



Employment initiatives for an ageing workforce in the EU15



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Foreword

Over the last decade, the attention paid by policymakers to the ageing of the workforce has increased markedly. At EU level, concerns about the sustainability of pensions, economic growth and the future labour supply have stimulated a range of policy recommendations aimed at supporting the goals of longer working lives and later retirement. As measures are taken to increase employment rates for older workers, the need for coordinated employment and social protection policy measures is highlighted, and in particular the need for initiatives in the workplace.

Both the demographics of the labour market and drivers of change, such as pension reforms, are giving rise to different trends in different Member States. However, the general challenges are in many respects the same: to provide suitable working conditions as well as employment opportunities for an ageing workforce; to maintain and promote the health and working capacity of workers as they age; and to develop the skills and employability of older workers.

Policies and practices aimed at improving opportunities for older workers and at extending working life – particularly within companies – have developed significantly over the last decade. This report looks at the experience of more than 100 organisations in both the public and private sectors in the EU15, examines how their experience has changed over the last five to ten years and considers why companies have paid attention to ageing at work and what actions they have taken. The report evaluates the success of these measures from the perspectives of both employers and workers, and draws lessons for future strategies.

We hope that this report, and its companion report *Age and employment in the new Member States*, will prove valuable in communicating experiences of good practice in age management, and so contribute to the improvement of employment conditions for Europe's ageing workforce.

Jorma Karppinen
Director

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Deputy Director

Note: All the names of organisations highlighted in **blue** throughout the report are hyperlinks connecting to the individual case studies in the Foundation's website (<http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm>).

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Introduction

In its synthesis report to the 2004 European Spring Council, the European Commission identified active ageing as one of the three core priority areas for which swift action is needed if the goals of the Lisbon strategy are to be realised. The Commission called upon the social partners to dedicate themselves to designing and implementing comprehensive active ageing practices in workplaces and in labour markets. The conclusions of the 2005 Spring Council again underlined the importance of extending working life and of initiating active ageing strategies. More recently, the European Commission has issued a Green Paper on demographic change, which restates the significance of the challenge, for Europe, of its ageing population.¹

Effective action to improve the employment conditions of older workers involves government policies at different levels, the social partners and social dialogue, organisations and companies and, of course, older workers themselves. Within companies in the EU15, policies and practices designed to improve opportunities for older workers and to extend working life have developed significantly over the last decade. This report examines the experience of companies that have been long-standing examples of good practice in age management and analyses the drivers and outcomes of workplace developments over the last decade.

The study builds upon an earlier Foundation report from the late 1990s, entitled *Combating age barriers* (Walker, 1997). The earlier study documented over 100 examples of employer policy towards older workers among selected countries of the 15 EU Member States prior to 1 May 2004 (EU15), resulting in a portfolio of employer case studies (Walker and Taylor, 1998) and a guide to best practice (Walker, 1999). In part, the purpose of the present study was to follow up these case studies. Fieldwork undertaken by national correspondents in case study organisations sought to obtain information on the evolution of previous measures, drivers of organisational policies on age management and factors contributing to their success or failure, and on the characteristics of measures that have emerged in the intervening period. To this were added new cases and two new case countries: Austria and Spain. However, as far as possible, the historical perspective was maintained. The national correspondents produced standardised case study reports, available online at <http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm>. They also produced short national reports on the status of older workers in the labour market and recent policy developments.

Analysis of the case studies and national reports forms the basis of this report. It begins by setting the scene, examining the situation of older workers in the European labour market before going on to consider developments in policy at European level and the drivers of these developments. Next, the national picture for countries participating in this study is briefly set out, including the factors shaping policy at national and organisational level. A discussion follows on organisational policies on age management and the meaning of 'good practice'. The methodology for the present project is then described.

The discussion of findings begins with key characteristics of case study organisations, followed by an analysis of how measures have evolved. Drivers of the evolution of policies are then outlined. Next, a number of organisational and individual benefits of measures are discussed. The study goes on to identify success factors and challenges for measures. Illustrative case studies are

¹ *Confronting demographic change: A new solidarity between the generations* COM (2005) 94 final, 16 March 2005.

referred to throughout the text. The report concludes with a discussion of the implications of the findings for the social actors.

This report looks at developments in the EU15; a complementary report *Age and employment in the new Member States* examines the extent to which initiatives aimed at improving employment opportunities for the ageing workforce have developed in the new Member States and acceding countries (Mandl, Dorr, and Oberholzner, 2006). It looks at the situation today and aims to contribute to a better understanding of government and company policies, the perspectives of the social partners and the changing employment of older workers.

The issue of the employment of 'older workers' has featured prominently in European policy documents for over a decade. Defining what is meant by an 'older worker' is problematic. Generally speaking, researchers would tend to view people aged 50 years and over as 'older' based on a sharp decline in labour force participation rates after this age. However, it is clear that what is defined as 'old' varies markedly between industrial sectors and occupational groups. It is also sometimes argued that women are considered by employers as 'old' at younger ages than men. In addition, in public policy terms, measures targeting 'older workers' often tend to apply at different ages and may have cut-off ages whereby they are inaccessible after a certain age. Indeed, the Stockholm target for the employment of older workers defines such workers as aged 55–64 years. The value of the term is frequently questioned, and the risk of stigmatisation acknowledged, yet among researchers and policymakers it has stuck as a convenient shorthand. Occasionally, the term 'elderly workers' is used, but 'older workers' is usually preferred. It is increasingly recognised that greater attention needs to be paid to the process of ageing, hence the reference to 'active ageing' in European policy statements.

Changing demography and the labour market

It is argued that the hitherto prevailing low labour force participation rate of older workers in Europe does not fit with its changing demography. Changing aspirations of older people, the raising of the eligible age for pensions in some countries, and supposed threats to labour supply and, therefore, to European competitiveness, mean that labour force ageing now features prominently in European and national debate.

A progressively larger number of EU Member States are experiencing a substantial ageing of their labour forces while, simultaneously, their labour forces are shrinking (OECD, 1998, 2000). Countries such as Germany, the Netherlands and Italy are at the forefront of these developments. In the southern European states, apart from Italy, demographic ageing will manifest itself later. Nevertheless, a similar trend can be observed there. Member States face an average increase of 12% in the proportion of the 50–59 age group over the next 10 years.

At the same time, employment rates of older workers in the EU have declined dramatically over the last 20 years, although they are still relatively high in some countries, such as Sweden, Denmark and the United Kingdom (UK). The low employment rates are mainly due to early retirement schemes that were implemented in the 1980s and 1990s. Recently, many of these programmes have been terminated or their access severely limited; however, early retirement has had a significant impact on the fortunes of older workers. Business, trade unions and workers have perpetuated a system where 55 years has become 'the normal age for definitively leaving the labour market' (Guillemard, 2004, p.177). This situation has had a profoundly negative effect on how such workers are viewed by managers and supervisors; moreover, workers aged in their 40s are now viewed as 'nearly old' and find their career prospects curtailed (Guillemard, 2004, p.178). Trade unions and employers have focused primarily on the issue of pensions, on the protection of older workers during programmes of redundancies and on the loss of income allowances paid to them (Jolivet, 2000). In addition, age discrimination regarding vocational training is widespread, and the unemployment rates of older workers exceed the unemployment rates of all workers in many Member States (OECD, 2000; Walker, 2002a; Taylor and Urwin, 2001).

In recent years, the employment rate of older workers has increased among the EU15 (European Commission, 2004a): between 2000 and 2004, it increased from 37.5% to 41%. However, despite this positive development, the EU falls far short of the targets it has set itself (see below).

Demographic changes highlight the need to address the so-called ‘age/employment paradox’ (Walker, 2002a), that is, the growing discrepancy of increasing life expectancy and low labour market participation of older workers. Additionally, new patterns of working time are considered crucial since the innovative capacity of the economy will need to be sustained essentially by an ageing workforce (Auer and Fortuny, 1999; Naegele, 1999; OECD, 2000).

Last but not least, it is argued that prolonging working life is necessary if social security systems are to be sustainable in the long term. Measures that have already been taken, such as reducing the incidence of early exit from work, raising the age of formal retirement and reintegrating those outside the labour market (e.g. older workers), will have an impact in the long run and will have to be taken into consideration.

The challenges, for economies and societies and for ageing individuals, resulting from demographic changes and age discrimination require more active and integrated strategies than have hitherto existed. It is now widely accepted that extending working life may not only reduce pension and social welfare costs for the state but, for many individuals, will provide the opportunity for a more productive old age. However, to achieve this, measures are needed both at micro-level (in workplaces) and at macro-level (in the labour market).

The prolongation of working life can be seen as an appropriate answer to the age/employment paradox if it is complemented by a policy of promoting the employability of the ageing workforce and a restructuring of the life course – or in the words of Odile Quintin, Director General for Employment and Social Policy:

The aim must be to share the gains in life expectancy between the employment and retirement phases of life – a realistic option as people are, on average, healthier and fitter at 65 years of age than they were 40 years ago. In particular, we need to ensure that working conditions and the quality of work is such that the people are not worn out by their jobs and forced to quit early. And we have to ensure that their skills are kept constantly up-to-date, over the life cycle. In these terms, the way in which periods of work, leisure, learning and caring are distributed over the life cycle should be rethought by policymakers. People should have some freedom, for instance, to take longer holidays in exchange for later retirement. (Quintin, 2001)

New policies to facilitate economic activity among older workers will require action by all actors: employers, workers, trade unions, employer and union confederations, and governments. Such policies must focus on the workplace and involve partnership between employers and workers, with support from governments, to ensure that age does not become a barrier to employment (Walker, 2002a). It requires an active approach, for example, in challenging age barriers, changing employer behaviour, and enabling flexible employment and retirement (Naegele, 1999). The challenges that this presents must not be underestimated. Remarkably, the Spanish national report noted that more than half (56%) of those who retire in Spain have done so before the legal retirement age (65 years of age) and, of these, 37% have been forced to take early retirement as a result of a business decision.

European policy context

The impact of workforce ageing on employment and the labour market is an increasingly important theme in Europe's employment strategy and has been on the agenda for some time. The 1994 EU Summit was the first to identify the need to improve employment opportunities for older workers. The 1995 Council Resolution on the employment of older workers called on the European Commission to organise an exchange of information, experience and good practice concerning the employment of older workers. Both the Cardiff (1998) and Vienna (1998) European Councils emphasised the need to pay special attention to older workers as part of the priority to develop a skilled and adaptable workforce. The issue was added to the 2001 Employment Guidelines (European Commission, 2001) and was also a point of discussion of high priority during the Barcelona European Council in 2002.

In March 2001, the European Council of Stockholm defined a quantitative and ambitious target: it determined that, by 2010, the employment rate of older workers (those aged 55–64 years) should be 50% (it was 26.3% in 2000) (European Council, 2001). (The Council's target was in addition to the overarching strategic goals set at the Lisbon European Council.)

The Barcelona European Council emphasised that responsibility for tackling issues arising from an ageing population will need to be shared between the generations: 'A progressive increase of about five years in the effective average age at which people stop working in the European Union should be sought by 2010' (European Council, 2002).

Table 1 shows that there is a wide variation in employment rates among Member States and in the extent to which they are making progress towards meeting the Stockholm target. Only three countries – Finland, Sweden and the UK – have achieved it so far, while Austria and Belgium are far behind. There have been marked increases in some countries, such as France and the Netherlands, modest improvements in others, such as Italy and Spain, while Austria has seen no sustained progress. If progress to date is an indicator of the likelihood of achieving the Stockholm target, then it seems likely that some Member States will fall short.

Table 1 Employment rates among 11 EU Member States,² 2001–2004

Country	2001	2002	2003	2004
Austria	28.9	29.1	30.1	28.8
Belgium	25.1	26.6	28.1	30
Finland	45.7	47.8	49.6	50.9
France	31.9	34.7	36.8	37.3
Germany	37.9	38.9	39.9	41.8
Greece	38.2	39.2	41.3	39.4
Italy	28	28.9	30.3	30.5
Netherlands	39.6	42.3	44.3	45.2
Spain	39.2	39.6	40.7	41.3
Sweden	66.7	68	68.6	69.1
UK	52.2	53.4	55.4	56.2
Total	37.5	38.7	40.2	41

Source: Employment in Europe 2005, Statistical annex: Key employment indicators (European Commission, 2004b).

² These are the selected case countries in the present study.

Table 2 indicates how far many Member States are from achieving the Barcelona target of increasing the average age of exit from the labour force by five years by 2010.

Table 2 Average exit age from the labour force

	2001			2002			Change 2002-2001		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Austria	59.2	59.9	58.5	59.3	59.4	59.3	0.2	-0.5	0.8
Belgium	56.8	57.8	55.9	58.5	58.6	58.4	1.7	0.8	2.5
Finland	61.4	61.5	61.3	60.5	60.6	60.4	-0.9	-0.9	-0.9
Germany	60.6	60.9	60.4	60.7	61.1	60.3	0.0	0.2	-0.1
Greece	59.4	61.2	57.7	-	-	-	-	-	-
Spain	60.4	60.7	60.2	61.5	61.5	61.5	1.1	0.8	1.3
France	58.1	58.2	58.0	58.8	58.9	58.7	0.7	0.7	0.7
Italy	59.8	59.9	59.8	59.9	60.2	59.7	0.1	0.3	-0.1
Netherlands	60.9	61.1	60.8	62.2	62.9	61.6	1.3	1.8	0.8
Sweden	61.7	61.9	61.6	63.2	63.4	63.1	1.5	1.5	1.5
UK	62.0	63.0	61.0	62.3	62.7	61.9	0.3	-0.3	0.9
EU15	60.4	60.8	60.0	60.8	61.0	60.5	0.4	0.2	0.5

Notes: ' - ' means figures unavailable.

