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The European year 2012 for active ageing

Year 2012 is the European year for Active Ageing. From 2012 onwards the European working-age population will shrink, while the population aged over 60 years will continue to increase by about 2 million people every year. Recent projections from Eurostat indicate that the working age population is set to decrease by about 50 million people between 2008 and 2060.

The demographic changes present certain challenges. Population ageing may increase pressure on public budgets and pension systems, as well as on the staffing of social and care services for older people in the years to come. That creates a need to come up with ideas to ensure the older part of the work force continues in the labour market.

At the same time almost all European countries are experiencing economically turbulent times with high unemployment rates making it difficult to keep focus on the challenges ahead.

Most European countries have already made reforms of pension systems and retirement opportunities amongst other in order to prevent people from early retirement.

In Denmark, for instance, all fixed retirement ages in legislation and collective bargaining agreements have been repealed, except for very limited groups in the armed forces. On top of that an increase in deduction in pensions in connection with early retirements has been introduced.

Elimination of such structural obstacles for employment is an important step on the way to keep the older generation in the work force. Tackling early retirement, however, is not only a matter of changing legislation. A focused policy at the local workplace is as important. This raises a number of questions for employers and HR-units.

Motivational factors to keep older employees on the labour market

To begin with, HR-units could ask what actually motivates seniors to remain on the labour market. This issue is dealt with in a recent study from The Danish National Centre for Social Research (SFI), presented by senior researcher Mona Larsen in the HRWG on the first working group meeting.

The study has been conducted amongst Danish wage earners aged 55-70 and shows that 44 pct. plan to retire at 60 and that 15 pct. plan to work after the age of 65.

The majority of seniors decide when to retire at a relatively late point in time, indicating that the exact timing of retirement can be influenced through an early focus on the issue. Also most elder employees expect to retire from their current workplace. Only 1 out of 5 retire due to poor health.

One of the study's main findings is that agreements with the employer play a significant role for employees' retirement plans. All employees like to feel valuable, and that obviously also applies for older employees. A clear indication from the manager, that the older employee is wanted at the workplace is often sufficient in order to influence retirement plans.

The study shows that the probability of having an oral agreement about retirement increases by age, if the employee serves as supervisor/manager, or has specific skills.

A range of measures to pick from

Of some importance are also working conditions such as flexible and lower working time, less physically demanding work, continued learning possibilities as well as interesting and challenging work assignments, including being able to organise the work oneself. According to the study offering extra salary and pension have some effect, but does not seem to be a deciding factor.

All employees are different and have different requirements. Some favourable working conditions might attract certain employees, others will want something else. Offering specific favourable working conditions to employees therefore requires great knowledge of their employees from managers.

The study shows that the employees on a general scale have somewhat limited knowledge about rules of working after entering into an early retirement scheme or normal retirement. The knowledge is particular limited just before entering into either of those suggesting that there might be employees that – if otherwise possible – would have continued had they known they were able to. A small effort of making appropriate information available could be a way of solving that.

Measures mentioned above can't compete with lucrative retirement schemes and a raise of the retirement age is therefore crucial. In addition to that favourable policies directed solely towards older employees can result in a negative image for the group. An alternative could be to construct policies for all employees taking account of the employees' special needs, rather than to single out one particular group, without establishing *rights* for the employees.

German approach

Germany has launched a program called “Demographically sensitive human resources management”, which was presented on the second HRWG meeting.

The aim of the program is amongst other to deal with an ageing workforce and increase the attractiveness for top performers in order to maintain efficiency and performance in the administration.

Demographically sensitive HRM means applying a holistic HRM strategy where all HRM processes such as for instance recruitment, personnel policy, human resource development/further qualification, health promotion, performance incentives, knowledge transfer, leadership/cooperation and work organisation/workplace design are connected and combined in order to promote the person’s ability and willingness to work until the age of 67.

Life-phased oriented personnel development is one important component of demographically sensitive HRM. It is based on the idea that employees in each life phase have different professional and private goals, interests, needs and expectations regarding their job and work-life balance. This creates a need for a personnel policy that takes these expectations into account and matches them with the needs of the employer.

