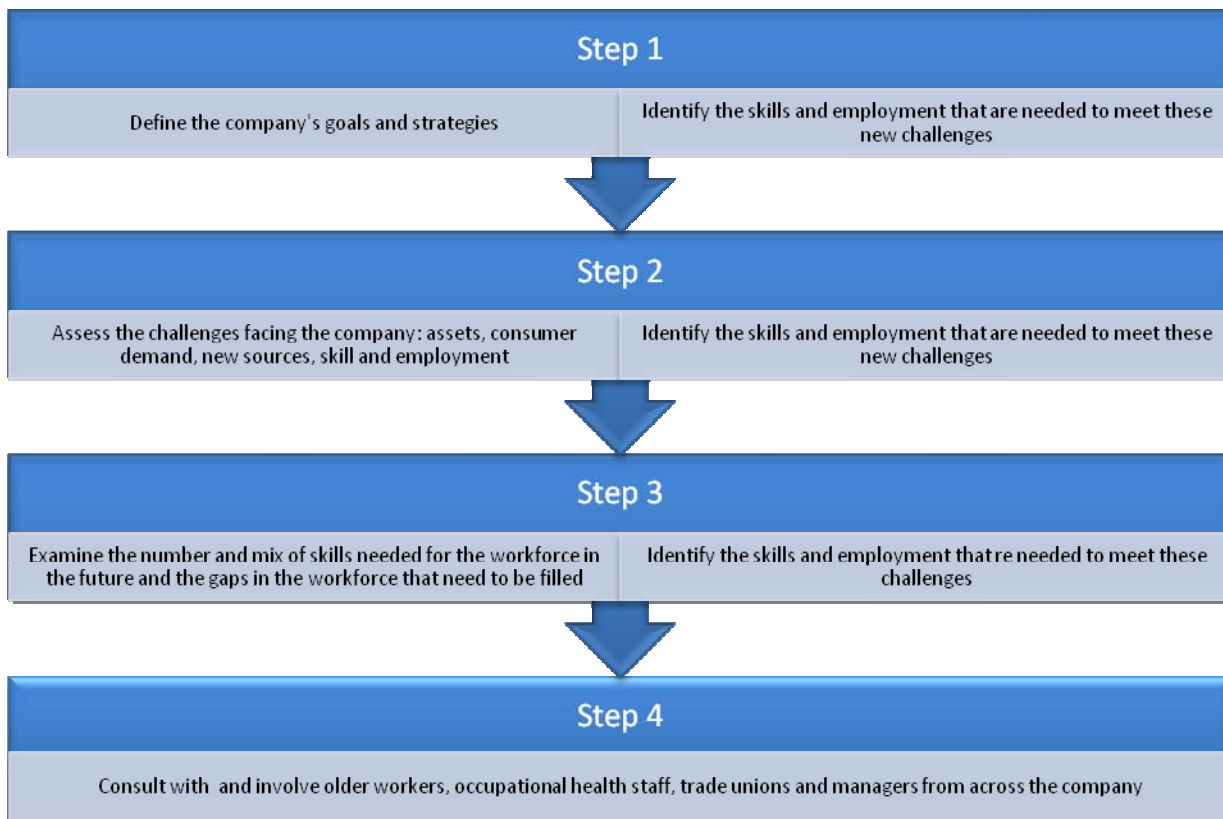
A **strategic approach** is one that anticipates change that looks ahead and plans in the long term so that problems arising from demographic ageing are prevented at an early stage. This means that all parts of the organisation work around a strategic approach to age management.

It is important for companies to focus on a comprehensive approach to age management to ensure that competency and skill development is part of an overall integrated approach to age management. Companies may also need to establish programmes for health and well-being and flexible working time to ensure that work organisation and work processes are designed to meet the needs of an older workforce. Having a comprehensive and integrated response is critical to this.

Having a strategic and comprehensive approach to age management means that companies need to monitor the age profile of the workforce and put in place measure to make use of the skills, interests and motivations of all age groups in the workforce. In particular, this means establishing a cycle of learning and knowledge development through which young people can gain new skills and a career path, while older workers have opportunities for training and development and to use their acquired skills to transfer knowledge.

This is particularly important if companies are able to plan for a workforce that is trained to meet the demands from the changing nature of work and customer demands, to provide the best working conditions that attract and retain the best talent, and to provide the flexibility required to ensure that long-term sustainability of the sector.

There are a number of steps to developing a strategic and comprehensive approach to the age management of skills, competencies and employment in the gas industry. The four main steps set out below provide a framework for a strategic and comprehensive approach to age management, as set out below.



These four steps provide companies with a tool that can enable them to move from reacting to challenges as they arise and are forward looking in taking advantage of future opportunities. Part of this approach requires there to be awareness raising and training for managers and team leaders on age related issues so that they recognise the importance of integrated and comprehensive approaches, as well as how individual solutions are linked into overall strategic objectives.

#### 4.6 PUTTING AGE MANAGEMENT INTO PRACTICE IN THE GAS SECTOR

A number of research studies have identified what constitutes the main elements of an effective approach to age management. For example, Leibold and Voelpel's (2006) study identifies the five main areas where organisations need to develop policies and actions in order to contribute to a comprehensive approach to age management. These are:

- Managerial mindset
- Knowledge management and learning
- Health management
- Work environment and ergonomics
- Human resources management (including the role of the social dialogue).

In the area of knowledge management and learning they identify the need to address employees' ability to learn and organisations ability to retain and transfer knowledge. By putting comprehensive strategies in place companies will not risk losing important knowledge and learning when workers with expertise and skills retire.



A strategic and comprehensive approach to age management is one that considers and plans for all of the aspects of an organisation's roles, functions and operations in relation to age management. The most effective approaches to age management are those that are integrated and comprehensive, that are preventative, that anticipate problems and barriers, and that focus on a life-cycle approach to the working lives of all age groups.

The underlying rationale is that the policies benefiting older workers have a long-term effect on companies by creating sustainable jobs that can match future skills needs. As we discussed earlier changing ideas and perceptions towards older workers is central to successful age management. In order to bring about a change in perception and awareness at the all levels it will be important to raise awareness about demographic ageing by creating positive images and role models of older people, training managers and embedding these within the organisation.

#### **Example: RWE Energy: Action to address Demographic change through Age Management**

In Germany, it is anticipated that demographic change will have a major impact on the workforce in the next decade. The gas sector is not immune from this. RWE had put in place a number of practices and policies to reduce the risks of demographic aging, including a strategy for age management. In 2007, a Demography Manual was launched with recommendations for action in five areas: corporate culture, human resources development, knowledge transfer, flexible working conditions and health promotion. These form the basis upon which RWE companies can plan to implement age management strategies so that they are relevant to the age structure, working conditions and skills needs of different companies. A "Demography Checklist" developed by RWE Energy aims to support this process. Further information can be found in German on RWE's web page on demographic change <http://www.rwe.com/web/cms/en/89242/rwe/responsibility/workplace/human-resources-development/demographic-change/>

The company has also jointed with other similar companies a network on demographic change "demographie netzwerk" (ddn), which has been established by the German Ministry of Labour and Social Affairs together with the Initiative Neue Qualität der Arbeit (INQA). For further information in German see: [www.demographie-netzwerk.de](http://www.demographie-netzwerk.de)

#### **4.7 INTEGRATING AGE MANAGEMENT POLICIES AND STRATEGIES INTO THE SOCIAL DIALOGUE BETWEEN UNIONS AND EMPLOYERS**

The social partners are well placed to play a key role to play in age management and in forecasting future employment and skills needs. Trade unions bring insights into worker's preferences, needs and priorities, they are able to assess how improvements in working conditions can be made to retain older workers, and they can provide important perspectives related to health and well-being, age diversity, equality and lifelong learning. Best practice approaches include the development of joint projects and initiatives between the social partners to test and develop new initiatives, collective agreements that are age-neutral and that are also responsive to the needs of older workers, and measures to forecast change and skills needs.

Demographic change in the gas sector requires that the social partners develop new comprehensive approaches and strategies that address the twin concerns of how to recruit and retain younger workers, while also ensuring that the skills of older and more experienced workers are not lost.



## SECTION 5: TOOLS FOR DEVELOPING SKILLS AND COMPETENCIES IN THE LIGHT OF DEMOGRAPHIC CHANGE

Section 4 provides a range of practical tools that companies and the social partners can use to provide a strategic, comprehensive and forward looking approach to skills, competencies and employment in the light of demographic change. It covers guidance, suggestions, practical advice and information about the following areas:

- 5.1 Take a strategic approach to training and skills development
- 5.2 Create training and skills development for the whole workforce, including older workers
- 5.3 Remove age barriers and implement a culture of equality and diversity
- 5.4 Put in place new methods for providing and delivering education and training to workers
- 5.5 Create the learning organisation by embedding a culture of learning in the organisation
- 5.6 Address the career development of older workers
- 5.7 Develop programmes of job rotation and redeployment for older workers
- 5.8 Implement knowledge management programmes
- 5.9 Put in place complementary policies on age management: health and well-being in the workplace and flexible working time
- 5.10 Develop programmes for attracting and retaining younger workers

### 5.1 TAKE A STRATEGIC APPROACH TO TRAINING AND SKILLS DEVELOPMENT

- Developing a strategic approach can ensure that training and skills development are integrated into company business planning.
- A strategic approach should also integrate training and skills development into an overall strategy on age management.

The benefits of taking a strategic approach to age management in gas companies are that Age management and age diversity become central to and integrated into overall corporate strategies, human resources frameworks, leadership, workforce planning and measures for attaining the best skills-mix for the future.

This is important to ensuring that age management becomes part of the overall company culture so that it can enhance the acceptance and buy-in of measures by the workforce overall as well as commitment from line managers.

Age management strategies are more likely to be successful and sustainable, particularly if they take a life-cycle approach. In addition, this approach will enable age management to become a central element of trade union and company negotiation.

#### ■ ***Suggestions of what gas companies can do to develop a strategic approach to training and development***

*Put in place a company strategic training plan*

- Create a company strategic training plan, drawn up with representation from managers and trade unions.
- Trade unions have a key role to play in providing strategic insights into training needs and planning. It will be important for the development of training plans to be inclusive of all workers, and for this reason trade unions have a key role to play in being in touch with the older workers and in identifying their training needs.

- Ensure that older workers are integrated into all company activities by giving recognition to the role and contribution of older workers in all stages of strategic planning and business management.
- Create a policy framework and an organisational culture that enables older workers to continue working and for longer – this should be rooted in a culture of non-discrimination, employee involvement and team working.

*Develop a social partners agreement on training and learning*

- Agree a framework agreement on training and learning, setting out a range of options that can be developed in the context of continuing education and training.

*Create a company competency committee*

- Create a company workplace competency/training committee, with representatives from the social partners. A formal workplace committee enables training and competency development to be integrated into company strategic developments that address demographic ageing.
- This can also provide the social partners with an opportunity to manage and have an oversight and of training and skills development programmes, whilst also ensuring that all age groups are included in these programmes.

## **5.2 CREATE TRAINING AND THE SKILLS DEVELOPMENT OPPORTUNITIES FOR THE WHOLE WORKFORCE, INCLUDING OLDER WORKERS**

- Investing in lifelong learning, training and development is essential if companies are to gain a competitive edge in the industry.
- Updating and developing the skills and competencies of older workers is particularly important if companies are to retain older workers for as long as possible.
- Training and skills development is an important part of creating a culture of learning in gas companies.

Extending education and training to older workers is essential if they are to be as equipped as younger workers to respond to changes in new technology, organisational processes and team working. This approach should be based on the concept of lifelong learning so that adaptation of skills takes place over a worker's working life.

Lifelong learning, training and developing the skills of older workers is essential to ensure that the gas industry can respond to changes in work processes, in competition and in customer demands. Learning is now crucial to keep abreast of these rapid changes. Learning needs to be built into everyday working practices, whether this is formal, informal or structured learning, and it is crucial that learning is relevant and engaging.