Source: Eurostat, Labour Force Survey, annual averages

Recently, the issue of improving the employment prospects of older workers was tackled again under the heading of 'active ageing' by a special report of the European Commission, *Increasing labour force participation and promoting active ageing* (European Commission, 2002a). Active ageing is regarded as being at the centre of EU policy on tackling issues associated with the ageing of European society (European Commission, 2002; Walker, 2002a; OECD, 2000). The term denotes an increase in the labour force participation of older workers as well as the promotion of productive activities in the life phase of retirement, such as the involvement of citizens in and commitment to matters of society.

One of the central themes of current EU debate is that of securing safe and sustainable pensions (European Commission, 1999). The Gothenburg European Council of June 2001 emphasised the need for a comprehensive approach in order to meet the challenges posed by an ageing society (European Commission, 2001a). Increased labour force participation – particularly of older workers – can be seen as a significant contribution to securing the financial stability of pension systems and of social security systems, as was stated during the Barcelona European Council in 2002:

...Such is the case for pensions and the financial sustainability of pension systems for which an increase in the labour force participation [particularly of older workers] would be important to maintain a sustainable dependency ratio (European Council, 2002).

The prolongation of working life is not only regarded as an important instrument to sustain pension systems but also as a decisive answer to the anticipated demographically induced labour shortages and the changing age composition of the labour force in many EU countries. In this context, the key message of the Commission's report on increasing labour force participation and promoting active ageing is an explicit call for a dynamic life-course perspective:

The objective of a comprehensive strategy should be to maximise each individual's capacity to participate over his or her whole life cycle. ... Prevention is the key to a successful integration and retention of people in the labour market. The aim is to ensure the positive interaction of economic, employment and social policies with the view to supporting a long-term sustainable working life in which all human resources in society are fully utilised. ... High employment and activity rates among the prime age group could be translated into significantly higher employment rates for older workers up to a later decade if a dynamic approach is taken to retain these workers longer in the labour market through better working arrangements and quality in work (European Commission, 2002, p. 9).

Meanwhile, requirements have been stipulated at EU policy level in the Employment Guidelines 2003, specifically Guideline 5: 'Increase labour supply and promote active ageing' (European Council, 2003). The Employment Guidelines emphasise that action is needed at all levels and by all social actors to promote opportunities for the ageing workforce. At the same time, they call for preventive and active approaches in order to meet the challenge of a changing economy and labour market. Furthermore, the revised European Employment Strategy considers as a priority the need to delay retirement through policies that promote active ageing (European Commission, 2003).

More recently, the European Commission assessed progress towards the Stockholm and Barcelona targets in its communication *Increasing employment of older workers and delaying the exit from the labour market*, and judged it insufficient (European Commission, 2003). The Commission identified several Member States that needed to make particular efforts, having made slow progress in relation to both targets: Austria, Belgium, France, Germany, Greece and Italy. This requirement has been endorsed by the 2003 report of the Employment Taskforce, which argued that a radical policy shift away from early retirement is necessary and that the challenge is not only to ensure that a higher proportion of those currently aged 55–64 years stay in work, but also to enhance the employability of those currently aged in their 40s and 50s. The EU has committed itself to supporting this development through policy coordination, exchange of experience and of best practice, and through financial instruments (European Commission, 2003).

In addition to these European targets and guidelines, European Union Council Directive 2000/78/EC established a general framework for equal treatment in employment and occupation. The directive requires all 15 EU – as of 2004, all 25 – countries to introduce legislation proscribing direct and indirect discrimination in terms of labour market activities and vocational training on the grounds of age. The directive gives Member States until the end of 2006 to implement the provisions on age and allows considerable latitude as to how the directive is to be implemented.

The directive aims to provide protection against age discrimination in terms of: access to employment, self-employment or occupation, including selection criteria, recruitment conditions and promotion at all levels; access to vocational guidance, vocational training and retraining, including practical work experience; employment and working conditions, including dismissal and pay; and membership of and involvement in any organisation of workers or employers or a professional organisation. No age limits are specified in the directive, and Article 6 and paragraphs 1 and 14 of the preamble can be interpreted as exempting mandatory (age-based) retirement. In addition, there are a number of exemptions relating to cases where age is considered to be a genuine and determining occupational requirement, and where the use of age as a deciding factor

is justified by a legitimate aim, for example, positive discrimination to help age-related disadvantaged groups.

A 2004 review concluded that transposition of the directive has been uneven: little or no progress has been made in Germany; France and Italy have complied technically, although more could be done. Moreover, while the directive calls for consultation with a range of stakeholders, this was lacking in France and Italy (Baker, 2004).

National policy approaches

In many individual Member States, early exit from work is being rethought.³ In the majority of Member States – Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Spain, Sweden and the UK – pension reforms have been aimed at curtailing or restricting access to early exit schemes and programmes. The motivation for these changes was cost containment and fiscal balance against a background of population ageing (OECD, 2000). National policies are promoting an extension to working life, although without necessarily implementing a systematic approach to cope with the consequences for the individuals involved. Nevertheless, it is evident that prolonging working life requires a restructuring of the entire individual work biography to – for instance – reconcile the demands of work and private life, and to allow resources such as educational leave to maintain skills.

Since the end of the 1990s, public policies and workplace practices have begun to shift towards improving employment prospects and participation rates of the ageing labour force (Walker, 1998; ETUI, 2002, 2003; OECD, 2003). Several Member States are applying comprehensive ageing strategies and some have set national targets to increase the average exit age (European Commission, 2004a). This reorientation towards more active strategies reflects increasing concerns about the sustainability of pension systems and about future labour supply.

The following paragraphs briefly outline and compare key elements of the policy context and actions that have already been taken by national governments.⁴

Pension reform

In response to growing concerns about the future sustainability of welfare systems, pension reform has been given the greatest attention by national policymakers in recent years. Among the changes proposed or instigated are increases in the eligibility age for a full pension, equalisation of pension ages for men and women, and opportunities to defer a pension. In recent decades, against a background of massive restructuring of European economies, early retirement as an alternative to unemployment became standard practice for tackling issues of labour over-supply in much of the European Union. Now, reforms are underway to withdraw early retirement schemes in favour of policies aimed at encouraging labour force participation. However, it appears that this has often put policymakers at odds with both industry and older workers themselves. Early retirement

³ This is a rather limited review of national actions. The OECD recently concluded a series of thorough studies in Member States and elsewhere to investigate emerging issues and policy developments. Reports on Sweden, Belgium, Finland, the UK, Italy, Spain and France have been published, among others (OECD 2003a, 2003b, 2003c, 2004a, 2004b, 2004c, 2004d, 2004e, 2005).

⁴ This summary is based on reports provided by the national correspondents for the project.

schemes have cast a long shadow over efforts to prolong working lives, particularly in the countries that made most use of them.

Among the 11 case countries, pension reforms have been challenged by trade unions, which have launched major protests as they perceive threats to early retirement and to wider pension rights. Employers have been somewhat more amenable to reforms. Many have accepted the need for pension reforms on the grounds that preventing early retirement will reduce employment costs and help with labour supply. Companies have begun to implement age management projects because they anticipate that increasing numbers of older workers will remain in employment for longer. It is notable that, in Austria and the UK, reforms are bearing down harder on the private sector, having been postponed in the public sector.

Across Europe, efforts to implement pension reform have often caused huge public debate. In Belgium, for instance, the government and social partners discussed a major plan to ensure the future financing of the social security system. The 'Generation pact' aims to promote greater employment among younger and older workers, reduce tax on labour and strengthen the social security system. The atmosphere during negotiations was difficult, with demonstrations and national strikes, and protests continue. The main issue of contention is that early retirement will be less accessible in future. Importantly, even though these reforms have been controversial, there is a view that they do not go far enough if Belgium is to meet European targets or those set by the government to create a strong economy and ensure the viability of the social security system.

In Sweden, by contrast, there is broad consensus in favour of a prolongation of working life. A series of institutional changes have been achieved over the last decade, particularly with regard to the public pension system. Programmes that offered exit routes for older workers have been closed, such as the job release scheme, the temporary labour market pension, and the part-time pension.

Flexible retirement is being encouraged in Member States. Variations of gradual retirement exist in Austria, Finland, France, Germany and Spain, and, from mid 2006, are an option for British workers. For instance, in Spain, in 2002, Law 32/2002 established systems of gradual and flexible retirement and relief contracts, a type of contract in which young people gradually replace workers who are retiring.

An interesting characteristic of the policy debate in some of the case countries has been recognition of unequal retirement prospects according to socioeconomic group. In Austria, conflict arose over proposals to modify the pension law to ease the transition to retirement for people working in arduous occupations. This modification, strongly demanded by the trade unions, is being resisted by employer groups. In Belgium, in future, early retirement will be dependent on job quality. In some sectors and for some job functions where work is arduous, it will be possible to retire earlier than in others. In Greece, in a large number of industries and services, trade unions had fought for the right to early retirement. Currently, all such agreements are under review and there has been acrimonious debate between trade unions and government. Workers in jobs defined as heavy or unhealthy can leave after 15 years' service at the age of 60 years. Proposals to increase this to a minimum of 65 years are the subject of current debate and conflict. In Sweden, a Royal Commission – *Senior 2005* – has highlighted the need to adjust aspects of working life to the needs and preferences of older workers, such as limiting heavy and stressful work and introducing greater

flexibility in work organisation. Meanwhile, in the UK, a vocal lobby of campaigners, think-tank institutes and employer groups has argued that the state pension should be raised from its current 65 years (for men), although the government has argued that this would disadvantage those from lower socioeconomic groups, whose life expectancy is less. Publicly, the government is committed to a default retirement age of 65 years, although a review body, the Turner Commission, recently recommended a staged, long-term, increase in the state pension age to 68 years.⁵

While it is too early to judge the success of these measures, some commentators have argued that they are inadequate if Member States are to meet the Barcelona and Stockholm targets. For instance, in Spain, people who defer claiming their pension receive an enhancement, although this has been criticised as being a weak measure that will have little influence on employee behaviour (Peulet, 2004). Moreover, it is argued that an early retirement culture, which policymakers have been slow to address, persists in companies (Araico, 2004). Implementation of gradual retirement has also proved problematic. For instance, in both Austria and Germany, the aims of gradual retirement measures have become distorted, to the extent that they are effectively offering early retirement. In France, gradual retirement has existed since the 1980s but was not particularly successful. The 2003 pension reform act aimed to make this more attractive but no action has been taken so far.

Labour market measures

Over the past decade, while pension reform has gathered pace, the introduction of active labour market measures aimed at the integration of older workers has lagged behind or been undermined by other aspects of policy. Thus, it has been the case in Austria, Belgium, Greece, Italy and Spain that initiatives aimed at fostering adjustments in workplaces or wider labour market reforms have been relatively weak. There have been some limited initiatives in these countries. For instance, in Austria, a comprehensive and public national programme has not been developed but supportive measures have been instituted:

- financial incentives for companies employing older workers;
- increased financial support for investing in the employability of older workers through the European Social Fund;
- national awards for age management projects.

While the recent OECD report on Austria, concerning policy towards older workers, acknowledges a change in attitude on the part of policymakers, it concludes that this 'appears to be changing very slowly' (OECD, 2004a). At this time, it seems unlikely that Austria will achieve the Barcelona and Stockholm targets. Indeed, migration is viewed as more important in terms of tackling the challenges of demographic change.

In Belgium, older unemployed people are no longer exempt from the obligation to look for work and employers are offered wage subsidies as an incentive to recruit them. Moreover, attention has been given to improving working conditions through flexible working hours in the form of time-credit formulas. There are also measures to encourage older people to remain in work that link

⁵ http://news.bbc.co.uk/1/shared/bsp/hi/pdfs/30_11_05_exec_summ.pdf

employment to pension policy. Those aged 62 years and older who are willing to stay at work will receive a bonus for pension deferral. Older workers moving to less strenuous work will be temporarily compensated for income loss. For those in retirement, regulations concerning pensions and earnings have been made less rigid.

Some actions have also been announced in Belgium aiming to prevent unemployment among older people: people aged 45 years or over who are dismissed have a right to outplacement support; older unemployed people who resume working will receive a bonus; and additional efforts concerning education and training have been announced for all age groups, with particular reference to older workers. Nevertheless, crucially, early retirement has been maintained in the Belgian system. Under recent reforms, the right to retire early still exists, but conditions have been added. In the past, early retirement was generally possible from the age of 58 years. In future, the general rule will be that access will only be granted at the age of 60 years. Early retirement schemes will still be available for people who lose their job because of organisational restructuring but, instead of taking early retirement immediately, they will now be obliged to undertake intensive job-searching. Furthermore, the ‘Canada Dry’ practice is also presumed to be widespread. Under this arrangement, older workers are dismissed, move on to unemployment benefits and receive a supplement paid by their former employer. In effect, it acts as a form of early retirement but avoids the usual legal constraints and places most of the cost on the state’s unemployment funds. It is usually granted to older employees who do not fulfil the legal requirements for a conventional pre-pension.