Five phases of professional life

Regarding the life-phased oriented personnel development the Federal Ministry of Labour and Social Affairs distinguishes five phases of professional life:

1. Phase	2. Phase	3. Phase	4. Phase	5. Phase
Introduction phase (familiarisation, (re)-orientation)	Growth/ professionaliza tion phase	Maturity phase (consolidation/ stability)	Preparation for end of career / exit phase	“Active retirement”
up to 2 years after entering the organisation or after an internal transfer	up to 20 years of professional activity	from 20 to 40 years of professional activity		from the age of 65/67

Past experience has shown that differentiation according to life phases is not necessary in all areas which are relevant in the light of demographic change.

- Measures in the areas of personnel development and health promotion must always be geared to individual life phases. This makes it possible to support and harness in a target-group specific manner the varied interests, skills and motivation potentials as well as the cognitive and biological abilities employees develop as they move through the different stages of life.
- Measures related to working time/work organisation are relevant in all life-phases regardless of the employees' individual interests or childcare care/elder care responsibilities.
- Measures related to leadership and cooperation must also be designed in a way encompassing all life phases. As far as the required transfer of knowledge is concerned a shift of perspective takes place in the course of an employees professional development: the indispensable intake of information in the early professional phase is replaced by valuable sharing of information at a later age.
- Measures in the area of HR policy and organisational culture also have a cross-cutting dimension. A family-friendly environment or an organisational culture respecting the employee's life cycle and individual circumstances is of equal relevance in all stages of life.

Recommendations

An action matrix outlined in the following table sets out recommendations for personnel development measures that may be useful in the respective life phases.

1. Phase: Introduction phase

(up to 2 years after entering the organization or after an internal transfer)

- introduction programmes, mentoring system, junior personnel network,
- basic courses (administration, social competence)
- adaptive training for employees returning to work

2. Phase: Growth/professionalization phase (up to 20 years of professional activity)

- mentoring system, ALUMNI personnel network
- attractive further training in terms of quantity and depth of course content
- opportunities for job rotation (broad range of tasks) and assignments abroad
- coaching
- conferring greater responsibility (executive positions, team or project leadership)
- external representation of the Ministry, job shadowing in other units/authorities/or business firms
- tailored career development programmes
- group consulting/Information on possibilities for career development
- horizontal career (specialist career path)

3. Phase: Maturity phase (from 20 to 40 years of professional activity)

- opportunities for further career development or a fresh start (horizontal)
- individual coaching
- assignments as consultant, mentor, lecturer, trainer, etc.
- opportunities for short-term or long-term assignments to twinning projects
- attractive specialised training
- professional re-orientation or a transfer to a less responsible position
- group consulting/information on possibilities for career development
- further training courses for high experienced employees
- training to enhance methodological skills to pass on their knowledge
- knowledge transfer

4. Phase: Preparation for exit / exit phase

- assignment as consultant, mentor, lecturer, trainer, etc.
- individual coaching to facilitate a gradual transition to retirement
- orientation/ preparation courses for employees close to retirement, wishing to engage in voluntary work, etc.
- information on possible assignments after retirement
- network for seniors, inclusion in existing networks
- knowledge transfer

5. Phase: "Active" retirement (from the age of 65/67)

- centre of interests is shifting to private life
- meetings of pensioners
- invitation to events
- regular get-togethers with active employees
- opportunities should be made available for employees to work as senior consultants or mentors, where these services are needed
- possibilities for retired employees to be assigned to Twinning projects or other areas of international activity ...
- network for seniors, inclusion in existing networks

State of play

The Federal Ministry of Labour and Social Affairs and the bodies in its portfolio are already well positioned when it comes to programmes aimed at the first two phases. In future, the aim must be to invest more in phases three, four and five to guarantee the transfer of knowledge and also maintain and foster the motivation, commitment and performance capacity of older workers so that their potential can be fully harnessed.

Psychological contracts revolve around the need to balance the expectations of employees on one side and the employers on the other. Psychological contracts thereby help to match and clarify expectations between employers and employees.

Diversity management means identifying, promoting and using the diversity of individual competences amongst employees with a view to the responsibilities each ministry has to assume and hereby conducting a systematic personnel development.

By those means the German project introduces a HRM applicable for the whole working life, allowing for the differences between employees and life-phase condition to play a central role.

Inspiration for others

Although European countries are currently focused on tackling the economic crisis, an eye should also be kept on the longer term challenges created by a shrinking working age population.

In this respect, the presentations of the study made by The Danish National Centre for Social Research and of the German approach on life-phase oriented personnel development have created valuable knowledge and inspiration for EUPAN members on how these challenges can be tackled.