Learning and development are vital to organisational success, and particularly so at a time of recession and economic downturn. Learning and development can ensure that an organisation is fit and ready for the upturn. Having effective forms of learning and development is crucial for skills utilisation within the workplace.

Evidence shows that employees who participate in learning are more likely to be motivated, loyal to the company and to benefit from career development. Research by the CIPD in the UK shows that companies that do not invest in training of their staff are 2.5 times more likely to go bankrupt, and

they are less likely to retain vital talent. In today's competitive climate and in the light of skills shortages in the sector, retaining highly skilled workers is essential to survival in a rapidly changing market. It is in the area of technology and performance-based requirements that companies identify the need for the regular updating of skills so that workers can keep abreast of change and develop their skills.

As the workforce ages a focus on the training and development of older workers can provide the correct skills mix for a company. If organisations are to actively support all workers to update their skills and learning they will need to examine new approaches, including targeted programmes of training and development of older workers. Many older workers may have missed out on the training opportunities in the past and for a variety of reasons do not participate in training and development to the extent that younger workers do.

Lifelong learning implies that learning takes place across a person's working life, and for this reason providing opportunities for older workers to take up training and skills development is important to this. Many forward looking companies recognise that training is an integral part of employee's career paths. By giving priority to the training and development needs of older workers companies can help to overcome the skills deficits that result in many older workers voluntarily or involuntarily leaving the labour market early.

#### **Example: Eni Gas and Power - training programmes for older workers**

The company has put in place a number of training programmes to update the skills and competencies of older workers. The main areas identified for competency development are information technology, risk management, negotiation skills, commercial and customer service skills. The company has increased its investment in skills and competency development over the last few years, with a particular focus on retraining administrative employees to take new skills in the area of sales and risk management. The most important programme has been a training programme organised for 350 employees mainly over the age of 45 years whose jobs were affected by the reorganisation of the company. Employees had insufficient skills to work flexibly, and outdated commercial skills and information technology skills. The result was an intensive training programme for these employees to strengthen their competencies, skills and motivation. The company believed that there were important business benefits to this and the outcome was generally positive for employees. The company finds that it is not always easy to motivate older employees to take on new skills and retraining, however, they have found that older employees are increasingly willing to adapt their skills in the light of new competency requirements.

#### ■ ***Suggestions of what gas companies can do to promote the training and skills development of older workers***

There are a number of ways in which training and skills development can be integrated into human resource strategies and prioritised through the social dialogue. The following are some good practice approaches that can be used by gas companies to enhance the contribution and retention of older workers:

*Invest in training and development for all workers*

- Investment in training and skills development will reap benefits for companies and will become more important in the future for companies that want to retain their competitive edge. It is important that this be linked to an individual employee's life-cycle, and the needs and requirements at different stages of their working lives.
- Taking a life-cycle approach to training and skills development at the heart of company culture will help to ensure that there is a willingness and motivation to participate in training development as employees get older. To achieve this it is important for companies to integrate training and skills development into company policies on age management.
- Any new programmes of training and development should be integrated into an overall policy on age management. The objective should be to integrate age diversity and provide a flexible approach so that the needs of all workers are taken into account.
- Put in place specific programmes for the training and skills development of older workers, particularly those that are lower-skilled and who require changes in their job content. Many older workers require updated skills if they are to be retained in the workplace. By updating skills and investing in the development of older workers can be hugely motivating for older workers.
- This can be achieved by introducing entitlements for paid release from work for training and skills development, and by ensuring that older workers have equal access to this.
- Subsidised tuition fees and opportunities for leave for workers of all ages interested in taking higher qualifications at college or university level can also help to stimulate a culture of learning and development. This can help to bring new learning and skills into the workplace, and can be an important source of motivation for older workers interested in developing new qualifications.
- Another approach to incentivising workers of all ages is to give workers access to individual training accounts, which provide workers with an allocated budget for training and learning. By providing this incentive to take up training can be important to establishing training and skills development as a key element of improving the working lives for all age groups.
- Ensure that all workers, including older workers and women, have access to training and skills development on information and communication technologies. Carry out an audit in your workplace of people's needs in this area and provide training in the workplace for this. Consideration should also be given to examining new methods for learning, such as distance learning and e-learning.

#### *Introduce specific courses for older workers*

- In some cases, it will be necessary to provide specific course for older workers in areas where there are skills deficits. These courses can be important to incentivising older workers to take up new skills and to stay in the labour market for as long as possible.
- New technology has a key role to play in the retention of older workers. It is often the key to knowledge management and to adapting to changes in the workplace. Often competence in new technology is a job requirement and could be a challenge for an older worker. One way to overcome this is for companies to run information technology courses for older workers. In some companies compulsory information technology courses are run for workers over fifty years of age.

#### *Put in place training methods and supports that are relevant to older workers*

- Training programmes can be made relevant to and adapted to meet the needs older workers. This can be important to making older workers feel included. In some cases, older workers may

not be interested in and motivated to participate in training and development programmes because they are seen to be 'for younger workers'.

- Consideration should be given to the training methods used and the support that can be provided to older workers during training and development programmes.
- Training should be provided by a diversity of trainers, and companies can benefit from the skills and learning of older workers in company training programmes. Using the skills, knowledge and learning of older workers as facilitators and trainers can also raise the profile of older workers and shift the culture of an organisation. Valuing the skills of older workers in this context can contribute to the training of younger and older workers.
- Training programmes for older workers should use techniques and methods that enable older workers to participate in learning. This may require trainers to take account of older worker's learning styles and physical capabilities.

#### *Carry out regular training and development assessments of employees*

- The development and monitoring of individual competency/training plans for all workers can be an important way to ensure that older workers are treated equally.
- One of the reasons that older employees do not participate in training and development programmes is that their needs have not been assessed. Regular training and development assessments should be carried out with the full participation and consultation of employees.
- Draw up an annual training and development plan, in consultation with each employee, with an action plan of how the training plan can be implemented in practice.

#### *Collate data on the participation of older workers*

- It will be important for companies to collate data on the participation of older workers in training and career development programmes and the outcomes of these programmes. If it is found that older workers are not participating, measures should be put in place to redress this.

#### **Checklist: Developing a policy on age diversity in training and skills development**

- ✓ A statement that age diversity is a core value for the organisation, and is part of a broader commitment to equality for all groups.
- ✓ This should state clearly how and why achieving age diversity is an important goal for the organisation. This can affirm the equal treatment of employees covering the grounds of gender, race and ethnicity, religion and belief, age, sexual orientation and disability.
- ✓ Give attention to issues that can help to accommodate the needs of older workers.
- ✓ Include age-neutral policies on recruitment and selection, staff retention, progression, training and development, working time and flexible working hours, pay, rewards and benefits, harassment and discrimination against older workers, health and well-being, occupational health and safety, consultation and participation of unions, data collection and monitoring and reporting of outcomes, roles and expectations of managers and employees. It will be important to focus specifically on the needs of older women in the workplace.
- ✓ Provide explanations of how policies can work in practice with good practice examples in the areas covered in the policy.
- ✓ Set out clear procedures for implementing and monitoring the policy.
- ✓ Draw up your policy with full participation and involvement of older workers and unions. Not only does this ensure that you get the right focus to your policy but also that it will become

easier to implement it in practice. This will help with disseminating information about the policy widely and getting the buy-in from staff.

### **5.3 REMOVE AGE BARRIERS AND PROMOTE A CULTURE OF EQUALITY AND DIVERSITY IN TRAINING AND SKILLS DEVELOPMENT**

- Promoting age diversity and a culture of equality and diversity is crucial if companies are to recruit and retain the best talent.
- Combating age discrimination is an important element of this.
- Managing a diverse workforce can improve a company's profile and external image.

#### **Implementing age diversity in training, development and employment**

Diversity is the recognition and valuing of difference in the workforce. Creating a work culture and workplace practices that recognise, value, respect and harness the contributions and talents of all has benefits for the individual and the organisation. A diverse workforce can also help to improve the image of employment in gas companies and in the gas sector overall, as well as improving productivity and work satisfaction. Companies that have implemented diversity programmes have a positive impact on staff who feel valued and are able to reach their full potential.

Managing a diverse workforce is a central part of age management strategies. This rests on the principle that companies value the individual for what they offer, regardless of age or gender. Therefore, if companies are to promote age diversity in the workplace they need to be thinking of how they can create an organisational culture where older and younger workers work together on projects where each is able to actively contribute, and where they can learn from each other. The management of age diversity can have some positive outcomes for companies, including intergenerational cooperation and knowledge sharing, a culture that values work experience and learning, appointments based on merit rather than age, improved staff loyalty, work satisfaction and performance.

#### **Equal opportunities between women and men in access to training development and employment**

It is crucial that any training and skills development programmes also integrate the principle of equality between women and men, so that women and men have equal access to workplace programmes.

Women often miss out on training opportunities, either because of care and domestic responsibilities, because they are not put forward to training by their managers, or because they do not put themselves forward for training. By developing women in the workplace and raising the skill levels of women provides companies with potential new talent.

At a broader company and societal level, giving women access to education and training can help to reduce the gender wage gap and improve women's access to skilled work and senior jobs. In particular, developing innovative forms of learning and capturing informal learning, it can be possible to give value to women's skills and learning in the home and in the workplace. Having access to flexible training and development opportunities, that accommodate their family and work responsibilities, can be crucial for women's participation in education and training.

■ ***Suggestions of what gas companies can do to remove age barriers and promote a culture of equality and diversity***

*Remove age barriers and age discrimination*

- Removing age barriers is crucial if companies are to encourage and support the participation of older workers in training and skills development. In the past companies have had written or unwritten practices that set age limits on the participation of workers in company training and development programmes.
- Ensure that older workers know that training and development opportunities are open to them. This may need a change in the mindset of a manager or team-leader.

*Provide gender and age sensitisation training for human resources practitioners*

- Human resources practitioners and training departments need to be sensitised to the needs of older workers and to the implications of demographic change for their organisations.
- By taking a systematic and planned approach, the provision of training and development can be tailored to the skills needs of the workforce. Of importance is that older workers are also consulted about appropriate training methods.

**Checklist: assessing the barriers experienced by older workers and women in the workplace?**

**Older workers**

- ✓ What are the main barriers that prevent older workers and women workers from fully participating in the workplace?
- ✓ Have you consulted with older workers and women workers to find out, from their experience, what are the main barriers?
- ✓ Do older workers / women have the same opportunities for training, promotion and career development as younger workers / men?
- ✓ Is there age and gender diversity in your organisation i.e. a balance of older and younger workers, of men and women?
- ✓ Do older workers and women benefit from flexible working hours?
- ✓ Do your recruitment policies and procedures create barriers for older workers or women workers? Are your policies age and neutral?
- ✓ Are older workers and women workers able to and encouraged to apply for promotions and new positions in your company, including opportunities to change their jobs so that they are more suitable to older workers needs and requirements?

**5.4 PUT IN PLACE NEW METHODS FOR DELIVERING AND PROVIDING TRAINING AND SKILLS DEVELOPMENT**

- Education and training programmes can be tailored to the needs and skills profiles of companies.
- Working in partnership with education and training providers can enable companies to keep abreast of skills development needs.

- Developing innovative methods of delivering and accrediting education and training have become increasingly important.

Many employers struggle to provide continuous vocational education and training because they do not have the capacity in-house to provide this. It is evident also that the many gas companies need to build their capacity to respond to the needs of older workers and build their skills and development in ways that are age sensitive. As a result, there is a need to develop more innovative methods of delivering training so that the needs of all age groups are taken into account. This approach will become more important to gas companies in the future. Therefore, employers need to become more aware of the opportunities and potential of older workers and introduce specific incentives and training to ensure that the knowledge acquired over a lifetime is not lost.