Pressure on the Greek government is forcing them to contemplate an unpopular liberalisation of the labour market. The current conservative government is undertaking such reforms, although some would have been necessary for any government. Some mention is made in the media about the ageing of the labour force, but it is not on the public agenda. The defence of accrued rights and protectionism remain the main issues.

Similarly, in Italy, policy regarding older workers has primarily focused on pension reform, with a lack of a more general policy debate around topics such as recruitment, training and career development, job design, health and well-being. At present, the only law in the field of employment that explicitly targets older workers is the so-called Biagi Law (Decree Law 276/2003), which in general aims to make the Italian labour market more flexible. This law (Articles 54–60) includes provision for ‘placement contracts’, non-renewable employment contracts that last between nine and 36 months, and aim to place various categories of persons in the labour market in exchange for economic incentives for employers. The law explicitly includes unemployed persons aged over 50 years as beneficiaries of these contracts.⁶ However, early results do not indicate any great impact in general, and even less for workers aged over 50 years. Moreover, many of the regulatory and contractual arrangements introduced in Italy to assist people in finding jobs have primarily applied to young people (Marano and Sestito, 2004, p.13).

It is also notable that neither the large national trade unions, nor the main national employer organisation have taken substantial steps towards establishing policies on older workers. These

⁶ The other named beneficiaries are: persons aged between 18 and 29 years; long-term unemployed persons aged between 29 and 32 years; workers wanting to return to employment but who had been unemployed for more than two years; women of all ages resident in a geographical area with a very low female employment rate; and persons with recognised serious physical, mental or psychological disabilities.

bodies include the General Confederation of Italian Workers (CGIL), the Italian Confederation of Workers' Trade Unions (CISL) and the Union of Italian Workers (UIL), and the General Confederation of Italian Industry, Confindustria. Nor does the Ministry of Employment appear to be particularly active in this regard. The only relevant initiative so far was Progetto Quadri, an experimental project set up in five regions in 2003 (Abruzzo, Lazio, Lombardy, Sicily and Veneto), with the objective of encouraging the placement of about 1,200 managers aged between 40 and 52 years who had been forced to leave medium-sized and large companies that were being restructured.⁷ In recent years, European Social Fund supported projects have been concerned with the placement of unemployed people aged over 45 years,⁸ understanding the position of older workers in enterprises⁹ and managing human resources in an ageing labour market.¹⁰

In the case of Spain, the issue of the employment of older workers has been taken up in national employment plans; the application of these, however, remains limited and the issue marginalised. While steps towards the development of a strategy on active ageing have been taken, early retirement remains an important feature of the labour market.

By contrast to such piecemeal approaches, Finland, building on its *Programme on Ageing Workers* (1998–2002), has implemented a range of labour market measures. A number of programmes – VETO, NOSTE, KESTO, TYKES and KUNTATYÖ – will continue until 2007–2009, with the aim of increasing the attractiveness of working life and promoting the employment of older workers.

VETO focuses on developing the activities of institutions, such as occupational safety and health inspectorates, occupational health service providers and rehabilitation institutes, which help workplaces to manage employee retention issues, well-being and rehabilitation. The programme maintains an individual's ability to work and employment prospects.¹¹

NOSTE promotes the improvement of employee and entrepreneurial skills. The Ministry of Labour also supports the training of unemployed, lower-skilled and older people to attain a professional qualification or degree and training in computer literacy.¹²

KESTO encourages Finnish people to work longer. The aim is to find practical measures that respond to the main issues raised in the project 'Strategies for Social Protection 2010'. These issues include promoting health and functional capacity, making work more attractive and preventing and combating social exclusion.¹³

TYKES promotes new work and human resource management (HRM) practices, and develops methods, models and tools that are tested during development projects at workplaces.¹⁴

⁷ <http://quadri.welfare.gov.it/Quadri/home.asp>

⁸ The project (<http://www.over45.org/english/index.htm>) also generated a CD-ROM and four publications: 1) End of project report; 2) Adult and employment: Towards an interdisciplinary approach; 3) Looking for a job has become a full-time job; 4) For an economy and experience.

⁹ http://www.niederdorfitalia.com/eventi/archivio_eventi.html

¹⁰ <http://www.forpin.it/transnaz2.htm>

¹¹ <https://rtstm.teamware.com/Resource.php?veto/index.htx?eng>

¹² <http://www.noste-ohjelma.fi>

¹³ <http://www.ttl.fi/Internet/English/FIOH+in+action/Action+Programmes/Kesto/>

¹⁴ http://www.mol.fi/mol/en/01_ministry/05_tykes/index.jsp

KUNTATYÖ promotes work capacity by aiming to improve conditions at workplaces in the local government sector. It encourages good practice in relation to maintaining work capacity.¹⁵

Like Finland, Germany has a range of measures targeted at the employment of older workers. In 1999, the federal government established the so-called 'Alliance for Jobs, Training and Competitiveness', which included representatives from government, trade unions and employer organisations. In 2001, the alliance agreed a programme for promoting the employment of older workers. This represented a paradigm shift in public policies for this group. For the first time, the government and social partners jointly turned their backs on early retirement, to promote, instead, the reintegration of older workers. Their joint declaration includes proposals on training and lifelong learning, with an emphasis on older workers working in small and medium-sized enterprises (SMEs), and lowering eligibility ages for wage subsidies (Gemeinsame Erklärung, 2001).

Parts of these proposals were incorporated into the 'Job-AQTIV' law that aims to change current employment policy – which mainly concentrates on unemployed people – to foster a preventive approach. The basic aim of the revised policy is to promote employment while also increasing the requirements for unemployed people.

In 2002, a commission entitled Modern Services in the Labour Market (known as the Hartz Commission)¹⁶ was established by the federal government. It proposed comprehensive labour market reforms, intended to strengthen substantially the activating approach outlined in the Job-AQTIV law. In particular, the proposals of the Hartz Commission include a number of elements supporting the promotion of older employees, such as exempting employers from unemployment insurance contributions if they hire an unemployed person aged 55 years and over, and lowering the age limit for fixed-term employment from 58 years to 52 years in order to improve older workers' prospects of reintegration. In 2005, this lowering of the age limit for fixed-term contracts was ruled as discriminatory on the grounds of age by the European Court of Justice.¹⁷ The Federal Labour Court (Bundesarbeitsgericht) followed the European Court of Justice in its decision of April 2006.

Awareness-raising initiatives

In recent years, governments in several of the case countries have implemented measures aimed at raising awareness among business and providing support in applying age management strategies. In addition, a range of non-governmental measures also exist. Given the lack of existing skills in managing older workers due to decades of early retirement, the aims of such measures are laudable. However, there is strong evidence that their diffusion can be rather limited, particularly as far as smaller companies are concerned. Nevertheless, amid increasing debate about workforce ageing, examples of workplace initiatives are clearly on the increase in many countries.

One such example concerns Austria where, in 2001, trade union and industry groups established the *Arbeit und Alter* online consulting service (www.arbeitundalter.at), which aims to promote a

¹⁵ <http://www.keva.fi/default.asp?cid=3&lang=en>

¹⁶ Named after Peter Hartz, HR Manager and Member of the Board of Volkswagen AG, who was the chairperson of this commission.

¹⁷ Case C-144/04: Werner Mangold vs Rüdiger Helm. This judgement ruled that the 'application of the national legislation at issue in this case led to a situation in which all workers who had reached the age of 52, without distinction, whether or not they were unemployed before the contract was concluded and whatever the duration of any period of unemployment, might lawfully, until their retirement, be offered fixed-term contracts of employment which might be renewed an infinite number of times' (ECJ press release no. 99/05).

positive vision of ageing workforces. By collecting successful examples and international experiences, the aim has been to create a resource for management, works councils and management consultants. In fact, in Austria, it appears that the sustainability of workforces is an objective of companies more than of public institutions.

In Germany, alongside regulatory approaches, several federal initiatives aim to draw attention to the competences and potential of the ageing workforce and, thus, counteract discriminatory behaviour and age prejudices. Furthermore, in 2002, the Confederation of German Employers' Associations published guidelines for employers on the employment of older workers (BDA, 2002). The German Confederation of Trade Unions has recently published a strategic paper on the integration of older workers as well as guidelines to help older unemployed persons and older workers increase their employability (DGB, 2004). Moreover, the German Metalworkers' Trade Union, IG Metall, has published working papers concerning sustainable approaches to improving working conditions over the life course, and for older workers in particular.

The UK has perhaps advanced furthest in terms of education and persuasion in the last decade. Following a period of consultation, in 1999, the government launched a code of practice on age diversity and an accompanying media campaign (Department for Education and Employment, 1998). The code sets out principles of non-age biased employment practices and includes workplace examples. Although its impact on employer behaviour, particularly regarding small businesses, appears to have been slight (Goldstone and Jones, 2001), it should be mentioned that this campaign added to a growing public debate about the impact of population ageing on workplaces and of age discrimination in the labour market, with increasing numbers of employers engaging with the issue.

A further initiative is the Age Positive website (www.agepositive.gov.uk). This was launched in 2001 and comprises a variety of informative and interactive features including employer case studies, a discussion forum, advice and guidance, updates on the government's Age Positive campaign and progress towards legislation.

The equal treatment Directive and legislation

As noted earlier, transposition of the European equal treatment Directive among Member States has been piecemeal. Detailed examination of national responses suggests that, in some cases, actions have been perfunctory, provisions weak and the social partner response lukewarm. While it is too early to offer a definitive conclusion, against this background it is questionable whether equality legislation will play a major role in tackling age discrimination in European labour markets.

In 2001, French reform included age in provisions in the Labour Code regarding discrimination, adjusted the burden of proof in discrimination cases and made it easier to pursue a case (AARP, undated). However, neither employers nor trade unions appear to have strongly supported this reform, and age discrimination does not feature strongly in collective agreements. Furthermore, the Labour Code had stipulated that an employer terminating the contract of a worker aged 50 years and over must pay a special premium known as the 'Delalande contribution'. This appeared to have had little effect on redundancy among older workers, and may in fact have discouraged their recruitment as any subsequent layoff could prove costly to the company (Jolivet, 2000). The French

National Action Plan of 2003 announced that the contribution would be relaxed for companies laying off employees who were recruited at 46 years of age or over. Current evidence is that this attempt to tackle age discrimination has had little impact.

In Greece, the recently passed Law 3304/2005 under Regulation 43/78/2000 aims to secure equal treatment in the labour market, and age is one basis for non-discrimination. However, the age-related exemptions are extensive and implementation of the law has yet to begin.

The German federal government has been slow to bring forward proposals on legislation against age discrimination. This is partly due to the fact that the term 'age discrimination' has not found much resonance among politicians or scientists working in the field of old age policy (Frerichs and Naegele, 1997). Nevertheless, in the light of the European equal treatment Directive prohibiting discrimination in the labour market on the grounds of age, the federal government came up with a draft version of a law against discrimination in autumn 2004. Due to reelections in 2005, the law against discrimination did not come into force until August 2006. In accordance with the European Directive, the German 'Equal Treatment Act' prohibits, *inter alia*, discrimination on the grounds of age (Perreng, 2006).

Nevertheless, there are already several legal provisions against age discrimination in the German labour market. According to Article 36 of the Social Security Code (*Sozialgesetzbuch, SGB III*), federal employment agencies may only accept age limits in job advertisements from employers if these age limits are justified by the type of job that is offered. The Law on Labour Relations at the Workplace (*Betriebsverfassungsgesetz, BVG*) stipulates that both employers and works councils may not discriminate against workers on grounds of age and that works councils have the right to initiate measures to promote the employment of older workers (Articles 75, 80 and 96, BVG). However, in practice, these provisions do not prevent negotiations on early retirement. Issues of training, protection against redundancy and options for part-time work for older workers also feature in some collective agreements (Albarracín, 2004; Frerichs and Taylor, 2005).

Italy addresses discrimination in employment on the grounds of age in its constitution, which states a general principle of equality and non-discrimination. A Workers' Statute prohibits discrimination on various grounds, although age is not mentioned explicitly. There are currently no plans to strengthen existing provision, though the recent Biagi law has added age discrimination to the list of prohibited acts for job agencies in their placement activities (OECD, 2004b). In addition, an independent governmental Department of Equal Opportunities helps individuals, informs policy and disseminates information to raise public awareness. Age discrimination has not been high on the agenda in discussions between the social partners.

In Spain, primary legislation introduced in 2003 addresses discrimination in employment on various grounds including age, and in terms of both direct and indirect discrimination. However, the trade unions would also like to see the principle of equality built into collective agreements; some progress appears to have been made in this regard. For its part, the Spanish Confederation of Employers' Organisations (CEOE) considers that equal treatment with regard to age has already been progressed, with steps to eliminate incentives for early retirement and the ending of seniority pay supplements. CEOE also argues that legislation is not the best way to tackle discrimination, believing that it is burdensome for business. It would prefer more support to business in terms of increasing access to employment for disadvantaged groups and workplace adaptation (Albarracín, 2003).

Most issues contained in the equal treatment Directive were dealt with in 2002 by government bill 2002/03:65, *An extended protection against discrimination*. The issue of 'other grounds for discrimination' (such as age) was delegated to the Discrimination Committee which was established in 2000. However, in terms of the remit of the committee, the word 'age' has not been mentioned. To date, there has been no public debate concerning the age dimension in the directive. It should also be added that a number of ombudspersons are active on discrimination issues. These are institutionally defined public bodies, and act as official representatives on public bodies on issues within their jurisdiction. However, there is no ombudsperson for older people or ageism as a form of discrimination.

Although the issue of older workers is a concern of the Swedish Employers' Federation (SAF), they are opposed to new regulations and binding rules that could inhibit the initiative of companies. SAF accepts the principle of promoting workforce diversity but is indifferent or hostile to policies aimed at furthering employment prospects for specific groups.

In contrast to the picture elsewhere, the Netherlands and the UK have sought to implement comprehensive legislation tackling age discrimination. In the Netherlands, the Equal Treatment in Employment (Age Discrimination) Act prohibits age discrimination in terms of recruitment, selection and appointment of staff, promotion and dismissal. Furthermore, it applies to vocational education, vocational guidance, and membership of employer and employee associations or organisations of occupational groups. Age limits are allowable in some circumstances, if they can be justified – for example, concerning mandatory retirement before the age of 65 years. The legislation came into force in 2004. An Equal Treatment Commission oversees the implementation of legislation and can investigate complaints.

In the UK, since the publication of the European equal treatment Directive, there has been substantial debate around the form and content of the legislation. Linked to this, some controversy arose over the issue of mandatory retirement. After a considerable delay, the government recently released draft regulations. The legislation, which will be introduced in October 2006, will cover both direct and indirect age discrimination in employment and vocational training. In exceptional circumstances, treating people differently on the basis of age will be allowable, but employers must be able to justify doing so and will be required to produce supporting evidence. The issue of a default retirement age proved controversial: the Department of Trade and Industry and business groups are said to have favoured a default retirement age of 65 years, while the Department for Work and Pensions and the trade unions preferred having no mandatory retirement age. In the end, the government decided on a default age of 65 years, though this will be subject to review. While the legislation has yet to be implemented, it is notable that, in contrast to the situation in France, as will be shown later, it already appears to be encouraging action among some of the case organisations.

Coordinated policy approaches

While attention is frequently drawn to the need for approaches that are integrated and strategic, there have been few that have brought together all the social actors to develop policy frameworks around the prolongation of working life. A key stumbling block has been pension and social welfare reform. In most countries, Greece and Italy being extreme examples, there is ongoing resistance;

in some countries, however, important differences among the social actors have not prevented a broad consensus emerging regarding the need for policy reform, and a measure of cooperation.

The outstanding example of an integrated approach is the Finnish National Programme for Ageing Workers (1998–2002), which brought together different ministries and the social partners in a range of initiatives concerning awareness raising, business support, flexible retirement, support to health professionals, support to older workers and legislative reforms.

In France, there has also been an increasing awareness of age management and demographic issues, mainly because of the debates before and after the Pension Reform Act of 2003. As planned in this act, employer organisations and unions have started negotiations on two important topics – the employment of older workers, and the inclusion of the physical demands of work as a factor in the retirement age for particular occupations. The first negotiations ended in October 2005 with a national intersectoral agreement on the ‘employment of seniors’. Additionally, in 2003, employer organisations and trade unions signed a national intersectoral agreement on lifelong vocational training. This contains a number of vocational training tools, most of which are already in place, but provides for easier access for older workers. Employees with more than 20 years’ work experience, and all workers aged over 45 years, after one year’s service now have a right to a skills audit, conducted outside working hours, and are given priority access to the recognition of their work experience (*validation des acquis de l’expérience, VAE*). A new scheme, partly transferable, has been created – the individual right to training (*droit individuel à la formation, DIF*). This agreement partly formed the basis for the 2004 Lifelong Training Act.

In Greece, by contrast, there is no consensus in favour of an extension to working life. In fact, the social actors – for very different reasons – remain concerned for the protection of rights to early retirement. Employers want older workers to leave the labour force earlier because they are more expensive and less well educated than potential replacements. Trade unions want to ensure that older workers do not lose the right to an early exit, since this is in accordance with the wishes of their members.¹⁸ Governments have also been concerned for the protection of older workers, with the support of the electorate. Thus, the extension of the right to early retirement because of the definition of work as heavy and/or dangerous has continued, despite changes in the manufacturing sector, which has seen a decline in physically arduous work.¹⁹ Social protection remains a key value among Greek citizens, and is of particular importance to older workers and their families. However, it makes reform and liberalisation of the Greek labour market difficult since the political cost for the social partners is high.

Similarly, despite three major pension reforms in the last decade – Decree Law 503/92 Amato Reform, Law 335/95 Dini Reform, and Law 447/97 Prodi Reform – which targeted long-term sustainability of the system, raising retirement ages, encouraging pension deferral and gradual retirement, Italian companies still prefer to motivate older workers with offers of early retirement. To understand the reasons for this, it is important to note structural and cultural features in Italy that affect how the problem is perceived by the social partners:

¹⁸ In 2001, the head of the TUC (GSEE) stated his concern during the debate on postponing the age of retirement that, if older workers stayed in jobs, they blocked employment opportunities for younger people.

¹⁹ Nevertheless, the report *Third European Working Conditions Survey 2000* (Paoli and Merlié, 2001) points to the increase in work stress and other hazards.

- high levels of youth unemployment;
- low levels of education and skills among those aged over 50 years;
- a preference among the over 50s to seek opportunities to dedicate themselves to family activities.

Germany's approach, while comprehensive, lacks the integration of Finland's. Despite initiatives from the social partners and the ending of the long-standing consensus concerning the role of early retirement, so far there is no explicit or integrated public policy for older workers. Challenges linked to the ageing of the labour force have not been taken up by particular legislation or by national action plans for employment. Indeed, initiatives and legal measures from the different ministries involved are not centrally coordinated and even contradict each other. An example of this is that older workers are still being encouraged to leave employment at a time when their merits are being promoted to business.

Examples of stronger policy coordination come from the Netherlands and the UK. In the Netherlands, in 2002, the Ministry of Social Affairs and Employment established the Age and Labour Taskforce.²⁰ The taskforce advised on age-aware employment policies, and initiated or supported over 60 age-related projects: an infrastructure of supportive organisations; awareness raising and the exchange of information; matching older workers' capacities to functions and requirements; media policies and highlighting good practices; and the development of a set of policy instruments that companies could apply.²¹ The instruments include age-aware collective labour agreements, 'age proofing jobs' (the redesign of existing functions to make them suitable for both younger and older workers) and various tools developed for specific industrial sectors. The taskforce's advice was published in 2003 and its remit was then ended. The report addressed five themes:

- awareness of age-related issues in companies and society;
- age-aware government policies and instruments that companies may deploy;
- maintenance of employability in relation to matching capacities and functions, self-employment and lifelong learning;
- financial incentives;
- the institutional embedding of these instruments.²²

The Dutch government response has been to argue for 'a radical shift in policy measures away from a culture of early retirement, towards comprehensive active ageing policies'.²³ This includes options such as part-time pensions, removing barriers to demotion from collective labour agreements and other measures, financial incentives to prolong working and life course HR policies.²⁴ In 2004, as an outcome of the taskforce's activities, the Action Group on 'Grey at Work' (Grijs Werkt) was established.²⁵ This provides information and advice to help employers develop age-aware policies.

²⁰ <http://www.ouderenenarbeid.nl>

²¹ Taskforce Ouderen en Arbeid, ... *en ze werkten nog lang en gelukkig* [... and they worked happily ever after], appendix, Taskforce Ouderen en Arbeid, 2003.

²² Taskforce Ouderen en Arbeid, 2003, pp. 4–7.

²³ Cabinet opinion, in AM/SAM/05/46273, p. 5.

²⁴ Cabinet opinion, in AM/SAM/05/46273, pp. 6–9.

²⁵ <http://www.senior-power.nl>

Even stronger coordination is evident in the UK, where a range of policy measures are supported by efforts to coordinate actions across government departments. In response to a major cabinet office report in 2000 on the economic effects of population ageing, a concerted effort is being made across all government departments to 'join-up' different strands of policy on ageing and older workers, with some apparent success. To oversee much of its work in this area, the government has established an Extending Working Lives Division of the Department for Work and Pensions. Its areas of responsibility are to increase employment rates and to ensure a greater opportunity for people aged 50 years and over to save for retirement. Moreover, in 2001, the government established an Age Advisory Group and, more recently, an Age Taskforce, the membership of which includes representatives of trade unions, employer groups and bodies lobbying on age and employment issues. The role of this group is to advise government on the relevant legislation and support it in developing accompanying guidance. Furthermore, it has been announced that a new single Equality Commission will replace the different bodies that currently have responsibility for equality issues and will take responsibility for the new age legislation. The new commission will also have responsibility for enforcing equality laws and promoting good practice.

Conclusions

The European Trade Union Institute (ETUI) has compiled the most recent national and European findings and statistics on how successful social partners and governments have been in working towards European targets for the employment of older workers (ETUI, 2002, 2003). The publications identify practices in the fields of employment, training, social protection and taxation policies, and evaluate current policies both qualitatively and quantitatively. Although the analysis of the situation of older workers in the Member States presents a varied picture, certain trends stand out (Foden and Jepsen, 2002). Despite an increase of employment rates for older male workers in recent years in certain countries, older workers do not seem to benefit as much from an economic upturn as do younger and prime age workers. Employment rates for older female workers are rising steadily, but this is mainly due to cohort effects and cannot be traced back to favourable labour market conditions as such.

A report from the beginning of this decade concluded that a comprehensive approach towards active ageing policies was lacking in Member States, and measures taken were limited in their scope and impact (European Commission, 2001b). It is clear that, on the whole, policymaking has progressed somewhat since then, though at different speeds among Member States, and substantial policy gaps remain. Pension reform has clearly led the way over the last decade. However, it is apparent that policymaking often lacks coherence, coordinated approaches have been difficult to achieve and elements of policymaking even appear to be contradictory. In particular, public calls for prolonging working life are often not matched by strong action to support older workers.

Moreover, public acceptance and successful implementation of policies promoting active ageing depend crucially on the involvement of the social partners. Although there are examples of the two sides reaching agreements on promoting the integration of older workers into the labour force, the points of view of trade unions and employer organisations clearly still differ widely on how and to what extent this should be achieved. Trade unions are concerned about high levels of unemployment and still favour early exit for certain groups of older workers; at the same time, they advocate improvements in working conditions to make an extension of working life feasible

(Hutsebaut, 2003). Employers are demanding more flexible workforces and flexible working time schedules in order to reduce costs and increase competitiveness. Individual employers have used early exit schemes as a strategic tool to reduce employee headcount, although employer organisations are concerned about the costs of early exit.

In some Member States, as noted above, the social partners have adopted a more proactive approach to age management than in others. It has been argued that efforts need to be broadened and intensified, and that the social partners in those Member States that are lagging behind should have the opportunity to learn from positive examples (European Commission, 2004a).

Furthermore, such efforts need to be viewed in the context of continued restructuring of industry. The European Commission noted recently that 'globalisation, technological change and economic integration, on the one hand, and the rapid ageing of the population, on the other, are increasingly affecting the way people live and work in Europe, as well as the way goods and services are produced' (European Commission, 2004a, p.11). An apparent inertia or the mixing of messages on the part of national governments and the social partners around the issue of labour force ageing may in part reflect tensions resulting from these trends. Given the recent history of older workers, current concerns about rising youth unemployment rates may also be viewed as a potential opposing force (European Commission, 2004a).

Thus, population ageing is bringing pressure to bear on labour markets and social welfare systems, with an increasing policy emphasis on prolonging working lives. At the same time, European business is facing major challenges as it seeks to remain competitive in global markets, forcing restructuring and the cutting of labour costs, and encouraging offshoring, leading to the decline of some industries and occupational groups. While some observers anticipate a dwindling supply of labour in Europe, which they believe will encourage interest in older workers among business, others have drawn attention to a doubling of global labour supply in the last 15 years and argue that capital seeks the cheapest labour possible (Freeman, 2005; Roach, 2004). This raises questions about whether population decline really will result in a strong market pull on older labour, or indeed, whether early exit will be a continuing, significant, feature of European labour markets.

In addition, while employment rates among older workers have increased recently, there are questions about the quality of their employment. Some argue that older workers have been overrepresented in the expansion of precarious work, and risk ill-health and injury associated with poor work organisation, inadequate training and insufficient knowledge of hazards and their management (Frerichs and Taylor, 2005; Quinlan et al, 2001; Quinlan and Bohle, 2003; McGovern et al, 2004). Their job security is also threatened due to work intensification and the loss of less demanding jobs due to 'lean' production processes (Tros, 2004). Research also points to declining levels of job satisfaction (Green, 2002), associated with the propensity to retire. Research also indicates that temporary jobs may not represent an adequate means of reintegration into the labour market in general and into high-quality, high-productivity jobs in particular, for older people. (European Commission, 2002b). Thus, job quality is a critical issue in promoting older workers' employment. Otherwise, certain groups, including those with few or outdated skills, or with declining health, will be particularly vulnerable to job loss and long-term unemployment, while others with valuable skills will be inclined to seek early retirement. For instance, in Greece,

international competition (particularly from eastern Europe) is a factor forcing the social partners to consider labour market reform. Investment by Greek employers in nearby countries has been particularly high since restrictive practices are not in force and wages are lower in these countries. Low levels of capital investment, and the closure or removal across the borders of many Greek industries that cannot compete on a cost basis with eastern Europe, has resulted in falling levels of employment. Although redundancies have not occurred on an age basis, older workers with long service have been particularly affected since they have come to predominate in some economic sectors such as textiles. In addition, the low educational levels of Greek older workers, relative to most other EU countries, and the abolition of secure employment will make them increasingly vulnerable. Current levels of investment in training will not rectify this and lifelong learning is still not being implemented. In Sweden, despite broad agreement among the social actors concerning reforms, the general trend in both the private and public sectors is to reorganise and reshape organisations by removing older employees. For most companies, and for most agencies in the public sector, this behaviour is considered rational. Considerations of age balance, as well as views of competence and qualifications and their perceived association with age, seem to play an important role here. Meanwhile, moral and public exhortations seem to have little effect.