■ ***Suggestions of how gas companies can develop new approaches to providing education and training***

*Develop partnership with education and training providers*

- Develop partnerships with local education and training providers, with colleges and universities, in order to develop flexible models of provision and respond to the needs of a more diverse population and through work-based learning opportunities.
- Examine ways in which education and learning can be made more accessible to all workers, particularly older workers. This might mean offering part-time study or blocks of learning time, either in the workplace or outside.
- Consider ways in which both formal and informal learning can be accredited and valued.
- Examine the possibility of developing new methods for e-learning and distance learning with education and training providers.
- A key development in the future is that there will need to be more coordination between the different providers of learning so that there is seamless provision between school learning, work learning, community learning and other formal learning. This requires more flexible approaches, pathways, and accreditation between different types of educational and training provision.

*Examine how learning can be validated and accredited*

- The social partners have a key role to play in the development of systems for validation and accreditation of learning, including the accreditation of prior learning. This will be particularly important for older workers, as many older workers have acquired knowledge and skills, rather than formal qualifications.
- Examine methods for valuing and validating non-formal learning, for example, by recognising and validating skills gained in the workplace. Many governments across Europe are already developing systems for accrediting work-based learning. Find out what developments have taken place in your own country, by contacting your national training agency.

*Be innovative in the provision of learning and skills development*

- Being innovative in the way that programmes of learning and development are organised can help to encourage participation from all age groups.
- Organising learning in the workplace so that younger and older workers can work together in learning teams can help to promote skills sharing, learning and development. This can be



organised informally and formally, for example, through study groups, work-based learning or workshops.

## 5.5 CREATE THE LEARNING ORGANISATION BY EMBEDDING A CULTURE OF LEARNING IN THE ORGANISATION

The gas industry has witnessed significant restructuring in recent years. In particular, the liberalisation of the sector and the introduction of new management techniques has resulted in new working methods and work organisation. Increasingly team working and multi-skilling are required of workers, as is the need for workers to hold core competencies, for example, in the area of new technology, that are transferable in the workplace.

A key challenge is to develop a culture of learning in organisations, and particularly to embrace a 'learning organisation' concept to organisational development. Learning organisations are organisations that are more able to be adaptable and responsive to change so that they can meet new challenges and learn from them. Learning organisations are important to fostering a culture of learning that motivates and supports workers, and recognises their value and worth.

### ■ *Suggestions of what gas companies can do to promote a culture of learning*

#### *Promote a culture of learning*

- Consider more creative and innovative ways to encourage learning in the workplace, so that you are not relying on formal training courses. This could include mentoring, one-to-one learning in the workplace, study circles, discussion/working groups etc.
- Make sure that any restructuring or changes in work organisation build in the skills and training needs for all workers, including older workers.
- Put in place a system for developing individual learning and training plans for each worker, based on company/organisational goals. Ensure that older workers are included in these plans.
- Carry out training needs analyses and training audits and ensure that these meet organisational goals. Again, it is important to ensure that older workers are included in these audits.

#### *Put in place a scheme of employee learning representatives*

- The introduction of schemes that encourage learning through employee representatives, for example, based on the UK model of Workplace Learning Representatives.
- It will be important for these workplace representatives to be given training and awareness of the impact of demographic change in companies, and how older workers can be motivated and included in programmes of training.
- Consider putting in place a programme for training learning representatives in your workplace so that they can inspire and motivate workers to participate in learning.

#### *Create employee development schemes*

- Many companies offer employee development programmes that support the development of skills, leisure, social and other interests outside of the workplace. These programmes can help to maintain company loyalty and to provide employees incentives and motivation for learning.

- Consider putting place an annual budget that is allocated to each employee for adult education classes, sporting and leisure activities, as well as the subsidisation of programmes of university and college courses.

The best examples of learning organisations across Europe are those that have created learning partnerships at workplace level for this purpose.

#### **Example: Fabricom - Training and competence development**

The company has developed a proactive approach to competency and skills development. This has been identified as one of the most critical areas for the strategic development and competitiveness of the company. Generally, managers are encouraged to play an enabling and positive role in supporting opportunities for training and career development, and in identifying skills gaps and future skills needs. In 2008, the company's training activities have focussed on Health and Safety in Employment (HSE), management development, newly graduated employees and professional courses. The company has a training policy which encourages individual staff to developed their competencies and skills through formal education, particularly in engineering subjects. The company provides financial support for these studies.

A range of training and career development initiatives have been developed including training for managers and potential leaders and a graduate training programme. A senior training programme provides training for older experienced workers recruited into the company for other industries. A group on career planning has been established by the Director of Human Resources with representatives of managers at different levels.

### **5.6 ADDRESS THE CAREER DEVELOPMENT OF OLDER WORKERS**

- Older workers often miss out on career development opportunities.
- Career development is important in valuing the contribution of all employees, particularly older employees.
- Training and skills development is an important component of career development programmes.

As the workforce ages it has become important to develop policies and practices that promote the career development of older workers.

Providing career development opportunities is crucial to retaining valued staff. This is important to staff of all ages, and particularly important to younger workers who often sight career development above salary increases as being the key component of their decision o remain in a company. Many companies are now developing structured career and succession planning that are linked to business needs; building age management into this is an important new challenge for many companies. Age management is crucial to this as it is important to combine workers' career development in a flexible way across the whole working life, in order to retain older workers and achieve a balanced age structure.

- ***Suggestions of what gas companies can do to promote the career development of older workers?***

*Develop career development policies and opportunities for older workers*

- Make an organisational commitment to ensure that older workers benefit from career development opportunities.
- The career development of older workers should focus on work tasks that utilise their experience and knowledge. These should provide a range of options, including opportunities for promotion, or to enable a worker to take a sideways move to a different job that meets their needs. Provide opportunities for older workers to change job content or careers in ways that are suited to their own professional development and age requirements.
- Developmental opportunities and career planning are essential for the retention of older workers. Companies can respond by developing programmes of career planning, job rotations, skills training, and project management assignments in order to broaden the skills, motivation and self-esteem of employees. In many cases providing work that is interesting and that gives recognition and value to the worker are as important an incentive to older workers, as are financial incentives.
- Managers play an important role in accommodating the life-cycle needs and changes of older employees and can provide workable solutions that help older workers to stay in the workforce and benefit from career development. It will be important for managers to have the capacity and training to recognise, accommodate and value the career development paths for all workers, including older workers.

#### **Example: Fabricom - Retaining older workers through competency development**

Retaining older workers has become very important in Fabricom, in the light of skills shortages and demographic change. This has brought into sharp focus the need for the company to be proactive in age management issues and in promoting age diverse working teams. Increasingly it is important for the workplace and work tasks to be adapted to older workers needs. Fabricom has registered as an IA (Inclusive Work Agreement) company, which brings with it certain obligations regarding the working environment for older employees.

This has resulted in a policy and guidelines, which sets out how older workers can benefit from learning and competency development and the adaptation of their skills, and how the company can ensure the retention of skills and knowledge of older workers. The intention behind the policy and guidelines is to retain older workers in Fabricom and achieve a more inclusive working life for older workers. In recent years, the company has taken a proactive approach to supporting older workers through their policy on 'seniors'. This is in part driven by the need to recruit and retain older workers in a market that is very tight.

In addition, to the attention given to the needs of older workers in the performance evaluation interviews, there are separate interviews held for all employees over the age 58 years. The interviews are preceded with a letter sent to all employees when they reach 58 years, which encourages employees who are motivated to consider staying at work for as long as possible. In retaining older employees, the company provides will adapt the working environment to the needs and requirements of older employees, including changes in working tasks and job functions, and the provision of new skills and competencies where this is required. Older employees also have had the right to request a reduction in their working hours if this does not cause any detrimental effect to the company (under Section 10-2 of the Working Environment Act). In Norway, pensionable age is currently 67 and the law enables people to work up to the age of 70 years if they wish to do so.

The company has recently begun to hire older workers, and to retrain them through the Senior Training Programme, some of whom in their late 60's and 70's. Because the company has expanded it has been important to hire older people who have the relevant skills and experience for the company. This has been possible because a number of companies in Norway have laid off older workers. For example, Statoil made large numbers of employees redundant at the age of 58 years; this has provided a pool of older workers for the company where there have been skills shortages.

A number of issues have been raised about older workers by employees and trade unions:

- Older workers do not always get the training they need, although line managers do play a role in encouraging all workers to take up training opportunities.
- The updating of the skills of older manual workers is an issue, particularly for those working off-shore. Many leave employment early because work is heavy or stressful, and skills and competencies are not always up to date.
- The inclusive workplace concept in Norway has become very important to reducing stress and ill health at work, as well as retaining older workers. This has had particular advantages for the company in gaining support to adapt the workplace. Because Fabricom has been designated an IA company, they have been able to address support, skills and other needs of older and disabled workers.
- Some difficulties exist in relocating operators as well as providing alternative or lighter work. The early retirement scheme enables operators to retire at 62 years, and legislation provides for shorter working hours for older workers so long as this does not negatively affect company operations.

*Carry out regular career development interviews*

- Put in place an annual programme of career development / performance management interviews that build in the training and skills development needs of workers of all ages, as a basis for career development.
- Career development / performance management interviews can be a key way in which the ambitions and needs of older workers can be accommodated.
- Matching these with the relevant skills training needed for career changes can be carried out to match the skills profile of the organisation, and can enable organisations to fill skills gaps and retain valued workers.

*Make use of the skills of older workers in mentoring programmes*

- Older workers, particularly those that have had successful careers paths, can become valuable mentors for older and younger workers.
- Mentoring can provide role models, advice and valuable experience for older and younger workers seeking career development opportunities.

*Consult with trade unions to help develop older worker's career and job changes*

- It will be important for human resources managers to consult with trade union to develop wage policies that are commensurate with skills and experience when older workers participate in job rotation and career development programmes.

## **5.7 DEVELOP PROGRAMMES OF JOB ROTATION AND REDEPLOYMENT FOR OLDER WORKERS**

- Job rotation and redeployment of jobs and work tasks are important to retaining older workers.
- Training and skills development is an important element of these programmes.
- Older workers are often more satisfied at work and motivated if their working capacities can be linked to rewarding work.

Job rotation and the redeployment of older workers is closely connected to providing appropriate career development opportunities for older workers. This means that companies have to consider ways in which they can provide opportunities for older workers to remain in employment that meets their capacities and promotes their employability.

Gas companies in the future will need to provide more opportunities for older workers to participate in job rotation programmes and also to have their jobs redesigned, particularly to meet their needs and physical capabilities associated with the ageing process.

Job rotation and redeployment can enable companies to match job and skills when companies face reorganisation and restructuring. Providing older workers with the job profiles and work tasks that accommodate their needs with those of the company needs to be carried out across the working lifecycle so that companies can plan for and prevent early exit from the labour market. Job rotation and redeployment can be used to reduce workloads and minimise the effects of stressful or physically demanding work tasks. Appropriate skills development will be crucial to making these programmes successful. Involving older workers in the design and implementation will also make sure that these programmes are appropriate to the skills and career development of older workers.

These programmes can provide older workers with new challenges and motivation in the workplace that utilise and build on their acquired skills. However, job rotation and redeployment programmes do not de-skill older workers.

■ ***Suggestions of what gas companies can do to provide opportunities for job rotation and redeployment***

*Link training to programmes for job rotation and redeployment*

- Training and skills development should be an integral part of any changes in job profiles that result from job rotation and redeployment programmes.
- Job rotation programmes should be tailored to meet the needs of older workers. Managers have a key role to play in identifying opportunities for job rotation and redeployment, and in matching these opportunities with training and development.
- Programmes should be put in place to build in relevant and appropriate training and skills development to enable an older person to make a transition between one type of job and another.
- Training programmes should be designed to provide more challenging, satisfying and rewarding work for older workers. In particular, it should enable workers who have stressful or physically demanding jobs to use and develop their skills into new positions.

*Develop a company job rotation programme*

- Job rotation programmes need to be coordinated across the company, and led from human resources.
- One way to develop these programmes is to provide opportunities for workers of all ages to move jobs temporarily in order to gain new experience and skills across the company.
- Another way to achieve this is to ensure that older workers have opportunities to apply for new positions before they are advertised externally.
- It will be important to invest in time and resources in matching older workers to new positions and in establishing and publicising internal job rotation programmes.