Concern among older workers about their status in the labour market is perhaps not surprising as they observe declining job opportunities at a time when they are being encouraged, sometimes coerced, to continue to work. Guillemard notes that the passage from work to retirement has undergone a profound shift with 'an increasing number of in-between, usually unstable, statuses between work and retirement' (Guillemard, 1997, p.451). Feeling a sense of relief at retirement may be a consequence of this; evidence indicates that the retirement transition is associated with higher morale, although being 'continuously' retired is related to more depressive symptoms (Kim and Moen, 2002). In fact, it is rarely acknowledged that early retirement may have protected older workers from the vagaries of the labour market during periods of major restructuring of European industry (Taylor, 2003).

Thus, while most policymakers nowadays usually condemn early retirement as bad economics and short-sighted social policy, it may be perceived differently by employers and workers. Reconciling these countervailing tensions is a problem facing a number of European industrialised economies; it is perhaps more helpful to view the issue of labour force ageing as it applies to organisations in this wider context, rather than as primarily in the context of the future sustainability of welfare systems.

The 'Combating age barriers' project

In recent years, both at EU level and in Member States, concepts, programmes and guidelines have been developed and research undertaken to identify strategies and good practice examples that can help to promote the integration of older people into the labour market (see Walker, 1997, 1998; Walker and Taylor, 1998; EurolinkAge, 1998, 2000; ETUI, 2002, 2003; OECD, 2003a, 2003b, 2003c, 2004, 2004a, 2004b, 2004c, 2004d, 2004e, 2006).

The Foundation's 'Combating age barriers' project identified a continuum of good practices in the employment of older workers, ranging from limited and narrowly focused measures to more comprehensive management practices, and developed a typology of organisational orientations towards older workers (Walker, 1997). The main conclusion was that, instead of the reactive stance adopted by many employers, an integrated age management strategy would be more effective. The primary ingredients of such a strategy are

- an emphasis on prevention;
- a focus on the entirety of working life, not solely on older workers;
- a holistic approach;
- in the short term, special provision for older workers, particularly older women, who missed out on specific skills training or whose health has suffered as a result of their employment.

A range of possible organisational interventions have been identified, including: addressing age bias in recruitment; awareness raising; training and continuing professional development targeting older workers; job redesign and ergonomic improvements; and more general initiatives such as special leave for carers, more flexible employment contracts, gradual retirement and an organisational commitment to lifelong learning (Walker, 1998, Walker 2002b, p.427).

A growing number of detailed case study examples of workplace initiatives are aimed at integrating older workers, though some of what is available offers little in terms of practical assistance to business, being presented in insufficient detail to be of value to managers and not offering convincing arguments for age management. Moreover, the research on which some current guidance is based is now rather dated. Furthermore, examples of good practice often only refer to selected upper age groups, lacking a life-cycle or life-course perspective (see below and Naegele et al, 2003).

The Turku Conference, jointly organised by the Foundation, the Finnish Ministry of Labour and others in 1999, examined the development, implementation and assessment of active strategies – policies and practices aimed at improving the productivity and participation in employment of the ageing workforce (Naegele, 1999). The conference report again highlights the importance of an integrated approach to successful age management at enterprise level that addresses a range of areas – education, health, training, social protection and equal opportunities. Another conclusion of the conference was that active policy approaches at company level concerning an ageing workforce must be preventive, avoiding age specific employment problems by responding to risk factors in the early stages of working life. Active and preventive measures should take a 'whole of working life' or life-cycle perspective and be embedded in the concept of age neutrality. Nevertheless, there are still age specific employment and employability-related risks to be addressed.

Recently, a European code of good practice on ageing in employment was developed on the basis of a European Commission-funded study of eight countries: Germany, Spain, France, Italy, the Netherlands, Finland, Sweden and the UK (EurolinkAge, 2000). The code contains guidelines intended to assist employers and others responsible for recruitment and training in managing workforce ageing. Following extensive consultations, the following seven dimensions were identified:

- job recruitment;
- learning, training and development;
- promotion and internal job changes;
- flexible working practices and the modernisation of work;
- workplace design and health promotion;
- employment exit and the transition to retirement;
- changing attitudes within organisations.

However, defining good practice in age management is problematic, depending very much upon one's perspective. For instance, the case studies presented later in this report will show that employers have, on occasion, reversed policies aimed at the inclusion of older workers, because they are deemed to be no longer useful or even harmful to the business. The outcome has sometimes been a reduction in the number of older employees. The perspective of managers on such issues will almost inevitably be different from that of policymakers or campaigners. This should be a consideration when promoting the issue of the employment of older workers to business. If 'good practice' is defined simply as learning from others who have managed problems successfully, then the way in which actions will be perceived will clearly vary, over time, according to situation and to culture. This underlines the crucial role for the social actors in interpreting messages for employers (Taylor, 2002).

In considering 'good practice', it should be noted that, in some cases, measures targeting older workers do not exist, but companies still retain these workers. In Greece, for example, older workers are strongly favoured culturally, yet little or no explicit policymaking for this group can be observed. In the UK, although specific measures may not exist, the needs of older workers are not ignored by organisations.

Finally, the notion of good practice has been criticised for promoting the 'privatisation' of equality. According to Dickens, for many years the business case for equality action has been in the ascendancy, but there are reasons to view this perspective as deficient:

- such arguments have greater salience for some businesses than others;
- its appeal may vary over time, leading to 'fair weather' equality action;
- partiality, insofar as action may take place only in areas where equality and the business case clearly coincide, or involve certain subgroups of the target group, or where it is easier;
- results may only be observed over the long term and narrow cost-benefit analysis may undermine equality initiatives. (Dickens, 1999)

While the good practice and business case perspectives on equality remain popular among policymakers, this study presented an opportunity to examine them more closely from an age perspective and offer fresh insights.

Overall, substantial research has already been completed or is underway. What has been absent so far is a more detailed, updated and comprehensive analysis of workplace initiatives in the context of the aforementioned developments, and of conclusions to be drawn for policy approaches in individual Member States and at EU level. Most studies of organisations have relied on a limited number of data sources within organisations and have been carried out at one point in time. Not only does this lead to problems of unreliability of data, it also means that one cannot tell how workplace policies develop and change over time and how workers and managers influence, respond to and are affected by these changes. In particular, there is evidence that attitudes and practices towards older workers can vary considerably over the economic cycle and that different cohorts of ageing workers experience different problems in the labour market (Walker and Taylor, 1998).

In addition, in considering organisational case studies, examples taking life-cycle or life course perspectives have often been overlooked. Furthermore, a gender-specific bias of research and, to an extent, policy still prevails. Although women face difficulties in achieving continuous employment, mainly as a result of challenges in reconciling caring roles with employment and training (Kauppinen and Kandolin, 1997), research on success factors is lacking. In addition, while labour force participation rates among older women are increasing, the quality of working conditions is often deteriorating (European Commission, 2001b; Walker, 2002a).

Aims and objectives of the research

The study aimed to assess good practice examples that promote the recruitment, retention and employability of workers as they age, with an emphasis on the employment of older workers. In particular, it sought to examine factors influencing outcomes of initiatives aimed at improving opportunities for older workers and at extending working life from a longitudinal perspective. The intention was to produce an information base on age management suitable for an international exchange of experiences on how to promote labour market participation of older workers in general, how to sustain or increase their performance and productivity and how to prevent early exit and unemployment. Specifically, the central aims of the study were to:

- document measures in organisations (private and public) intended to improve the employment situation of older workers;
- identify factors influencing the evolution, success and sustainability of measures;
- consider the impact of initiatives on individuals and organisations;
- consider issues of life cycle and gender in measures;
- review lessons and devise guidelines for good practice in age management.

Good practice – enlarging on the concept of the Foundation’s ‘Combating age barriers’ project – can be defined as establishing employment conditions for older and ageing workers that provide an environment in which each individual can achieve their full potential without being disadvantaged by their age.

The portfolio of examples of employer practice was chosen to represent a cross-section of the public and private sector, of manufacturing and services, and of larger and smaller enterprises. In

selecting established examples, the intention was to examine how and why initiatives had evolved, and the factors influencing success or failure.

The aim of the project was, by providing practical workplace-based examples, to inform debate in the European Union about age and employment and raising the labour force participation rates of older workers, and to contribute to the further development of age management in both public and private sector organisations. It was intended to build up a portfolio of approximately 130 examples of good practice, which would be made available for a comprehensive web-based database (<http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm>).

Identifying factors for success and sustainability

The analysis aimed to assess the extent to which companies are oriented towards older workers, and to explore how age-aware HRM practices can be used to improve the employment prospects of older workers. This consolidated report is based on the results of the 11 national reports and individual organisational case studies. The objectives of the report were to:

- identify the main dimensions and scope of examples of good practice and analysis of significance;
- carry out comparative analysis of case studies, on such issues as life course approaches, gender dimensions, etc., and the lessons learnt – the influence of context features, implementation process and outcomes;
- draw conclusions for sustainability and/or transferability at organisational level;
- enrich discussion of strategic approaches towards increasing employment rates among older workers.

Research network

In order to take account of national variations and, at the same time, meet the challenge of synthesising findings and providing integrated conclusions to inform policy at the EU level, the research tasks were divided between an inner research circle, a consultant and a network of correspondents.

The inner research circle was responsible for managing the project, coordinating the network's activities, writing the consolidated report and the guide to age management. The network of correspondents was responsible for delivering national case study reports. All the correspondents have extensive experience in national and European labour market research. Most of this group (the exceptions being the Austrian, French, and Spanish contributors) were involved in the previous 'Combating age barriers' project. This was considered crucial in ensuring the success of the new project – specifically, that their previous contacts with the case studies would increase the probability of gaining access to them again. The names and institutions of the national correspondents are provided in an annex.

Case study selection

The selection of case studies primarily concentrated on revisiting long-established good practice cases from existing portfolios of positive examples. A longitudinal perspective offered the opportunity to assess how initiatives had evolved. For this purpose, the identification and selection of case studies was primarily based on the following sources:

- *Combating age barriers in employment: A European portfolio of good practice* (Walker and Taylor, 1998);
- www.arbeitundalter.at, an Austrian based website containing an international sample of good practice on age management.

Given the involvement of most of the research team from the previous 'Combating age barriers' project, it was hoped that any inaccessibility of the previous case study organisations would be minimised, allowing a degree of choice in selection.

However, it was also recognised that, given the considerable time that had elapsed since the previous Foundation project, a significant proportion of these examples would no longer exist or that accessing these companies or organisations would be difficult or simply not possible. In the event, this was the case. It was decided that, alternatively, other long-standing case-study examples could be selected in consultation with the Foundation.

It was also found that some initiatives that were in place previously had been withdrawn. In these 'negative' cases, it was felt that there would still be value in pursuing some of the research questions, not least to identify the factors contributing to closure, so providing information that could be included in guidance materials for organisations.

Examples of good practice may refer to a single measure relevant for successful age management in companies or may involve more comprehensive or holistic approaches that encompass an array of dimensions contributing to effective age management. Furthermore, the following criteria for selection of case studies were applied, suggesting that at least two should be met:

- sustainability of approach – it should not be of short-term duration, and should be embedded in a supportive HRM or corporate culture;
- application of a life-course or preventive approach – it should be applicable to all age groups of workers and should show a proactive orientation that, for example, helps to avoid health risks for prime age workers or implements strategies for lifelong learning;
- a gender-sensitive approach – it should at least take into account the specific employment risks of ageing women, if not provide an outstanding example of improving employability of this target group;
- transferability of approach – there should be evidence that the approach is not due to exceptional or culture-specific circumstances but rather that it provides indications of good practice that could be followed by other organisations.

Case studies were described and analysed in detail. In line with the basic aims of the project, the following aspects were explored:

- the economic background, structural features and organisational culture;
- how the initiative is related to other aspects of HRM or pension policy, or wider business strategy i.e. are there contradictions in aspects of policy? Does one policy or practice undermine/complement another? Are there strategic business reasons for targeting older workers?
- the reasons for implementation of good practice, and aims and objectives, such as improvement of work organisation, motivation and well-being of employees, reduction of staff turnover, intergenerational skill transfer, financial incentives or implementation in the context of a broader policy context;
- the implementation process – whether it is planned or unplanned, the actors involved, support from senior management, duration of implementation, favourable and unfavourable circumstances, success factors;
- the scope of the practice – number of workers, age groups involved, workplaces covered, gender dimensions taken into account;
- the development over time and factors influencing these i.e. broadening or narrowing the scope of the initiative, change of actors and economic influences;
- the impact and outcomes, such as achievement in terms of age management, unintended consequences, commitment of the workers who are targeted as part of the plan;
- the factors contributing to impact and outcomes, such as trade union or management support, attitudinal or cultural barriers, prevailing market or business conditions;
- the economic and related costs and benefits of the initiatives i.e. costs of implementation, benefits in terms of reduced production costs or sick leave;
- the transferability of examples in terms of prerequisites to be met and organisational features to be taken into account.

To ensure that each national correspondent would cover the necessary aspects of the case study research, a standardised topic guide for interviews was developed and agreed with the Foundation. Likewise, the research team developed a common template for reporting and assessing case studies, in cooperation with the Foundation.

In addition, correspondents were required to include additional standardised data with each case study:

- country;
- sector;
- legal form;
- the nature of social dialogue and the role of social dialogue in the original and current initiative;
- the nature of the original and current initiative;
- the target group of the original and current initiative;
- the age profile of target group in the original and current initiative.

This enabled a degree of quantitative analysis of cases.

Empirical approach

The case studies involved at least one on-site visit to the respective organisation, and, where possible, interviews with a range of organisational actors (e.g. senior management, line management, representatives of work councils/trade unions/employees and persons in charge of the initiative) in order to obtain as complete a picture as possible. The correspondents also examined available documents concerning the company profile, and the description and evaluation of the initiative.

Depending on organisation size, the scope of the individual workplace initiative and the duration of the measure, it was expected that the number of interviews would vary. However, on average, it was estimated that each case study would take six to eight working days, including reporting.

The objective was to select and conduct 130 case studies and a national report on each country. Table 3 indicates how many case studies were anticipated from each country and from which source the selection derived. It also gives the final totals that were completed for each country. The selection was, in part, based on the assumption that not all organisations in the respective countries still existed or were accessible.

Table 3 Number of case studies, by country and source

Country	Foundation portfolio	Website arbeitundalter.at	Total completed
Austria	—	11	9
Belgium	11	—	9
Finland	2	7	7
France	19	—	4
Germany	24	7	19
Greece	21	—	6
Italy	17	—	14
Netherlands	26	—	17
Sweden	4	1	8
UK	31	4	19
Spain	—	—	5
Total	155	30	117

During the data collection phase, it was decided to substantially reduce the number of Greek case study organisations and to partially substitute these with five cases from Spain. Progress in obtaining access to organisations was extremely slow, and exhaustive searches for long-standing cases failed to realise the numbers hoped for. As a result, a small number of case studies were added that were examples of the recent application of principles of age management. A total of 117 cases were completed to serve as the basis for this report; the countries of origin are shown in Table 3.

- In the first phase, a standard topic guide for the case study interviews and guidelines for drawing up the case study reports were developed. The research team made preliminary proposals for the selection of case studies per country and reviewed these with the Foundation.

- In the second phase – with wide variation across case countries in terms of the length of the process – the correspondents contacted potential case studies, conducted case study research and documented examples of good practice. They also prepared the national overview reports. Meetings at the Foundation took place periodically to provide a preliminary assessment of progress and quality assurance concerning case study reports.

Where organisations were being revisited, access was frequently a major issue. In almost all cases, a person other than the previous participant took part. One factor influencing participation was whether someone was available to provide information. Linked to this, in some instances, no information was available due to the length of time that had elapsed between the ‘Combating age barriers’ study and the present one. In some countries, less than half of those organisations surveyed in the original study participated the second time around. A number of factors account for this. The first was saturation, with companies responding that they were over-researched. Another likely factor, though hard to verify, was that policies had shifted away from those clearly benefiting older workers, and employers were reluctant to publicise this. As will be discussed later, the assumption that policies evolve incrementally is incorrect. Exclusionary policies towards older workers can emerge from hitherto ‘best practice’ employers, and on some occasions measures from the previous study simply no longer existed. In a small number of cases, the timeframe of the project meant that companies felt that they could not participate at this level of notice. It was also the case that a small number of organisations from the previous study no longer existed; however, it was more likely that the organisation had evolved, either by merger, growth or shrinkage. Some of the original case studies had changed so much that it was difficult to contact them on a similar basis as previously, or to make meaningful comparisons. Other reasons for the lack of inclusion of a case were that the information gathered was not substantial enough or the policy measure was the subject of dispute between trade unions and employers.

Moreover, the process of negotiating access to case studies could be rather protracted, necessitating numerous telephone calls and sending several letters and emails to organisations. This problem applied to both the organisations in the previous ‘Combating age barriers’ study and new organisations approached specifically for this study. It also applied to known ‘best practice’ organisations, contacted in the expectation that access might be easier. In some cases it was easier; in others, lengthy and sometimes fruitless negotiations could ensue. Furthermore, approval from case organisations for publishing the information on the web was slow in coming. This should be of little surprise: often a lengthy internal approval process was required and some organisations were undoubtedly concerned that they were being presented in a critical light. Frequently, organisations asked for revisions of the text. These factors considerably delayed the final production of some case studies.

It is also important to note the varying bases on which data that had already been collected were obtained. The Austrian and Finnish cases were based primarily on action research projects undertaken in these countries; this contrasted with the other countries. The country bases for undertaking the initial case studies in the ‘Combating age barriers’ project were also different, adding further complexity to the task of charting developments since then.

An important consideration, therefore, is the extent to which meaningful comparisons can be made between data collected in the 1990s and the present, and between countries. Considerable caution

is required in interpreting the data, for several reasons: the 'Combating age barriers' project was not designed to be longitudinal; the original bases for data collection cannot be regarded as strictly comparable; and the industrial sectors and occupations covered by the case studies in the different countries vary markedly. While it is tempting to consider comparative analysis and to offer definitive conclusions when examining developments over time, the above qualifications should constantly be borne in mind.

One final qualification is that this study focused on organisations that had developed policies on age management. Although attention was drawn to examples where the scope of initiatives had narrowed considerably or the initiative had ended entirely, this should not necessarily lead the reader to make inferences about organisations in which policy has never evolved. Again, it might be tempting to speculate on why some organisations develop policies on age management while others do not, but this particular issue was not the focus of the study and the findings may shed limited light on it.

Description and development of cases

Broad characteristics of measures

Over two thirds of the case organisations operate in the private sector (Table 4). This is somewhat surprising, given that it is usually assumed that the public sector is most active in equality-related areas. Approximately one fifth of cases are in the public sector, while a small percentage operate in the social economy, are voluntary organisations or are otherwise classified.

Table 4 Legal form of case organisations

	Count	%
Missing	1	0.9
Private	84	71.8
Public	25	21.4
Social economy/voluntary/other	7	6.0
Total	117	100.0

The vast majority (over 80%) of cases were in manufacturing and service industries, with much smaller numbers operating in utilities, transport and communication and construction. Nevertheless, as Table 5 outlines, the cases cover a broad range of industries overall, with the largest individual clusters of cases in health and social work (13 cases), and metal and machinery (17 cases).

Table 5 Industry sector of case organisations

	Count	%
Missing	1	.9
Agriculture and fishing	1	.9
Chemical	6	5.2
Chemical, and energy	1	.9
Commerce	4	3.4
Construction and woodworking	5	4.3
Construction and woodworking, and maintenance and cleaning	1	.9
Consultancy, business services	7	6.0
Consultancy, business services, and information technology	1	.9
Education	3	2.6
Electrical	5	4.3
Electrical, energy, information technology, metal and machinery, and post and telecommunications	2	1.7
Energy	3	2.6
Extractive industries	1	.9
Financial services	6	5.1
Food, beverage and tobacco	4	3.4
Glass and cement	2	1.7
Health and social work	13	11.1
Hotel, restaurant and catering	2	1.7
Maintenance and cleaning	3	2.6
Metal and machinery	17	14.5
Metal and machinery, and textiles and leather	1	.9
Motor	5	4.3
Post and telecommunications	4	3.4
Private sector	3	2.6
Public sector	11	9.4
Publishing and media	1	.9
Pulp and paper	3	2.6
Textiles and leather	1	.9
Total	117	100.0

As Table 6 shows, two-thirds of the companies were large (more than 500 employees), just over a fifth were of medium size (100–499 employees), with less than a tenth classified as small. This finding is interesting in itself, pointing perhaps to a greater likelihood of measures being identified in larger organisations, or it being easier for older workers to gain entry to larger companies. Either way, it makes clear that this is a particular sub-sample of employing organisations.

Table 6 Size of case organisations

	Count	%
Large	81	69.2
Medium	26	22.2
Small	10	8.5
Total	117	100.0

In terms of social dialogue, Table 7 reveals that the largest single form is a trade union, followed by works council alone, and then trade union and works council representation. In only a small number of cases (14) is the social dialogue informal or there is no social dialogue at all.

Table 7 Nature of the social dialogue in case organisations

	Count	%
Informal social dialogue	10	8.5
Informal social dialogue, and works council	1	.9
No social dialogue	4	3.4
Trade union	44	37.6
Trade union, and informal social dialogue and works council	2	1.7
Trade union, and works council	19	16.2
Works council	37	31.6
Total	117	100.0

Typology of initiatives

Considering the original initiatives first, 61 were considered to be single measures, with a further 14 described as having a comprehensive approach. Thus, almost half of the cases (56) had in place more than one kind of measure, including those taking a comprehensive approach.

Turning to the current initiatives, it is apparent that individual measures have become less usual, with 44 of the 117 cases being identified as such. An additional 16 cases were described as having a comprehensive approach. This suggests an overall increase over time in the complexity of organisations' approaches to age management.

Somewhat surprisingly, given the interest of public policymakers in the issue, when types of initiative are considered, there is relatively little in terms of specific policymaking regarding exit. By far the most common measure is training and development, followed by flexible working, with both increasing over time.

It is apparent from Table 8 that there has also been a shift over time in the types of measures adopted by organisations. Health and well-being has grown in importance, while recruitment has

tended to fall back. Attitude change has also grown in prominence, though from a surprisingly low level, given that this is often promoted as being at the centre of successful implementation.

Overall, organisational initiatives in age management in these case studies from 11 of the EU15 countries could be characterised as tending to focus on training and development and flexible working, with an increasing tendency to consider issues of health and well-being. Most other measures feature rather modestly.

Table 8 Initiative type

	Original initiative		Current initiative	
	Count	%	Count	%
Missing	-	-	4	3.4
Changing attitudes	9	7.7	14	12.0
Comprehensive approach	15	12.8	19	16.2
Ergonomics/job design	15	12.8	18	15.4
Exit policy	10	8.5	9	7.7
Flexible working practices	39	33.3	47	40.2
Health and well-being	16	13.8	27	23.1
Recruitment	26	22.2	22	18.8
Redeployment	12	10.3	12	10.3
Training and development, etc.	49	41.9	55	47.0
Wage policy	4	3.4	6	5.1
Number of organisations	117		117	

Note: Multiple responses were possible.

Development of initiatives

Among the range of cases, some organisations have extended their activities in promoting employment among older workers or have shifted emphasis; others have more or less continued the same measure, while still others have reduced or ended measures. As Table 9 shows, over a third of measures have continued largely unchanged. By contrast, a small proportion have ended completely, while almost a half have continued with modifications.

Table 9 Current status of original measure

	Count	%
Continuing	44	37.6
Ended	17	14.5
Modified	56	47.9
Total	117	100.0

Given that the study is drawing upon a particular subset of organisations, general statements cannot be made concerning the extension or continuity of initiatives for business as a whole. Regarding this particular subset, since the 1990s, some companies have intensified their engagement in the field of age management; there is, however, wide variation in the extent to which this has occurred. Apart from this general trend, a differentiated pattern exists whereby policies vary between those companies in favourable and those in unfavourable economic circumstances. The expansion and fine-tuning performed in some companies contrasts with the reduced measures taken in others.

Narrowing or closure of opportunities for older workers often occurs in companies under economic pressure. In such contexts, both company management and trade unions have often had difficulties in resisting the use of a policy of early exit for older workers. On the other hand, changes to aspects of internal organisation policy, usually linked to national policy, have occasionally undermined measures, making them less attractive. Measures have also sometimes served a short-term business need and have been curtailed subsequently.

Organisations that find themselves in more favourable economic circumstances, and in response to labour supply needs, have expanded and fine-tuned age-aware policies, encouraged by government policies that have made early exit more difficult. The measures taken show a broadly common pattern of development from relatively narrow, sometimes ad hoc arrangements to more comprehensive and formalised approaches.

Extension of initiatives

Considering first the issue of the extension or fine-tuning of initiatives, since the 'Combating age barriers' study a number of them have developed. Finnish case organisations have tended to undertake a range of initiatives from the outset. Usually, new projects that started over the past decade are not radically different in nature from those undertaken previously; rather, they build upon existing measures or help to embed them. One such example is the **Finnish News Agency (STT)** where, since the late 1990s, actions have been taken to promote work capacity among the entire staff group. A range of actions were taken between 2000 and 2002 and remain in place: training for supervisors, discussions between supervisor and subordinate, physical training and fitness tests, ergonomic improvements, part-time pensions, flexible working hours and financial support for study. The following measures commenced after 2002 – language and IT courses, systematic familiarisation of new employees with the organisation, supervision of work and a programme for all employees with low levels of work capacity.

Another perspective on developing an approach to sustainable employment is provided by Belgian firm **Daikin Europe**, whose initiatives address the adaptability and capacities of older workers. Despite a lack of success in the first year of a temporary employment scheme for seasonal workers in 2000, the company repeated the scheme. However, instead of seeking employees who were employable immediately, a training programme was developed for older candidates. A recent innovation has been to explore, together with a temporary work agency, the possibility of 'skill-pooling'. Workers will get a fixed contract with the temporary agency and will be employed at Daikin during the seasonal peaks and in other organisations in the meantime. This has the potential to make the arrangement more attractive to those interested in something more than only seasonal work.