*Put in place a company policy on redeployment*

- The redeployment of staff requires that companies are able to forecast and identify skills needs across the company. Developing a company policy on redeployment will be important to coordinating actions and promoting the whole organisational approach to redeployment.

*Monitor the effects of job rotation and redeployment programmes*

- Human resource practitioners and the social partners have a key role to play in monitoring the outcomes of job rotation and redeployment programmes.
- It will be important to assess whether these programmes were successful in retaining older workers and in meeting company objectives.

*Develop methods for the participation of employees and unions*

- The active involvement of occupational health staff, trade union representatives, human resources practitioners, managers and team leaders will be important for the development and implementation of policies.
- Consideration should be given to the development of agreements between the social partners in the workplace, to ensure that job rotation and redeployment is not used as a tool for cutting wages or deskilling older workers.

**Example: E.ON Földgáz, Hungary - Job rotation policy**

The company's job rotation programme has been established to provide knowledge sharing across the company and to put in place a 'learning by doing' approach to skills development. The objective of the programme is to support long-term organisation building through a strategic focus on workforce planning and management. The objective is to provide learning and professional development opportunities to identified key people and young talents by letting them work at different units of the organisation for a given timeframe.

The programme also supports company-wide succession planning initiatives, by helping key people gain cross-functional expertise. This kind of practical experience is of key importance for future job appointments and in case of planned or unplanned, temporary or permanent replacement of employees leaving the organisation.

The Job Rotation Programme is a part of the E.ON Földgáz Career Management Program, supporting its goals and operating in line with its processes and procedures. There are possibilities for short-term rotation for 2 to 6 months, long-term rotation for six months or more, and also for permanent rotation. Emphasis is placed on the competence development of participants, by providing them with insights and practical experience on other units' / E.ON companies' responsibilities, daily work and professional challenges. By providing these opportunities, E.ON Földgáz helps its most valued people gain a broader knowledge on different business and functional areas. In the case of rotations for six-months or more participants carry out a temporary assignment and they contribute to the host unit's operation.

The company's HR department plays a coordinating role. They check how the development opportunities relate to the individual development plan of the participant. Job rotation is an opportunity for all employees and young talents identified through the E.ON Földgáz Career Management Program. However, the company also see it an excellent opportunity for knowledge transfer between older and younger workers.

## 5.8 IMPLEMENT KNOWLEDGE MANAGEMENT PROGRAMMES

- Transferring knowledge from older, experienced workers to younger, less-experienced colleagues is a key element of modern day productivity at company level.
- Intergenerational knowledge transfer is particularly important in the light of demographic ageing.
- Young people can acquire experience, learning and knowledge from older workers, and this can be built into processes of continuing education and training.

As the workforce ages many companies face the challenge of how they can plan to retain the knowledge acquired by older workers as they approach retirement. Knowledge is often tacit and involves knowledge that is critical to business, including corporate history, contacts with clients, knowledge of business processes and how to solve problems. Much of this knowledge is not documented in company records. Developing new knowledge management retention tools and processes is crucial to company success.

Putting in place a culture of learning in a company is an important starting point for knowledge management and transfer. The concept of the 'learning organisation' (discussed above) can help to bring the importance of day-to-day, informal and structured learning into one framework that supports company development, innovation and creativity.

Creating and sharing knowledge should be seen as key resource for companies to gain a competitive advantage. Companies should see themselves as playing a key role in motivating and incentivising workers to gain knowledge, and to use and share this knowledge for the benefit of the whole company.

In addition, as key holders of knowledge older workers can play a key role in training and mentoring new and younger workers, to enable them to understand company roles and to help them to adapt to the working environment. In this sense, older workers represent an important knowledge pool and their knowledge and skills are increasingly important to company success and competitiveness.

Knowledge management is an essential part of valuing the experience of older workers. Organisations can benefit from the experience and skills of older workers in a number of ways. In particular, intergenerational knowledge transfers can provide an important impetus to increasing motivation at work and in providing challenges for older workers.

The fact that many gas companies are concerned about loss of knowledge and learning when older workers retire suggests that companies need to be more systematic in the way they capture knowledge acquired by workers, that may not necessarily be recorded, documented or shared. As well, gathering information and know-how can be very time-consuming and replicating this function, because knowledge has not been shared, can be very costly to companies.

### ■ ***Suggestions of what gas companies can do to manage and transfer knowledge***

*Put in place a knowledge transfer programme*

- Put in place a knowledge transfer programme that establishes systems for recording knowledge; consider how this can utilise new technology in the workplace. The objective for companies is to retain knowledge and facilitate intergenerational knowledge, know-how and skills.
- Companies should consider introducing programmes for intergenerational knowledge transfer and new methods of retaining and managing knowledge companies. This should be an integral part of business continuity planning and methods to document all different aspects of processes in a company.
- This can be achieved, for example, by matching junior managers with senior managers in knowledge sharing workshops and meetings, establishing mentoring programmes between older and younger workers, putting in place job rotation programmes across companies and between companies.
- It will be important to assess the risk of the loss of workplace specific and company specific technical knowledge if employees leave.

*Build knowledge transfer into a learning organisation model*

- Developing a 'learning organisation' model is important to ensuring that there is a whole organisation approach and culture to learning.
- It will be important that this take place at all levels of the organisation.

*Introduce innovative ways to retain and manage knowledge*

- Ask workers of all ages to come up with creative suggestions to sharing and transferring knowledge and learning. Knowledge can be a valuable resource that brings workers of all ages together so that the knowledge can be passed to workers in different parts of the company.
- Examine ways in which older workers can be given key roles as advisers and trainers so that they can pass their knowledge onto others in a more formal training context.
- Create systems for retaining knowledge and creating knowledge communities or groups as practical ways to share knowledge and skills in the workplace.
- Establish age diverse team structures to enable knowledge to be shared and retained. This can help with building learning into the organisation and develop problem-solving skills.
- New technology also has a role to play in knowledge management and retention, for example, by using the company's intranet system to share work space, documentation and projects, and by developing appropriate documentation through plans and templates to capture project learning and outcomes.

*Develop methods for transferring knowledge to new recruits*

- Put in place recruitment initiatives to enable old and new workers to overlap. This can enable the older worker can pass knowledge on to the new worker and thereby transfer valuable knowledge. Hiring a new worker six months prior to the retirement of an older worker can provide the time to building skills and passing on valuable skills and knowledge. Older, retiring workers can act as mentors, supervisors and consultants to people taking up new positions.



### Example: Eni Gas and Power: Knowledge owners programme

The company has found that the employment of younger people has been important to enhancing flexibility, improving business development opportunities and enabling the company to face uncertain scenarios. However, the company recognises that it is also important to build the competencies of older employees, and particularly to address the emerging need for to transfer knowledge from older to younger workers.

Eni Gas and Power developed a new programme in 2008 called *Knowledge Owners*. A core number of older workers who are knowledge holders are nominated to take on the role of transferring knowledge to younger employees. In 2008, nine knowledge owners from middle-management positions were appointed, and as an incentive to taking the role, a salary increase was awarded to them. The programme aims to stimulate knowledge transfer by creating 'practice communities', by taking on training and mentoring roles. This has had a positive impact on knowledge transfer and in enabling the company to sustain training courses in technical subjects and core areas, such as international project development and negotiation skills with overseas companies.

### Example: Fabricom -Knowledge transfer and older workers

Older workers have identified a vital role that they can play in providing mentoring to younger workers and consultancy to the company, based on their many years of experience and knowledge. This role can be particularly important in enabling older workers to remain in the workplace, but in a different, less stressful and demanding role. In particular, the company has promoted the role of knowledge transfer and the advantages of inter-generational working teams.

This is particularly important in the light of the ageing of the workforce. Because younger and older workers bring different perspectives, experiences and knowledge into the workplace, the company has considered ways in which it can make an explicit commitment to harnessing the value of inter-generational learning.

#### *Introduce mentoring and coaching schemes*

- Consider putting in place a programme of mentoring and coaching between older workers and younger workers, so that knowledge can be shared across the generations.
- Implementing a mentoring or a coaching scheme can be an excellent way of promoting intergenerational knowledge transfers. This can enable older workers to support and develop trainees and new employees, as well as support older workers in working life-cycle decisions.

**Coaching** is the development of a person's skills and knowledge so that their job performance improves and which contribute to organisational objectives. A key aspect is performance and improvement at work, with a focus on specific skills and goals. In many countries across Europe coaching has become a popular method for supporting personal development, including a person's skills and knowledge.

**Mentoring** is a valuable form of learning and a development tool for knowledge transfer and for supporting personal development in the workplace. Anyone can be a mentor, but mentoring requires that skills, time and commitment are provided. Mentors, who are usually experienced people with skills and knowledge in the workplace, provide support, guidance and advice to younger or less experienced staff, and to women. Mentoring can be very important to helping individuals progress their career development and skills and can help organisations to retain valuable workers. Workers

can benefit through the development of knowledge, technical skills and the management of career goals, as well as build self-confidence and job satisfaction.

## 5.9 PUT IN PLACE COMPLEMENTARY POLICIES ON AGE MANAGEMENT

### *The management of health and well-being in the workplace*

There are a number of other complementary policies on age management that are an integral part of training, skills development and employment of older workers. In particular, health and well-being in the workplace is crucial for older workers. Healthy working practices and health promotion at work benefits all workers and can enable companies to reduce costs of absenteeism from ill-health or stress. Healthy and active ageing at work can enable workers to be retained in the workforce, particularly because there is evidence that large numbers of older workers leave their jobs early because of ill health and/or stressful working conditions.

Companies need to deal with health and well-being in the workplace across the working lifecycle, not just when these issues arise for older workers. This is particularly important as many work related health problems often have their origins in earlier phases of the people's working lives. The participation of employees and trade unions in programmes of health and well-being is important to promoting healthy working conditions. The management of health in the workplace is also connected to job rotation and redeployment (discussed above), where attention needs to be given to workers ergonomic and physical needs, and physical health.

#### ■ ***Suggestions of what gas companies can do to promote health and well-being at work as part of a comprehensive strategy on age management***

- Put in place a health promotion programme as an integral part of an age management strategy. A programme of health promotion and health and well-being at work should address health issues across the working life-cycle.
- It will be important to assess and review health risks across the company on a regular basis, for example, through an annual health risk assessment. Managers should be trained to identify health risks and preventative health measures.
- Establish a working group on health and well-being in the workplace, with representatives from all sectors of the company, staff and trade unions. This helps to coordinate actions, identify problems and collate data.
- Consulting with staff and trade unions is important to identifying key occupational health and safety issues. Workshops, focus groups and working groups can be established for this purpose.
- Provide for regular health checks for all workers over the age of 50 years, and put in place measures to prevent the underlying health problems faced by older workers.
- Ensure that the workplace provides a healthy working environment, for example, by providing health eating in the staff canteen and the provision of water in the workplace to ensure that workers are properly hydrated.

### ***Time as a resource: working time, learning and training***

Flexible working time is a key age management tool that can promote the retention of older workers by helping older workers to adjust to physical and mental changes that result from the ageing process. It can be of benefit to the health and well-being and work-life balance of all workers at different stages of their life-cycle. For some older workers and women workers, combining work with

family responsibilities, can also enable them to remain in the labour market for longer periods of time while balancing work with caring responsibilities and personal time.

Training and skills development is closely linked to the organisation of working time. Having access to continuous training and re-training, personal development, specific training to advance the careers of unskilled workers, skills development and work based learning, are all dependent on creating more flexible working time arrangements to meet the time demands required.

Accommodating older workers who wish to remain in the labour market means acknowledging and recognising that they may face limitations and require flexible working, part-time work or reduced working hours. Older workers often express a preference to work flexible hours, in some cases this can be shorter working hours, partial retirement, changes in shifts, longer periods of leave, job rotation, reductions in overtime or work responsibilities. Flexible working hours can be the key factor in retaining staff, achieving company goals and having a productive and motivated staff. Companies that have a flexible approach to working hours often have fewer staff taking sick leave and a more skilled and committed workforce, and thereby improve the company's overall productivity and competitiveness. There is substantial evidence from companies and employee surveys across Europe to show that work-life balance is a major priority for a significant number of employees today.