Among the majority of Italian cases, in recent years, initiatives have been extended and developed; in some instances they have continued unmodified, compared to previous years, which means that they can be viewed to some extent as successful. The annual budget given over to training initiatives has increased over time, recruitment initiatives have continued with lower or higher numbers, depending on corporate needs, other initiatives have evolved and been fine-tuned, and yet others have emerged over time. For instance, **Unicredit Produzioni Accentrate (UPA)** shifted from a redeployment initiative in 1999 to training for those aged 50 years or over in 2004, whereas the cooperative **L'Incontro** established an initiative for the recruitment of older workers

in 1992, and in 2003 added a flexible work initiative for these workers. In Italy, arguably the most evident feature of the initiatives studied was simply that they started to come into existence, compared with their almost total absence in previous years.

In the UK, a number of the case organisations have expanded their initiatives related to older employees. In each instance, there was a perceived business need, but the success of the initiatives varied. For different reasons, companies focused on retaining or recruiting older staff to meet labour market shortages, and were keen to create an environment in which such employees were valued.

At the end of the 1990s, a UK **telecommunications company** wanted to provide its employees with more flexible working arrangements in preparation for retirement. It also needed to address the cultural issue of early retirement within the organisation, where the average age of retirement was low. It spent more than 18 months developing a new flexible retirement policy, which was launched in 2001 and built on existing arrangements concerning flexible employment. The original policy had five elements: wind down, step down, time out, helping hands and ease down. However, different manifestations of the policy strands have emerged over the five years, arising out of local circumstances. The company has not recorded or analysed the impact of the initiative centrally, although take-up does not appear to have been as strong as had been expected. It was thought that broader social forces may have discouraged employees, rather than there being any specific problem with the programme. Current public debates concerning pensions may have made some people fearful for the future, and they may have opted to continue to work full time, rather than consider other options.

The majority of German case organisations anticipate a need for action because of demographic change and the associated ageing of the labour force. The aim of some companies that have undertaken a narrow range of measures up to now is to respond with an extended strategy. As an example, **Continental AG** had tended to only act in the field of ergonomics/job design but, in late 2004, it established a working group on 'Demographic Challenges for Factories'. The purpose of the working group is to determine what the implications of demographic changes will be and what response will be required.

In Sweden, the original initiative at **Volvo Cars Torslanda (VCT)**, Special Vehicle and Services (SVS), has remained in place, but the scope of its activities has widened, and further initiatives have been added, with a resultant increase in the workforce until recently (although this has now levelled off). The initiative of the **City of Malmö education department** has also experienced an expansion, the number of participants in its programme for older teachers having increased.

Amendment or contraction of initiatives

In several examples from the cases, the scope had narrowed somewhat. For instance, in the City of Malmö education department, recent changes have been made in relation to the target group for its older teacher initiative. In 2005, the entry age was increased from 60 years to 62 years. This was because it was considered that 60 years was too early an age at which to reduce the workload. The initiative aims now to focus on those closer to retirement age. In addition, the initiative has been very popular; raising the entry age was one way to prioritise entry for older workers.

Elsewhere, while measures have remained in place, they have been given less prominence as other management priorities have emerged or they have been superseded by other measures that have made them less attractive. For instance, in the UK, a flexible retirement age option was implemented in a **children's charity**, and made available to employees aged between 60 and 65 years. However, it has not progressed as a major aspect of HRM policy, due to internal changes in the organisation through restructuring processes and changes to pension arrangements. The age at which the employer's pension scheme can be accessed for a full pension return has increased to 65 years from 60 years, making it less attractive to leave before 65 years, as payments will be reduced for earlier retirement. Furthermore, the defined benefits pension scheme has closed, and individuals are offered access to a stakeholder pension scheme. Such arrangements are generally regarded as less attractive compared with the previous pension scheme.

On occasion, measures have been completely abandoned or substantially undermined. Only a handful of organisations in the revisited case studies had abandoned measures entirely (although, as suggested earlier, there may have been more cases among the organisations that refused to participate in the study). For instance, most of the French progressive pre-retirement part-time employment initiatives identified in the 'Combating age barriers' project have ended, with the exception of Arcelor; its policy regarding flexible retirement has, however, been revised.

In Germany, only three of the investigated organisations did not continue their activities in this field. The primary reason is that these measures were, in retrospect, designed to suit the particular conditions at that time, forming part of company rationalisation and restructuring processes, and were not continued after this phase. In all three cases, measures dealt with updating or teaching new skills in order to help some workers adjust to changing working conditions. Organisational changes were particularly important, although technological changes were also relevant. An example is Hamburger Hafen- and Lagerhaus AG, the largest shipping and logistics company in Germany. In the mid 1980s, changing market requirements – flexibility and just-in-time production methods – forced the company to move over to electronic data processing. It introduced a training programme for staff as part of the programme 'Humanisation of Working Life' (*Humanisierung der Arbeit, HdA*), which was initiated by the federal government. The programme involved older workers and took particular account of their learning needs. After this project finished, there was no further need for training because all employees had the requisite skills. Despite the company's commitment at the time, HR policy towards older workers later changed. In the face of an economic downturn, staff reductions were required, and were achieved largely through early and partial retirement arrangements.

This is also the case in Sweden where, in the late 1990s – while much of the financial services sector was in crisis – **Färs and Frosta Sparbank** was expanding. In 1998, it opened two new offices in the province of Skåne. It was decided that half of the new recruits would be people aged over 55 years with experience in banking, and that the rest would be people under the age of 30 years holding an academic degree. The purpose of this measure was primarily to create diversity in terms of age, knowledge and competence, while also enabling knowledge transfer between employees. As a result of redundancies from the big Swedish banks, there was, at that time, an abundant supply of labour with substantial banking experience. However, by the end of the decade, the bank began to notice a trend away from traditional banking services. The recruitment of new employees ceased and the bank started to review its branch network, with the result that

the number of offices was halved. This meant a reduction in the size of the workforce and the implementation of an early retirement scheme.

Only one Italian initiative was substantially modified – a flexible working practice involving weekend rest periods for drivers aged over 50 years, which was established in 1997 by **Azienda Napoletana Mobilità (ANM)**. The scheme was modified in 2003, and retained only for those who were already participating: it was no longer possible to subscribe, even if a driver had reached the required age. The initiative had been a success, but the company decided to end it. Paradoxically, this came about as a result of the company applying to become a ‘socially responsible company’. The terms of fulfilment necessitated reducing overtime work and hiring on a full-time basis a group of younger drivers who had previously been employed on part-time contracts as replacement drivers. The result was an immediate shortage of drivers for use at weekends in place of older workers.

Among the schemes, it was not uncommon for measures aimed at the inclusion of older workers to be replaced by or coexist with those aimed at their exclusion. It seems that these apparent contradictions were not recognised as such. For instance, in 2004, the Belgian company **Barco**, which had developed policies on the employment of older workers, needed to restructure some of its divisions in Belgium. Blue-collar workers aged 50 years or over could choose a ‘Canada Dry arrangement’, and most of them did. (The Canada Dry system, alluded to earlier in the report, consists of unemployment benefits and a lump sum paid by the employer on top of the unemployment benefit.)

Another example is the German company **KSB AG**; in 2003, it introduced a programme for older employees, which appears to have been somewhat effective. Employees felt more appreciated and the measures, as well as communicating of the company perspective, helped to reduce the demand for early retirement. However, at first, the workforce did not understand why the company suddenly seemed to value older employees and what prompted management to change its attitude. There were also concerns among staff about whether early retirement would be possible. Moreover, employees’ acceptance of the measure was subsequently put at risk by the fact that, one year after its commencement, a rationalisation and reorganisation programme was implemented by the company, which led to a wave of compulsory early retirements (regarded as the most socially acceptable solution). However, the result was disquiet among older employees who now doubted the organisation’s commitment.

There are some instances among the cases organisations of a complete change in practice. To some extent, a shift from fitting workers to jobs, to fitting jobs to workers can also be observed. Previously, redeployment – often against the wishes of employees – has been practised in some companies, sometimes resulting in demotivation; some case organisations, however, emphasised the need for an individualised case-by-case approach and follow up. Now, some organisations have replaced redeployment with such measures as job redesign and ergonomic improvements.

Target group

Table 10 highlights the fact that, in the original initiatives, some measures targeted separate groups such as professional/managerial staff, but the majority were aimed at a range of staff levels. Overall,

measures targeting skilled manual workers were by far the most common, followed by those targeting professional and managerial staff.

As Table 10 also indicated, the current measures generally target different levels of staff. It is notable that, over time, there has been a marked shift in the target profile of staff. While skilled manual workers still feature prominently, they have been overtaken by measures targeting professional and managerial staff.

Table 10 Occupational target groups of measures

	Original measures		Current measures	
	Count	%	Count	%
Missing	7	6.0	7	6.0
All older workers	2	1.7	2	1.7
Professional/managerial	40	34.2	53	45.3
Other non-manual	28	23.9	36	30.8
Unskilled manual	32	27.4	30	25.6
Skilled manual	52	44.4	51	43.6
Men	23	19.7	23	19.7
Women	33	28.2	29	24.8
Persons with health problems	17	14.5	19	16.2
Number of organisations	117		117	

Note: Multiple responses were possible.

Life course approaches

Discussion of concepts of lifelong learning and preventive approaches in health promotion, as well as the emergence of flexible working-time arrangements, seem to be a clear indicator of the growing importance of the life-course perspective. This societal trend has also affected the HR policy of the case study organisations. As Table 11 shows, there has been a clear shift away from cases focusing on one age group. Among the original initiatives, half involved all staff, but among the current measures this proportion has risen to over two-thirds. This is indicative of greater attention now being paid to life course issues.

Table 11 Scope of measures

	Original		Current	
	Count	%	Count	%
Missing			5	4.3
All staff	60	51.3	82	70.1
Older staff	57	48.7	30	25.64
Total	117	100.0	117	100.0

As is apparent from the above case examples, the composition of HR strategies and consideration of life course issues are strongly linked. This usually involves nuanced HR policies that take account of the different needs of staff at different life stages – for example, regarding caring responsibilities. Preventive strategies are also significant in this regard, concerned with minimising the risk to individuals as they age; such strategies might include health screening and career management, with the potential benefit that health, motivation and skill levels will be sustained so that working lives can be extended. Other actions include IT skills training for older workers.

Policies that were age-group specific came under pressure in some organisations, ostensibly because of the stigmatising effect perceived in policies towards older workers and a perception that it was necessary to consider ageing as a process. Thus, policies were adjusted so that the needs and requirements of workers during different life phases, or under certain conditions, were considered. This distinction between life course policies and those focusing on particular age groups is important; it will be shown later that workforce planning based exclusively on the latter may have unforeseen consequences for organisations.

It is difficult to make a precise assessment, but approximately two-fifths of measures could be said to have obvious life course elements, although it was not easy to distinguish between HR policies that considered older workers alongside younger ones and what might be viewed as a true life-course approach. It seems unlikely that many case organisations would have viewed initiatives explicitly in this manner, but there were a few exceptions.

Examples of organisations in which ageing issues were considered in conjunction with wider HRM policies include the Austrian firm **Verbund Konzern**, which initially developed measures specifically aimed at the retention of older workers. In 2004, it recognised that its workforce had a high age profile, and decided upon a new objective of broadening its approach by being an employer of choice for young people, and by recognising and drawing upon the differences and complementarities of the generations to its competitive advantage. The goal of the programme 'Generationen Verbund' is the maintenance, promotion, integration and management of all generations, in order to realise the optimum performance from entry to retirement.

In a similar vein, though seemingly more from a life course perspective, the approach taken by Belgian company **Proviron** to age management considers employees of all ages with the objective of creating a workplace culture that respects work-life balance. The organisation thought it necessary to pay more attention to such issues because of societal changes – more working women, more single parents and fewer grandparents willing to take care of grandchildren while parents are at work. Management noticed that people at different life stages have different orientations to work. The organisation attempted to formulate individualised responses to these needs by offering opportunities for employment flexibility – namely part-time work, job rotation and training.

Elsewhere, there have been clear moves in this direction. For instance, the programme of the German company **KSB** for older employees, which does not have particular life-course elements, is set to become part of a wider approach in considering the whole of working life.

The Swedish **City of Malmö education department** is an example of explicit policymaking for older workers positioned within a wider HR strategy. Its 'project of generational change' was launched in 1998 as a result of problems in teacher supply, and involved both short-term and long-term measures. The initiative had three components. The '50-teacher project' involved the appointment of 50 graduate teachers. Each received mentor support during the first year and full holiday pay. The second component consisted of supplementary training for approximately 30 part-time staff without formal teacher qualifications. The aim of the third component was to avail of older teachers' competence and to encourage them to remain working until regular retirement age.

A related aspect of policymaking is a shift towards a preventive approach, which has the intention of reducing the likelihood or severity of declining health. For instance, the Swedish company

Elmhults Konstruktions AB has implemented extensive health and fitness measures for its workforce. These aim to engage staff in managing their own health and well-being. Employees are allotted funds, which they can spend on health and fitness activities of their choice. This company also tries to identify industrial injuries at an early stage. Its strategy aims at preventing ill-health and facilitating a prolongation of working life by various types of measures – for example massage, and ergonomic adjustments to the working environment. As a result, work-related sickness or absence has been reduced and a culture has developed in the company, in which employees take responsibility for maintaining their ability to remain at work.

A related issue is whether age management ceases at a particular age. There was little evidence that measures have much impact on those aged over 60 years, probably reflecting the low incidence of people in this age group in the case organisations. In the UK, **FirstGroup** had a significant initiative in trying to retain the 60–70 year old age group. Its ‘Total Rewards’ programme, including the ‘Flexible Decade’ initiative, allowed employees to combine salary with pension income (within a flexible working structure) between the ages of 60 and 70 years.