■ ***Suggestions for gas companies in linking the training and development for all workers into flexible working time***

- Examine ways in which working time can be organised in order to enable workers to adapt to and update their skills, particularly in the areas of new technology and job-specific skills.
- Develop entitlements to longer leave for education and training so that these can be integrated into working time policy. The objective is to use working time policy to facilitate continued access to vocational training and career enhancement.
- Consider developing an agreement on flexible working hours that allow time for learning. The social partners have a key role to play in the workplace in negotiating and agreeing a balance between working time and time for training and learning, and particularly in showing how these measures can benefit older workers.
- Introduce a company policy on working time that allows for reduced working hours, flexible working hours and leave arrangements so that workers of all ages can have access to training, development and learning time.
- The social partners can add real value in their roles in the workplace in building learning time into company training strategies.
- Specific schemes can be developed for older workers that are working shift work, heavy work or stressful working situations. By reducing or changing the working hours of workers in these situations can be crucial to retaining older workers. Examples are changes in shift patterns so that older workers can work part-time, release from working one shift per week, or measures to increase holiday leave or reduce weekly working hours.
- Provide training and support to managers so that they can effectively implement and manage flexible working hours and come up with solutions to work-life balance that accommodate older workers.

Flexible working can best be promoted through the social dialogue and implemented through collective agreements. The participation and consultation of trade unions in the development of policies and practices on flexible working hours are an essential prerequisite to balancing the working

time schedules of all staff. Agreements can be developed on flexible working hours that are age neutral, but agreements can also specify flexible working hours options for older staff. Partnership working between employers and unions can help organisations to implement and develop a culture and practice of age diversity and work-life balance. This requires there to be a shared commitment to the objectives, goals and success of the organisations. A key outcome of partnership working is the achievement of joint solutions, achieved through joint discussions, projects and initiatives.

## **5.10 DEVELOP PROGRAMMES FOR ATTRACTING AND RETAINING YOUNG WORKERS AND NEW TALENT**

Many gas companies are very aware of the difficulties in recruiting the best young talent. At a time of skills shortages many companies have had to become proactive in recruiting and training new talent. This is crucial if companies are to become employers of choice.

It is important for companies to build a large base and pool of potential recruits. While it is important to find new and creative ways of holding onto older people's skills and knowledge, it will be important that the industry profile and image is attractive to young people. This can be achieved by changing the image and profile of the electricity industry so that it is attractive to young people, for example, by showing that electricity is essential to society and has a commitment to environmental sustainability. A key challenge is to ensure that new jobs are stimulating, challenging and attractive to younger people and older people.

### **■ *Suggestions for gas companies in attracting, recruiting and training new talent***

- Be one step ahead by addressing skills and employment trends in the sector and be proactive in searching out the best talent.
- Examine ways in which the profile of the company, its working conditions, and opportunities for career development can be developed so that the company improves its image and attractive to young people.
- Put in place a diversity policy that shows the positive commitment the company makes to equality and diversity, particularly in valuing and accommodating the needs of a diversity of workers by gender, ethnicity and age.
- Provide information and publicity to young people about opportunities for working in the gas industry and give a particular focus on giving information to under-represented young people, including minority ethnic groups and girls and women.
- Put in place measures to show that the company is in touch with the needs and interests of young people, by providing opportunities for training, career development and work-life balance.
- Having a visible modern image will be important to attracting young people. Ensure that company advertising, annual reports and recruitment materials reflects images of a diversity of workers. Present a diversity of individuals in marketing material, advertising and publicity.
- Young workers can provide important front-line image at recruitment fairs in universities and colleges, and in company publicity.
- Put in place a range of training and career development strategies for attracting new talent include, such as internships in companies for students before they leave school or university; training and work placements for university students studying relevant courses; work study and work experience programmes for school age children; graduate trainee programmes; summer schools for school age and university age students.

- Provide taster sessions, internships or work experience for young people. This can include practical and hands-on activities.
- Find way to enhance the interest amongst young people in schools and colleges, for example, by giving presentations in schools, universities and colleges and at careers fairs.
- One way that companies can show that they have a modern image and that they value diversity is to be proactive in supporting the recruitment and training of women in engineering and technical jobs. Some companies across Europe provide opportunities for girls to experience non-traditional work, for example, in the areas of science and engineering. Some companies have introduced competitions and prizes for young people succeeding in engineering or other technical professions.
- Consult with existing young workers, trainees and apprentices to find out what they think can be done to attract a wider diversity of employees.

#### **Example: E.ON Földgáz, Hungary - Scholarship programme**

The Scholarship programme has been a response to the difficulties of attracting and recruiting young engineers into the company. The programme began in 2008 and from the initial evaluation carried out it has proved to be a very successful initiative, resulting in three new graduates entering employment in the company. The Programme has evolved from the need to have a long-term focus and strategic approach in future workforce planning and management, and organisation building. It has established the strategic goal to attract highly skilled young talents and invest in the future workforce by encouraging talented students to pursue their educational goals.

The company wants to become an employer of choice among university students, and thereby improve the employer brand. By strengthening ties with universities and establishing ongoing relationships with talented young people, the company sees this as being a way to ensure a continuous talent pool. This also has benefits for candidates in that the programme provides them with development opportunities and a career pay. The Programme is aimed at students in the third Faculty Year at University who are specialising in Gas Engineering. Information is distributed through two universities and an open day introduces students to the programme. Students that are selected into the programme benefit from a scholarship fee.

The nine-month programme provides an induction to the company, a mentoring scheme, professional and skills training, and opportunities to undertake a university thesis. At the end of the programme the best students are offered jobs in the company.

## SECTION 6: FORECASTING SKILLS, COMPETENCIES AND EMPLOYMENT

This section discusses how companies can forecast and plan to meet their future skills, competencies and employment needs. While many companies have begun to implement more forecasting and planning of their skills and employment requirements for the future, it will never be possible to exactly predict the impact of demographic ageing on the industry. However, this section shows that companies can manage the risks associated with the ageing of the workforce and the declining pool of potential new recruits to the industry, by putting in place both strategic and preventative approaches to age management and the forecasting and planning of skills and competencies.

### 6.1 The rationale for forecasting skills, competencies and employment

### 6.2 Tools for anticipating change and forecasting future skills and employment

## 6.1 THE RATIONALE FOR FORECASTING SKILLS, COMPETENCIES AND EMPLOYMENT

Forecasting skills, competencies and employment has become essential to competitiveness. As we saw in Section 3 the European Commissions 2008 Communication highlighted the importance of forecasting skills and employment to future competitiveness. Many companies are moving towards a more coordinated approach to skills development and learning within their organisational priorities and carrying out regular assessment of these in order to ensure they are aligned with external and demographic changes.

Achieving the correct skill-mix for large and complex organisations that are changing rapidly presents many challenges in planning for the future. Achieving a competitive edge is essential as markets, competitive conditions and production processes change. For this reason achieving the best and appropriate skill-mix requires effective workforce planning and a focus on age diversity.

### **What are the main trends that companies need to be aware of in forecasting future employment and skills?**

- Lower levels of employment resulting from technological developments, although a demand for new skills in new areas such as engineering, environmental change, new energy sources or customer service.
- Changes in gas usage, as well as the drivers of energy efficiency and reductions in carbon emissions.
- Changes in energy production resulting in new roles and changes in work organisation.
- A significant increase in the numbers of medium and high skills workers, with a particular emphasis on the need for an increase in skilled occupations linked to power generation, supply, manufacturing and retail.
- A requirement for more engineers, managerial and professional positions, and a decline in administrative positions.
- In the EU15 there will be a reduced need for Electronic Equipment Mechanics and Process Plant Operators, while the new member states will require a growth of these occupations.
- The need for increasing numbers of workers to have skills related to flexibility, adaptability, customer service, and problem solving.

While hiring new employees is important to any organisation, particularly as this brings in new talent and new perspectives, it would be misplaced for organisations to rely on new employees to meet all future skills needs. For this reason, it can equally be important to retain older employees and invest in their training and development. This is particularly important as organisations go through change

and by recognising that older workers have unique skills and qualities that they have gained through their professional and work-life experiences. Age diversity, as in other areas of diversity, can help organisations to be dynamic and innovative.

It is never easy to evaluate the strategic value of learning and skills development to an organisation. However, all companies should put in place mechanisms for measuring and reporting on the contribution that learning makes to company goals and competitiveness.

## 6.2 TOOLS FOR ANTICIPATING CHANGE AND FORECASTING FUTURE SKILLS AND EMPLOYMENT

### *Identify skills needs through workforce planning*

- Collecting data and introducing new methods for workforce planning will be important to forecasting future skills needs. There are a number of ways in which companies have achieved this.

### *Match employees to jobs*

- Introduce measures to match employees to jobs required in the company by identifying the skills and characteristics required of employees, and ensuring that these competencies are planned for and integrated into the workforce.

### **Succession planning**

Succession planning defines the way in which future potential leaders are identified to fill key positions, and can equally apply to skilled workers and managers in key positions. Companies need to be able to find workers with the right skills to fill skilled, management and leadership jobs. In the days before the downturn in the economy succession planning was structure and top-down. In contrast today effective forms of succession planning can enable organisations to plan for ahead, particularly in the light of a growing skills shortage in the gas industry and the need to ensure that workers and managers are properly developed to meet both short term and long term business issues and goals.

### **Planning ahead for skills and learning**

Forecasting skills and learning requirements has become essential to competitiveness. Coordinating skills development and learning with your organisational priorities and assessing and maintaining ongoing alignment. It is never easy to evaluate the strategic value of learning and to show the added-value of learning and development to an organisation. However, all companies should put in place mechanisms for measuring and reporting on the contribution that learning makes to company goals and competitiveness.

### *Succession planning*

- Put in place measures for succession planning so that future potential leaders are identified to fill key positions. Companies need to be able to find workers with the right skills to fill skilled, management and leadership jobs.
- Effective forms of succession planning can enable organisations to plan ahead, particularly in the light of a growing skills shortage in the gas industry and the need to ensure that workers and managers are properly developed to meet both short term and long-term business issues and goals.



### *Retain older workers and develop their skills to match future skills needs*

- As the discussions above on recruitment, lifelong learning and job rotation and redeployment have shown there is an added value to developing the skills and careers of older workers to match those of future company requirements. Training, development, support and assistance programmes will be necessary outcome of workforce planning.

### *Analyse skill needs as a basis for training and development*

- An important element of planning for the training and development needs of older workers is for the organisation to carry out an analysis of skills needs and skills-mix requirements in the future.
- This analysis can form the basis for forecasting the training needs of older workers and matching them to future skills requirements. This is an essential basis for making future plans for training and development programmes.

### *Social partner involvement in forecasting of skills and competencies*

- Social partner involvement in the development of company methods and systems for forecasting of skills and competencies. Through social partner negotiations it can be possible to have an integrated and effective response to company forecasting.

## **Examples of how companies have been forecasting skills and employment**

### **E.ON Földgáz , Hungary**

E.ON Földgáz is a natural gas provider in Hungary with a total of 250 employees. The company has been facing some skills shortages in recent years, particularly in the area of professional knowledge, engineering skills, and operation of technical equipment. The company regards competency development and providing opportunities for training and career development as being critical to competitiveness as well as to retaining the best staff. In recent years the company has begun to examine how it can more effectively forecast future skills and employment. Managers of organisational units are required to identify skills shortages, with a particular focus on the development of professional skills and specialised knowledge. Annual performance management interviews are held between staff and their managers, the outcome of which is a development plan for each employee, which sets targets for employees, for example, for skills and career development, specialised training courses or to take up opportunities for job rotation. The company views this process as being important for the forecasting of future skill needs and managers are encouraged to think ahead by up to four years in order to forecast areas where there may be skills shortages in the future, for example, because of an ageing workforce. The company has responded by providing opportunities for younger employees to attend technical and professional training and for them to acquire the necessary knowledge for the company.

### **Eni Gas and Power, Italy**

As with other companies in the sector there is an ageing workforce in Eni Gas and Power. In 2009, approximately 30 per cent of employees were over the age of 50 years. The main jobs affected by demographic ageing are found in administrative, information technology and commercial related jobs. This has posed a number of risks for the company, particularly as skills are lost through retirement. As a starting point, the company has realised that identifying future skills and employment the company is essential to their long-term competitiveness. The company has recently undertaken a survey (Monitoraggio Know How survey, 2007) to foresee future short-term and long-term skills and competencies. The top managers in the company were asked to carry out an exercise to forecast skills and competencies in their relevant areas. The outcomes of the survey resulted in a



new programme of training in Eni for new recruits and existing employees. A review of the survey has recently been started.

Alongside with a system of performance evaluation for managers, a system for evaluating performance - that also enables the company to identify skills needs -has been put in place for employees, as an outcome of the bargaining with unions, since 2000. This takes place through a periodical discussion between line manager and employee. This system is linked to an assessment of skills and performance and can lead, if positive, to wage increases for the employee. This evaluation of skills takes place through a scheme consisting of fourteen core capacities, which are evaluated on a score of 1-4. The 2008 Eni developed a Cascade communication programme for all employees with the aim of disseminating Eni's strategies and linking these to corporate goals and organisation. This has been the basis for establishing an action plan for communications, development and training.

#### **RWE, Germany**

RWE has developed a method for anticipating future staff and skills shortages based on an IT programme that simulates the ageing process for the workforce and for each professional group and location. This is linked to data on anticipated skills needs to provide an advance warning system that enables the company to anticipate and identify trends, and provide a response to them. The company believes that being able to undertake long-term forecasting of skills, labour shortages and skills surpluses, has been very important to its competitiveness. For example, the company can now predict the number of engineers it needs in the medium and long term, which makes it easier to identify the numbers of young people that the company needs to recruit. RWE has also put in place a system for comparing employee skills with the job requirements so that the company can identify risks and put in place specific personnel development and training measures to rectify any anticipated skills or job requirements.

## SECTION 7: THE ROLE OF THE SOCIAL PARTNERS AND THE SOCIAL DIALOGUE

**This section highlights the role that the social partners and the social dialogue can play in developing agreements that identify and develop the skills, competencies and employment in the gas sector, with a particular focus on demographic change. It will include:**

- 7.1 The role of the social partners in developing agreements and initiatives on demographic change, skills, training and employment**
- 7.2 European level action by the social partners**
- 7.3 National level action by the social partners**
- 7.4 Concluding comment: the role of the social partners in age management**

### 7.1 THE ROLE OF THE SOCIAL PARTNERS IN DEVELOPING AGREEMENTS AND INITIATIVES ON DEMOGRAPHIC CHANGE, SKILLS, TRAINING AND EMPLOYMENT

The social partners have a key role to play in negotiating policies and agreements that can enhance the learning, skills and development of the whole workforce in the light of demographic ageing, technological change and in meeting the modern day demands of competitiveness in the gas industry.

Our survey, carried out as part of the parallel study and for this Toolkit, found that trade unions and employers are not addressing these issues in any systematic way in the social dialogue. An important finding is that the social partners need to urgently study the impact of the demographic change in the gas sector and develop joint approaches to resolve the possible negative consequences of demographic change in the sector.

There has never been a more important time to develop joint approaches to training and competency development in the gas industry, and to the forecasting of skills and competencies for the future. This also means that there needs to be a new approach to training and skills development based on the continuous training and retraining of workers. This requires investment in formal and informal programmes for skills and learning, and a commitment on the part of the social partners to prioritise this as a critical area of their.

The social dialogue can provide an added-value to skills and competency development by:

- Highlighting and making visible the importance of training and skills development for the workforce, and particularly the importance of including this into collective agreements and workplace negotiations.
- Developing innovative and creative solutions to skills development and the forecasting of skills and employment in the sector, for example, in relation to new skills needed for climate change and renewable energy sources.
- Gain agreement and buy-in from the workforce for measures that require changes in job functions and training, and to ensure that these issues are dealt with at an early stage and planned for.
- Showing the importance of the right to time off to pursue education and training and to build this into flexible working time policies.
- Identifying specific policies that connect training and skills development to age diversity in the workplace.

- Making visible a commitment to equality and diversity, so that older workers and women benefit from training and skills initiatives in the workplace.

At the national and the European level there are a number of examples of agreements between the social partners on lifelong learning, training and skills, although these do not specifically deal with the issue of how demographic ageing impacts on learning, training and skills.

The social partners have a key role to play in ensuring the survival of the gas sector a number of issues must be addressed including: tackling the consequences of an ageing workforce, increasing the number of women in the sector, addressing the impending (if not current) skills gap, addressing the challenges the environmental agenda brings and offer employees support for training throughout their working lives.

The following are some examples of areas where agreements or joint work could be concluded between the unions:

- Agreement for a joint analysis of data regarding training and development needs of workers, including matching these to projected employment and skills needs.
- Agreement updating of the skills of the whole workforce, including an agreement for a minimum amount of training that each employee can avail of. This might also include the right to time off for training and subsidization of training courses undertaken outside of the workplace.
- Agreement for a policy for training for workers on new and emerging areas, such as environmental change or customer services.
- Agreement to manage changes in job functions, particularly for those older workers whose jobs are changing due to technological or other changes. For example, this could include agreements to ensure that meter readers, whose jobs are affected by new technology, can be retrained or redeployed within the workforce.
- Agreements for human resources policies that include training and competency development, flexible working time for older workers, policies for older workers, job rotation and other measures to retain older workers.
- Agreement to promote the recruitment, retention and career development of women, including the development of gender equality policies and strategies.

#### **GDF-Suez: European agreement on the Employment and Expertise Plan**

The development of a series of actions on employment and qualifications has been established under French law. In response to this the GDF-Suez Group has signed an agreement with the trade unions for an Employment and Expertise Plan (GPEC), within European subsidiary companies. The GPEC agreement focuses on the improved management of employment and skills, alongside measures to anticipate future changes in occupations, work and growth. The aim is to develop policies and practices that will reduce the gap between company requirements and resources regarding the number of employees (quantitative) and the skills held by employees (qualitative). A key objective is to develop a pro-active employment policy and ensure the employability of employees by anticipating trends in the company, ensuring that there is continuity of skills with respect to customers and suppliers, enabling the company to respond to areas of skills or labour shortages, and ensuring that employees are able to adapt to changes.

The plan sets out collective measures to implement action in the area of human resources and in managing employment in the medium term; and individual actions in the area of employee career development and training. Overall the plan envisages that the company will develop active

employment policies to help anticipate major trends that will shape the policies and practices in subsidiaries, define the means by which requirements and resources can be matched on an ongoing basis, ensure preventative management of trends in the age pyramid, and guarantee that the employability of employees is maintained. The company also intends to disseminate good practices emerging from the GPEC.

The agreement is being implemented through negotiation with trade unions or staff representative bodies. The company will provide information to trade unions / staff representatives on an annual basis on issue concerning company activity, volume of active, competition and development potential of its markets, with a forecast of the effects of this information on employment and remuneration. GPEC team participants receive training on implementing and monitoring the plan. At the European level an employment and expertise committee has been established to address strategic issues.

The GPEC system will include an inventory by company and by country of skills and activities, a census of resources and human resources management systems to forecast changes, while taking into account the ageing of the population. Specific actions are implemented on the development of recruitment plans, career plans and development for staff, and retraining where necessary. Section 5 of the agreement concerns personal development of employees aged 45 and over. "SUEZ shall pay particular attention to applying equal opportunities principles for employees aged 45 years and over in terms of recruitment, promotion, remuneration and career support. In particular, they shall benefit from: a career assessment; an adjustment and support programme; and secondments to accessible jobs and activities in order to enhance employability."

The agreement also provides for measures to counteract the effects of physically demanding work, defined as "one having physical or psychological stress requiring a constant effort of adaptation from the employee leaving lasting, identifiable and irreversible effects on that employee's health". The aim to improve working conditions, redeploy employees through professional training and to provide specific measures for maintaining the end of a career. It is envisaged that a range of preventative measures will be introduced including a career assessment, a programme of adaptation and assistance, with measures that maintain an employee's employability through professional training or time off, and secondment to accessible jobs and activities in order to develop their employability.

The objective is to ensure that the company can have better tools to identify the trends and developments in different jobs within the company. The first step is to analyse the situation and collect data; the second step is to put in place mechanisms to solve the problems identified. One element is that older workers can manage new employees and train them on the job. The company has also introduced a plan to train young people, for example, to provide young people with work experience through secondments from schools. In this work experience older workers are able to provide training and knowledge transfer.

### **Two possible scenarios for the social partners to consider**

There are two possible scenarios that the social partners may consider. The first scenario is extreme in nature but nevertheless possible if nothing is done within the gas sector to combat the issues highlighted. It is that other sectors will act, and governments may introduce compulsory measures to ensure employers act in time to avert a real shortage of labour over the coming decades. However, the social partners in the gas sector cannot risk this happening and must take the matters into their own hands. The second scenario, although rather ambitious, does offer the gas sector some hope for the future. It places employers ahead of their competitors and ensures their survival, not only as a leader in the energy sectors, but as an employer of choice.

### **Scenario A: Employment practices continue at current rates.**

In this scenario, the social partners fail to act collectively or strategically and instead rely on ad hoc change at the local level. Employers will witness greater difficulties in recruiting the right workers with the right skills and there will be resulting skills gaps and shortages forcing a slump in productivity just as more gas markets are being liberalised. This will have a number of negative effects upon the existing companies regarding competition from other companies, lower productivity, pressure on wages and pensions funds, difficulties in attracting the best talent, and poorer quality services to users, who may switch to other energy suppliers. The social partners work constructively to introduce measures over the coming decade to alleviate pressures caused by the retirement of those workers due to retire in the next ten years. Knowledge transfer programmes are introduced and experience and knowledge is passed from the older workforce to the newer younger recruits. Of course this can only take place if gas companies recruit and retain young workers. The gas sector must be seen by this younger cohort as a modern, attractive sector to work within and lifelong learning opportunities must be established, based on employee willingness as well as business needs, in order to retain this group of workers. However given the rates of training within the sector and the record so far of national lifelong learning strategies, progressive change may not be enough to overcome the challenges the sector faces.

### **Scenario B: Radical Change**

Companies and trade unions work in partnership to take into account all the issues raised in this study, and rapidly so. These changes must address the challenges thrown up by the effects on skills and occupations from climate change and energy usage, the low rates of participation among female workers, the low participation rate of low skilled workers in training and lifelong learning opportunities, ensuring there is opportunity for older workers, if they choose, to stay at work longer, and generally making a career in the gas sector a career of choice. This option will require a rapid amount of activity and is unlikely to be sustained in the long term. The arrival of 2020 will have very little impact upon the productivity, performance and employment within the sector, further strengthening the case for adults pursuing gas as a sector of choice for their career. This will mean that other sectors employing workers with gas sector type skills will be unable to recruit workers as unable to compete with gas as a source of energy. From 2020 the gas sector continues to lead on changing its employment practices and good social dialogue ensures compliance from the workforce.

## **7.2 EUROPEAN LEVEL ACTION BY THE SOCIAL PARTNERS**

The social partners at the European level have been engaged in a number of activities to raise the profile and importance of training and skills development of the workforce.

According to the European Trade Union Confederation (ETUC) trade unions have a key role to play in discussing the implications of demographic ageing. By discussing the subject internally, putting forward expertise and anticipating and managing demographic changes, trade unions can promote new forms of intergenerational solidarity.

According to the ETUC there are **ten avenues for trade union action on the demographic challenge in the labour market:**

- Raising employment rates
- Making a commitment to the quality of work
- Developing measures to act as incentives for quality employment
- Ensuring a match between training and the labour market
- Squaring individualised responses and integrated policies
- Redesigning early retirement systems
- Ensuring the joint mobilisation of the public authorities and the social partners
- Targeting the concrete measures

- Imposing evaluation
- Transforming the demographic trends into opportunities

See ETUC Demography and the labour market: a challenge for the unions, [www.etuc.org](http://www.etuc.org)

At the sectoral level there are a number of examples of action by the social partners. For example, in the electricity sector a joint statement between the European social partners (Eurelectric, EPSU and EMCEF) agreed in 2003, identified the importance of lifelong learning at sectoral and national level and the crucial role of identifying future skill needs in the European Electricity sector. Similar joint statements have been made between the social partners in the local government sector and the public administration sector.

The most important agreement at the European level is the 2002 framework agreement between the social partners on Lifelong Development of Competencies and Qualifications (covering all sectors of the economy) (see Box 4 below). This agreement can be used by the social partners at the national and workplace levels as a framework for agreements on skills, competencies and qualifications.

#### **Box 4: Social Partner Framework of Actions for the Lifelong Development of Competencies and Qualifications**

The ETUC, UNICE/UEAPME and CEEP signed an agreement in 2002 for a *Framework of actions for the lifelong development of competencies and qualifications*. It commits the social partners to work together on the development of competences and the qualifications in four areas:

- Identification and anticipation of needs in terms of skills and qualifications, both at enterprise and at national/sectoral level.
- Recognition and validation of skills and qualifications, including provision of a system of transferable qualifications and identification of links and complementarities between recognised diplomas.
- Information, support and advice to employees and businesses.
- Mobilisation of all the available resources for the lifelong development of competences by all parties (enterprises, public authorities and social partners), together with the effective management of funding resources, particularly the European Social Fund.

The framework of actions is available on the ETUC website in English and French on:

<http://www.etuc.org/a/580>.

The 2006 evaluation report of the framework of actions can be found on:

[http://www.etuc.org/IMG/pdf/Fram\\_of\\_actions\\_LLL\\_evaluation\\_report\\_FINAL\\_2006.pdf](http://www.etuc.org/IMG/pdf/Fram_of_actions_LLL_evaluation_report_FINAL_2006.pdf).

There have also been a number of specific initiatives developed by the trade unions on skills development, training and lifelong learning. Examples of this are the ETUC's Resolution on Lifelong Learning (covering all sectors of the economy and summarised in Box 5); and EPSU's Policy Paper (2002) Lifelong Learning for All (covering the public services and summarised in Box 6). Both policies set out the importance of investing in education and training for workers, but particularly the importance of the role that the social partners play in shaping appropriate policies on lifelong learning, training and skills development. These two policies have been used as a basis for action by the social partners at the national level, and provide tools for the social dialogue at the national level and in the workplace.

### Box 5: ETUC Resolution on Lifelong Learning

The ETUC's 2002 Resolution on Lifelong Learning, welcomes the development of a European approach to lifelong learning but warns that the new knowledge economy could result in new forms of social exclusion. The Resolution stresses the importance of collective bargaining in ensuring that all workers benefit from lifelong learning, and calls for an innovative and integrated approach from the EU, national public authorities, social partners, and bodies responsible for education and training, as well as individuals.

It sets out the following principles:

- *Access to lifelong education for all*, including older workers.
- *Increased investment in human resources*, both from public sources and from enterprises, with the provision of individual 'learning accounts' as an important means of realising this.
- *Time for training*, including a new balance between working time and learning time, and the possibility of 'time credits' that could be used for training leave.
- *Recognition for the results of learning*, whether formal, informal or non-formal, including transferability of the results of learning, and the accreditation of prior learning.
- *Organisation of work and training*, with social partners negotiating training plans, including skills evaluation and the identification of training needs.
- *A new concept of partnership* in developing quality systems and in anticipating and adapting them to changing needs.
- *A new role for education and training systems* in offering guidance and support; a closer linkage between different types of learning; common skills frameworks and close attention to the learning needs of those who are socially excluded.
- *Innovation in teaching and training methods*, including more use of ICT, a stronger European dimension and materials tailored to different learning speeds.
- *Bringing learning closer to home* by establishing partnerships at local and regional level as well as local learning centres.
- *A strong role for social partners* in establishing new rights and responsibilities with a view to achieving a European framework agreement on facilitating workers' access to lifelong learning

See *Our Priorities: ETUC Resolutions 2001*. <http://www.etuc.org/IMG/pdf/CES-prioEN002-2.pdf>.

### Box 6: EPSU Policy Paper: Lifelong Learning for All (2002)

EPSU's Policy Paper 'Lifelong Learning for All' states that lifelong learning should be the right of all workers and citizens and that all learning should be valued and be made available to all citizens throughout their lives from pre-school years to post-retirement. Lifelong learning should also be an essential part of the collective bargaining agenda, with the aim of a target of ten days per year leave for individual learning developments. The Policy Paper sets out a number of principles of lifelong learning should be achieved through collective agreements:

- a) Rights to collective bargaining and recognition of unions in this process should form the basis on a lifelong learning strategy; lifelong learning should be the subject of collective agreements.
- b) The social partners should play an active role in shaping developments in lifelong learning.

- c) Lifelong learning should be seen as an integral part of an overall strategy on employment, the modernisation of public services and equal opportunities.
  - d) Workers should have the right to receive individual learning accounts and access to continuous education, training and lifelong learning. This should include task specific or job-related training, transferable skills training and personal development training.
  - e) All learning should be valued and recognised, formal and informal. Where possible this should lead to a recognised vocational qualification.
  - f) Employers and governments have the principal responsibility for funding lifelong learning.
  - g) Employers and governments must give proper investment in terms of time and resources for learning. This should include health and safety training for all employees.
  - h) Lifelong learning should be rooted in principles of inclusion, equal opportunities and participation for all. Older workers should have equal access to life-long learning possibilities.
  - i) New innovations and learning methodologies shape the future development of lifelong learning.
  - j) Existing learning programmes, both individual and organisational, should be regularly assessed.
- The policy paper is available in English, French, Spanish, Swedish and German on <http://www.epsu.org/a/119>

### 7.3 NATIONAL LEVEL ACTION BY THE SOCIAL PARTNERS

At the national level, there are many examples of agreements between unions and employers on education, training and skills development. In practice, these tend not to deal specifically with the issues of an ageing workforce, or identify specific training initiatives for older workers. However, many unions and employers are beginning to consider how these issues can be integrated into new agreements on education and training, and particularly in forecasting future skills needs in the light of demographic change and technological change.

In some countries there has been a focus by the government on the development of skills within the gas sector, with the participation of the social partners. For example, in the UK, a government sponsored Sector Skills Council, for the oil and gas extraction, chemicals manufacturing and petroleum industries, has been established with representation from the social partners. In other sectors there are examples of agreements on training and competency development. These are examples that the social partners can draw on in the gas sector. For example:

In Belgium, training and lifelong learning have been an important element of sectoral agreements, covering issues such as individual right to training; trade union involvement in the preparation of company training plans; the introduction of a 'training CV', detailing an employee's training, skills and experience; and training for temporary agency workers.

Providing paid leave for sector-relevant training has been introduced in different sectors. In Denmark, in the manufacturing sector an agreement signed in 2008 introduced the right to two weeks leave for sector-relevant training, paid at 85% of the employee's wage and financed through a sectoral competence development fund. In Austria, the metalworking sector introduced a week for paid training leave to enable employees to prepare for examinations.

#### Union learning representatives in the UK

In the UK, the TUC initiative 'Bargaining for Skills' has resulted in a range of skills development and training initiatives, including the innovative and pioneering Union Learning Fund, which has supported union projects to promote vocational education. In the public sector union, Unison, Union Learning Representatives (ULRs) are active public sector union members who provide advice, guidance and support to colleagues in learning related activities and may negotiate with employers



or providers to increase access to learning opportunities. This has resulted in the development of learning partnerships with employers, the establishment of workplace learning centres, and partnerships with local educational providers to instigate workforce development activities. The UK Employment Act 2002 provided statutory backing to the ULR programme, which was pivotal in improving union effectiveness in influencing vocational education and training and lifelong learning opportunities in the workplace. This scheme has had considerable impact on the creation and take-up of learning opportunities at work.

*Unionlearn* in the UK is an interesting way in which training and competency development have been led by trade unions. The British TUC has introduced *Unionlearn* to assist unions in providing learning opportunities to their members. Since 2002, over 17,000 Union Learning Representatives have been trained to encourage and support learning activities for employees and in 2006 over 200 new Learning Agreements were signed with employers. The programme has been supported and financed by the government.

A publication 'Working for Learners' has been produced as a guide for trade unions and their representatives in establishing Union Learning Representatives in the workplace and in negotiating agreements on workplace learning. See:

<http://www.unionlearn.org.uk/files/publications/documents/124.pdf>

In some countries there is a well established national and sectoral framework of social dialogue in the area of education and training. For example, EPSU's survey of the implementation of their policy *Lifelong Learning for All* (2004) found that the social partners were very active in the UK, Ireland, Denmark, Sweden, Norway, Belgium and Finland amongst others, where national legislation provides a framework for the involvement of the social partners. In several of these countries there is also a significant amount of attention given to education, training and skills by the social partners, which is facilitated by national legislation.

### Examples from the gas sector

#### ***Social dialogue at company level: example Fabricom, Norway***

Company level agreements and negotiations are required under Norwegian legislation. There are seven trade unions in the company representing the company's different occupational groupings. Trade union and management representatives meet formally in the Social Dialogue Committee, where annual negotiations are held on pay and other conditions of employment. Trade unions are also represented in all of the main company committees, including the Competency Committee, the Work Environment Commission and the Equality Commission. Trade unions have also been involved in issues concerning rotas and changes in job content for older workers and in establishing the inclusive workplace agreement in the company. Trade unions have raised the issue of the differential access to training and competency development for workers in operations and in off-shore work, and particularly the need to upgrade the skills of older workers to enable them to continue in their jobs or in alternative jobs. Overall, trade unions are actively involved in identifying skills and competency requirements, and see that they need to play a more active role in this regard in the future.

#### ***Social dialogue at company level: example Wales and West Utilities, Wales***

The social dialogue at company level has developed in a very positive way. There is an agreed joint consultation structure which meets regularly, where any side can raise issues or initiatives associated with skills and training, and the balance between resources and workload. This has resulted in detailed consultations on workload/manpower matching, establishing career paths and career development. The trade union has supported the recruitment, training and development of new employees and is consulted on new policies and procedures. There are good relationships,

understanding and trust between the trade union and management. For the trade union side this is the key to progressing policies to promote direct employment, training and competency development. In particular, the direct labour model has been both a success and a positive outcome of the social dialogue.

However, there have been implications arising from regulatory reviews and the drive to cut costs, which have resulted in cuts in the workforce. The trade union regards these external pressures as being factors resulting in greater work pressures, stress and work-life balance issues.

According to the trade union “This has been the key to successes in the company. Having a direct labour model has meant that the trade union has been able to represent the workforce and this has had benefits for all employees”. The social dialogue has resulted in creating: “a happier workforce” and has helped the company to achieve company targets. This has “enabled you to do things that you would not normally be able to do in a company”. There have been joint approaches to training developed by the social partners. For example, shop stewards and safety representatives regularly contribute to training courses, and frequently jointly plan training for employees.

### **Trade union education and training**

Many public service unions are providers of education and training. They are often at the forefront in developing new approaches to training, particularly in developing work based training. The following are some areas for trade unions to consider in their work in developing their education and training capacities:

- Put in place a programme of training for trade union representatives aimed at building trade union capacity in the area of skills and competency development. This training should include age diversity, equal opportunities and the skills and competency development of older workers.
- Use this as a basis for building the capacity of workplace representatives so that they can play an active contribution to company training and development plans and initiatives, and in ensuring that there is no age discrimination in company training initiatives.
- This will also form a basis upon which trade unions can be pro-active in presenting new models of training and development, and highlighting the importance for training and competency development for older workers.
- By developing trade union capacity, it will be more likely that workplace representatives will be able to integrate training and development into workplace negotiations and bargaining.

In particular, this training will enable workplace representatives to play a key role in initiating and developing, in partnership with managers, basic skills training for older lower skilled workers in order to retain them in the workplace and to enhance their skills and career development.

## **7.4 THE ROLE OF THE SOCIAL PARTNERS IN AGE MANAGEMENT**

Throughout this Toolkit we have shown the benefits of trade unions and employers working together in partnership and through the social dialogue to develop, implement and monitor age management policies and strategies.

There are inevitably challenges for the social partners as they develop work in this area. As a 2006 report of the European Commission, *Ageing and Employment*, (Warwick, 2006) has shown:

“...for many years social partners have pursued two strategies: (a) they followed a seniority-based approach to bargaining over wage structures and redundancy rules protecting older workers and at the same time, (b) they encouraged the early exit of older workers from the labour market when unemployment was high generally and especially for young people.” It is evident that this

approach is no longer sustainable and as this Toolkit has shown the social partners need to take on new roles in finding common solutions to the impact of demographic ageing on training, skills development and employment in the gas sector.

Balancing this task with the ongoing social dialogue in matters of pay and working conditions, will not be easy. However, through raised awareness of the challenges and by upskilling social partner representatives in the areas covered in this Toolkit will have a lasting value for the sector. By promoting partnership working unions, staff and managers can develop joint approaches and identify and promote shared solutions in the area of training and skills development for an age diverse workforce. Taking this approach will be important to engendering an organisational culture of discussion and problem solving. To achieve this it will be important to have time to consult with managers, workers and trade unions in order to embed changes and achieve commitment to changing patterns of work that may result.

## SECTION 8: FURTHER RESOURCES AND INFORMATION

### **1. Web links to relevant organisations**

Eurogas [www.eurogas.org](http://www.eurogas.org)

EPSU [www.epsu.org](http://www.epsu.org)

EMCEF [www.emcef.org](http://www.emcef.org)

European Foundation for the Improvement of Living and Working Conditions: [www.eurofound.europa.eu](http://www.eurofound.europa.eu)

European Observatory on Industrial Relations <http://www.eiro.eurofound.eu.int/>

### **2. European Commission publications on demographic ageing**

European Commission (2007) *Employment in Europe*

[http://ec.europa.eu/employment\\_social/employment\\_analysis/employ\\_2007\\_en.htm](http://ec.europa.eu/employment_social/employment_analysis/employ_2007_en.htm)

European Commission (2006) *Ageing and employment: Identification of good practice to increase job opportunities and maintain older workers in employment*

[http://ec.europa.eu/employment\\_social/news/2006/sept/ageingreport\\_en.pdf](http://ec.europa.eu/employment_social/news/2006/sept/ageingreport_en.pdf)

European Commission (2005) *Confronting Demographic Change: A new solidarity between the generations*, Green Paper

[http://ec.europa.eu/employment\\_social/social\\_situation/green\\_paper\\_en.html](http://ec.europa.eu/employment_social/social_situation/green_paper_en.html)

Council Decision of 12 July 2005 on *Guidelines for the employment policies of the Member States* (2005/600/EC <http://europa.eu/scadplus/leg/en/cha/c11323.htm>)

European Commission (2002) *Increasing labour force participation and promoting active ageing*

[http://ec.europa.eu/employment\\_social/news/2002/feb/com\\_2002\\_9\\_en.pdf](http://ec.europa.eu/employment_social/news/2002/feb/com_2002_9_en.pdf)

European Commission (2008) *An updated framework for European cooperation in education and training*. See [http://ec.europa.eu/education/lifelong-learning-policy/doc/com865\\_en.pdf](http://ec.europa.eu/education/lifelong-learning-policy/doc/com865_en.pdf).

### **3. Publications on the gas and energy sectors in Europe**

European Commission (2009) *Sector Report for the Gas, Electricity and Water Sector*, Brussels

European Commission (2007) *European energy and transport trends to 2030*, Brussels

ECOTEC (2000) *The effects of the liberalisation of the electricity and gas sectors on employment*

Eurogas (2008) Annual Report 2007/08

Eurogas (2008) *Natural Gas Demand and Supply – long term outlook to 2030*

### **4. European Commission training and education programmes**

European Commission (2001) *Communication Making a European Area of Lifelong Learning a Reality*. Brussels

**Europass** which is a single European framework for formal and non-formal learning. For more information, see <http://europass.cedefop.europa.eu/europass/preview.action>

**The European Qualifications Framework (EQF)**, which aims to establish a common European framework for describing learning that has been gained or 'learning outcomes', and encompasses general and adult education, vocational education and training, and higher education. [http://ec.europa.eu/education/policies/educ/eqf/index\\_en.html](http://ec.europa.eu/education/policies/educ/eqf/index_en.html)

**The European Credit System for Vocational Education and Training (ECVET)**, which aims to create a European system to facilitate the transfer, validation and recognition of learning outcomes acquired by individuals moving from one learning context to another or from one qualification system to another. [http://ec.europa.eu/education/ecvt/index\\_en.html](http://ec.europa.eu/education/ecvt/index_en.html).

**The Common Quality Assurance Framework for Vocational Education and Training (CQAF)**. The CQAF is a framework to support the development and reform of vocational education and training. <http://ec.europa.eu/education/policies/2010/doc/qualitynet/cqaf.pdf>.

**The European Network on Quality Assurance (ENQAVET)**, is a voluntary forum for the exchange of experience and views in VET. [http://www.trainingvillage.gr/etv/Projects\\_Networks/quality/](http://www.trainingvillage.gr/etv/Projects_Networks/quality/).

**The European Social Fund** which supports actions concerned with employment-related aspects of education and training, with promoting social integration and equal opportunities, and with combating discrimination. [http://ec.europa.eu/employment\\_social/esf/index\\_en.htm](http://ec.europa.eu/employment_social/esf/index_en.htm).

**The Youth in Action Programme** which examines competences in providing young people with opportunities for non-formal and informal learning with a European dimension. [http://ec.europa.eu/youth/index\\_en.htm](http://ec.europa.eu/youth/index_en.htm).

**The Community Action Programme for Employment and Solidarity (PROGRESS)** which supports the objectives of the Social Agenda, including full employment, social protection and social inclusion, the improvement of working conditions, antidiscrimination and gender equality. [http://ec.europa.eu/employment\\_social/progress/index\\_en.htm](http://ec.europa.eu/employment_social/progress/index_en.htm).

The European Commission's 2009 **KSLLL (Knowledge System for Lifelong Learning)** website, gives up-to-date information on the Education and Training 2010 work programme, as well good practices at the national level. The website supports the priority areas and working methods developed within the Commission's new strategic framework 'Education and Training 2020'. <http://www.kslil.net>

## **5. European Foundation for the Improvement of Living and Working Conditions**

The European Foundation for the Improvement of Living and Working Conditions has wealth of information on demographic ageing. This includes reports on:

- *Working conditions of an ageing workforce* (2008) (analysis of the 2005 European Working Conditions survey)
- *Age and employment in the new Member States* (2006)
- *Employment initiatives for an ageing workforce in the EU15* (2006)
- *A guide to good practice in age management* (2006)
- *Combating age barriers in employment* (1997)

Information on different country approaches and case studies on age management can be found on the European Foundation's web site at:

[www.eurofound.europa.eu/areas/populationandsociety/ageingworkforce.htm](http://www.eurofound.europa.eu/areas/populationandsociety/ageingworkforce.htm)

## **6. Other publications**

Chartered Institute of Personnel and Development (CIPD) and the Trades Union Congress (TUC) (2007) *Managing age: A guide to good employment practice*: <http://www.tuc.org.uk/extras/managingage.pdf>

Leibold M and Sven Voelpel (2006) *Managing the Aging Workforce: Challenges and Solutions*. Wiley

Naegele G and A Walker (2000) *Ageing in Employment: A European code of good practice*, Eurolink Age: Brussels

Organisation for Economic Cooperation and Development (2006) *Live longer, work longer*, OECD: Paris

World Health Organisation (2001) *Active Ageing*, World Health Organisation: Geneva

ETUC (2006) *Challenging Times: Innovative ways of organising working time: the role of trade unions*: [http://www.etuc.org/IMG/pdf/Challenging\\_Times\\_brochure\\_EN-2.pdf](http://www.etuc.org/IMG/pdf/Challenging_Times_brochure_EN-2.pdf)

EPSU Policy Statement: *An Active Working Time Policy: For Employment, Time Sovereignty and Equal Opportunities*, 2000

ETUI-REHS (2009) *The EU Lifelong Learning Programme: A Handbook for Trade Unionists* (updated edition) in English and French. ETUI-REHS: Brussels <http://www.etui.org/education/Resources/The-EU-Lifelong-Learning-programme-a-handbook-for-trade-unions>

ETUC (2007) *Mobility on the labour market and lifelong learning*, downloadable from <http://www.etuc.org/a/3707>.

CAWA project – Creative Approaches to Workforce Ageing – information and case study information available at: <http://www.olderworkers.eu/>

Warwick Institute for Employment Research (2006) *Ageing and employment: identification of good practice to increase job opportunities and maintain older workers in employment*, University of Warwick and Economix Research and Consulting

## Appendix 1: EU Education and training under the EU's Lisbon Strategy

The Lisbon Strategy (2000) set a new strategic goal for Europe: 'To become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion'. The Lisbon Strategy rests on three pillars:

- An economic pillar supporting the transition to a competitive dynamic knowledge-based economy.
- A social pillar designed to modernise the European social model by investing in human resources and combating social exclusion.
- An environmental pillar asserting that economic growth must not rest on the depletion of natural resources.

Education and training are central to the achievement of Lisbon Strategy, particularly in ensuring that there is a highly skilled and adaptable workforce.

### EU education and training policy initiatives

In recent years, the EU has developed a range of initiatives that are aimed at harmonising and improving European education and training systems. These form an integral part of the Lisbon Strategy, including the EU's Employment Strategy and the EU's Social policy agenda.

The European Commission published two communications in 2008. The first Communication, **New Skills for New Jobs: Anticipating and matching labour market and skills needs**, highlights the need to upgrade skills of the population and improve skills development policies so that there is a better match between skills and future labour market needs. The second Communication, **An updated framework for European cooperation in education and training**, sets out proposals for European cooperation in education and training up to 2020.

A set of benchmarks on education and training were established by the European Council in May 2009 in its **General Conclusions on a strategic framework for European cooperation in education and training**. These aim to increase the participation of young people and adults in education and training, through measures to increase mobility in education and training. An emphasis is also given to ensuring that education and training systems enhance employability.

The European Commission's **Lifelong Learning Programme 2007 to 2013**, forms a major part of the EU's Lisbon Strategy. It concerns formal education and training provision and work-based learning and provides an integrated framework for modernising education and training across Europe. The social partners are specifically referred to as participants in the programme, which means that they can benefit from the programme through project funding.

The Detailed work programme on the follow-up of the objectives of education and training systems in Europe (the **Education and Training 2010 work programme**) sets a goal to create the highest quality education and training in Europe that is relevant to the knowledge economy. This aims to increase the numbers of people involved in learning at post-secondary school level, to create a learning culture, new methods of learning such as work-based learning, and to increase awareness of the important role that the social partners have to play in this process.

The European Commission's (2000) **Memorandum on Lifelong learning** was the starting point for a European policy on lifelong learning, setting out the objective that lifelong learning is critical to European competitiveness and a key element of the European Social Model. The social partners are given a key role in implementing lifelong learning across Europe.

This was followed up by a Communication issued by the European Commission (2001) on a **European Area of Lifelong Learning**, which reinforces the importance of lifelong learning to European competitiveness.

The '**Bologna Process**' aims to create a European Higher Education Area by 2010, based on comparable courses across Europe, and the development of a European Credit Transfer system.

Under the '**Copenhagen Process**', the aim is the harmonise and modernise vocational education and training (VET) through a single framework for competences and qualifications, a system for credit transfer for VET, and a recognition of formal and informal learning. More recently, there been a commitment to develop common tools by 2010, a more systematic approach to strengthen mutual learning, and the involvement of all stakeholders, including the social partners.

The European Council and Parliament have adopted a Recommendation: **26 Key Competences for Lifelong Learning — A European Reference Framework**, which establishes key competencies for lifelong learning.