An example of a targeted strategy within an overall HR framework comes from the Dutch financial services company **Achmea**. Here, the need for policies exclusively aimed at older workers is limited, because the work is not physically demanding. Training and development has a life course dimension: careers advice is provided every five years after the employee has reached 45 years of age, the emphasis being on facilitating career changes when work capacity limitations arise. This scheme is supported by learning opportunities for older workers. After an employee has reached the age of 40 years, he or she is assigned up to 10 days of paid study leave per year.

Measures embedded in a broader HR strategy and open to all employees are exemplified by the Italian company **API Raffineria di Ancona** (API Refinery of Ancona). Launched in the early 1990s, the focus of API’s activities has been on ongoing continuous training designed for workers of all ages, regularly repeated over the entire working life, without discrimination against older employees. Over time, the measure has been extended to include management levels, which were excluded initially.

In addition, there have also been developments in the field of employee career advancement. An example of a targeted initiative specifically aimed at older workers, which is not part of a broader strategy, comes from **Denso Manufacturing**. In this UK motor vehicle component manufacturer, approximately 40 employees, mostly aged over 50 years, are currently being trained to improve their basic skills. A lack of labour supply has made the company aware that, in future, production-line employees will have to multitask instead of focusing solely on one task – hence the introduction of this measure.

Gender considerations

The Lisbon employment targets call for a 60% employment rate for women by 2010. At present, it is at 55.7%; for older women (aged 55–64 years) it is much lower, at 31.7%. Although there is a broad discussion of gender issues (especially at a political level), among case organisations, gender was seldom an overt consideration. However, measures did sometimes focus on the specific needs of women, usually because they happened to predominate in the workforce. The report refers to

examples of this. With regard to the evolution of measures, as outlined above, there is little evidence that the gender considerations have become more prominent over time.

Country differences

Broad country differences could be discerned among the organisations. A notable difference is that case organisations in the Nordic countries place a much greater emphasis on health and well-being as part of a more holistic general approach. All seven Finnish case studies included measures in the areas of work ability and health of employees, professional skills and experience, organisation of work, work community and the work environment and ergonomics. A total of nine Finnish and Swedish measures (out of 15 cases) included maintenance of health and well-being as a component.

By contrast, only two of the 19 UK cases specified health and well-being, while, in Austria, Germany and the Netherlands (representing 45 cases), nine cases had such a component. Considering Belgium, France, Greece, Italy and Spain as a block (totalling 38 cases), seven cases included such a component.

In this same block of countries, training and development featured strongly. Altogether, 23 cases included this in their initiatives. In addition, 16 cases from these countries dealt with flexible working.

In Austria, Germany and the Netherlands, 24 cases pertained to training and development, while 20 examples concerned flexible working.

A particular characteristic of the UK cases, compared to the others, was that they had adopted a comprehensive approach to measures.

Although they are useful, quantitative data do not tell the whole story of the cases. In Greece, for instance, in all cases, there was no policy explicitly designed for older workers. A decade earlier, during the 'Combating Age Barriers' project, this had also been the case, although all case organisations had good practices towards older workers at the time. Effectively, there has been no change in these companies' practices towards their older workers, although new HR policies have emerged. The most common policy described related to equal opportunities: employers are obliged to use objective criteria – for example, productivity, need for training, proven abilities, and redundancy of positions. Thus, older workers may not be at risk as a category, but individuals of an older age may still be at risk of not being hired or promoted. Of course, the existence of a policy statement on equality does not guarantee the end of unfair discrimination, although this step does at least bring these Greek organisations closer to others in Europe.

Despite extensive company HR records providing profiles of their employees (detailing, for instance, level of education, numbers trained, years of service), none of the Greek cases kept records of participation by age or gender in training, claiming that the equal opportunities policy they had adopted forbids such forms of discrimination: hence these records were no longer relevant. This does not conform with principles of good practice in terms of equality, given that a lack of records makes it virtually impossible to tell whether a given measure is effective or not. The

lack of a quantitative assessment of the take-up of initiatives was not unique to the Greek cases, but overall it can be concluded that, while more sophisticated than a decade ago, Greek organisations lag somewhat behind their northern European counterparts (although organisation size was clearly a factor).

The same gap in records was observed in Italy, where the initiatives favoured all employees, including older people (who enjoyed the same benefits as their colleagues). Furthermore, companies never analysed employee involvement by age group, because employee age was not considered a critical element and, therefore, evaluation would be a waste of resources; as a result, assessments of impact are reliant on the impressions of managers and others.

Nevertheless, by contrast with other parts of Europe, the prevalence of a Greek corporate culture, together with the small size of firms – which permits the development of a more ‘paternal’ relationship between employees and management/owners – arguably tends to favour older workers; moreover ageing is not perceived as a problem in itself.

This view of equality in the Italian and Greek cases can be contrasted with the British case of *Hounslow Council*. Here, the most important development is a move away from a straightforward equal opportunities policy to a more holistic approach to the management of people in the organisation. Some 10 years ago, the organisation was looking at ways of avoiding discriminatory behaviour; now, the council’s philosophy and approach is a positive one that values the diversity of the its workforce and community, and managers work to standards concerning equalities issues.

Previously, when new legislation came on the statute book, the organisation would create policy. The approach now is to review practice when a policy is introduced: the council carries out a quality impact analysis to see how different groups may be affected; it then considers how the organisation can provide a holistic supportive framework to its managers and staff.

A further point of difference between countries concerns the position of age in debates about employment. In the UK, for instance, there is a vigorous debate in the management literature and the media generally about the ageing of the labour force – particularly relating to legislation due to be implemented in October 2006 proscribing age discrimination. By comparison, despite the predicted ageing of the labour force, many Italian companies appear ill-prepared to deal with the issue.

Organisational size

The size of an organisation is a decisive factor in terms of personnel and financial resources for HR activities. It can be assumed that larger organisations already provide structures and instruments that can be linked to age management. Thus, it might be easier for them to implement more comprehensive measures and strategies in age management. By contrast, smaller organisations, which often do not provide a HRM infrastructure for the implementation of age management, are likely to cultivate more intuitive and/or implicit practices. In relation, then, to the case study sample, it is almost exclusively larger organisations whose current policies are identified as comprehensive.

Similarly, large organisations are more likely than smaller ones to have measures in place concerning flexible working. In fact, if all instances of flexible working are considered, this measure appears as a feature of 37 (out of 81) large case studies, compared with 10 (out of 36) smaller cases.

With respect to training and development, some 38 larger organisations included this measure, compared with 18 smaller cases. Approximately the same proportions represented the management of health and well-being: 19 large cases and eight smaller ones.

An example of a more implicit practice in age management can be found in the German company **Efkemann**, a small sanitary and heating installation company. As part of its HR policy, Efkemann has for some time pursued a three-step age and competence-oriented career strategy, one aimed at keeping workers employed in the company for as long as possible. As part of the strategy, the business areas of new building construction, remodelling of existing buildings and customer support are also considered as qualification stages and steps up the job ladder. The qualification requirements become more stringent from one step to the next: the knowledge and experience acquired in the preceding business area are the prerequisites for continuing to the next step. Customer support is the area demanding the most comprehensive skills, skills gained from experience; tasks in this area are exclusively assigned to the older, most experienced employees. Moreover, the physical strain in customer support is less than in the installation of new equipment, which fits well with the capacities of older employees.

Sector differences and commonalities

The relatively small sample size, coupled with difficulties in classifying sectors, makes specific industry comparisons problematic. However, comparisons according to private and public sector are possible. For the purposes of this analysis, the public sector has been combined with social enterprises and the voluntary sector because, in the data, the latter is a very small group.

The incidence of initiatives in training and development, flexible working and health and well-being vary across the private and public sectors. In all, 44 private sector organisations' initiatives (out of 81) included training and development, compared with 12 among the organisations classified as 'other' (out of a total of 32). By contrast, 31 private sector organisations' initiatives involved flexible working, compared with 15 among those classified as 'other'. Some 24 examples of measures concerned health and well-being in private sector organisations, compared with three in the other organisations. Approximately half as many private sector initiatives were classified as 'comprehensive' compared with other organisations.

It is somewhat easier to consider commonalities, as a number of cases are undertaking initiatives in particular sectors – for example, in health and social work and metal and machinery. In the case of the health and social work sector, a number of factors have resulted in the development of measures in the areas of flexible working, training and development, health and well-being, and ergonomic improvements (these factors include labour shortages in critical roles, increasing competence requirements, greater regulation of the care sector and concerns for the welfare of an ageing workforce). As other sources of labour are scarce, older workers are highly valued. A notable feature of these measures is the clearer structure and greater clarity in terms of career pathways

and an emphasis on raising competence levels in order to raise standards of care, often underpinned by public policy and collective agreements. Lifelong learning and career management have been essential components, bringing a life course dimension to such measures. However, while the emphasis is increasingly on encouraging the career development of all workers, unwillingness among some older workers to engage with the measures has been accommodated. Although a feature of only three cases, it is notable that initiatives have met with some resistance from workers' representative bodies – in two instances because of a concern about blocking the careers of younger people, and in the third over concerns about introducing too much flexibility in working hours.

Turning to the case studies in the metal and machinery sector, certain commonalities with health and social work emerge; this sector, however, has its own particular features. A range of factors are driving organisational policy: the ageing of workforces and the cost implications of this; the imminent loss of key capabilities to retirement; a dwindling supply of skilled labour and resultant competition for what is available; a globalising, highly competitive and increasingly diverse market necessitating an equally diverse workforce; and public policy reforms aimed at prolonging working lives. Organisations in the sector have, in response, produced a range of staff retention strategies: flexible working and redeployment to lighter tasks (or targeted measures aimed at maintaining performance in existing roles); cost reduction strategies; making the company an employer of choice; innovative recruitment strategies; knowledge retention and transfer; ergonomic improvements; and training and development to help workers become multi-skilled. Effective career management is at the forefront of such measures. In common with the health and social work sector, critical target groups have been identified, such as skilled workers and key managers; another commonality has been the unease among worker representative groups, although this is linked more to issues around older workers' ongoing access to early retirement than to entry to the world of work or career progression.

Interestingly, an important feature of measures in this sector, which appears to be less so in health and social work, is an emphasis on the vital importance of knowledge retention and capture. One explanation may lie in the greater availability and transferability of skills in health and social work, whereas in the metal and machinery sector, skills may be rather more specialised and therefore less transferable; furthermore, the availability of skilled labour may be in decline as manufacturing itself declines, leading to intense competition: as the labour supply dwindles, companies have to consider unconventional recruitment strategies and focus on capturing and transferring key knowledge.

A further clear difference between the two sectors is that companies in the metal and machinery sector are being forced to respond to a global market, with pressure for ever increasing productivity and efficiency at a time when workforces are ageing; one consequence has been the need to manage periodic programmes of redundancies, which have had adverse effects on older workers. Another impact is the introduction of more rigorous performance management, with interventions aimed at those not performing optimally (and with adverse consequences for some).

Factors driving age management policy in companies

A number of elements have contributed to the business case for age management in case organisations. These have included direct influences, such as changing demography, and indirect ones, such as the application of better management methods. Among the case studies, the reasons for starting initiatives and measures varied, but often related more to prevailing internal company and market conditions than to such factors as public policy. Often, market conditions, industry shifts, demographic factors, public policy and internal management skills – among a wide range of influences – interacted to influence organisation policy, with the result that it is difficult to isolate particular factors as being more influential than others.

The view that there is a single, demonstrable business case for age management – developed in the previous ‘Combating age barriers’ project, and echoed in a range of awareness campaigns and codes of practice in a number of countries – is incorrect. There are, in fact, several business cases for age management, but they are not external to the organisation. When they are viewed as dynamic, and based on a range of internal and external organisational factors that interact and shift in importance over time – rather than as a single static issue – it becomes easier to understand why attempts to persuade managers of ‘the case’ for age management frequently seem to founder.

Box 1: Influences on organisational age management policy

Prevailing market conditions

- Business performance and maintaining competitive advantage
- Cost containment
- Maintaining a skilled and competent workforce
- Knowledge utilisation, retention and capture
- Maintaining labour supply
- Changing demography and an ageing labour force

Changing business practices

- New management approaches
- New technologies
- Modification of seniority wage systems
- Corporate social responsibility

Public policy and support

- Ongoing pension and social welfare reforms
- Ongoing labour market reforms
- Financial support and external expertise (e.g. European Social Fund)
- Legislation and regulation concerning age discrimination
- Awareness raising

Social dialogue/collective agreements

- Stable platform for workplace policy developments
- Long-term perspective on labour supply issues
- Policy developments in specific areas (e.g. lifelong learning)
- Setting the tone for workplace dialogue

Prevailing market conditions

Not surprisingly, market drivers had a powerful influence on the private sector organisations, with public sector organisations also affected by factors such as a changing labour supply and

privatisation. Given that the sample of case organisations is biased towards the private sector, the overall emphasis on market conditions is to be expected. As case organisations have had to adapt to highly competitive globalising markets, technological change, the need for new skill sets, programmes of privatisation or industrial decline or growth, there have been associated pressures to increase efficiency in labour utilisation. While these have a key role to play in promoting actions among employers, it is also apparent – and already alluded to in the preceding section – that, if no business need was identified, or if it diminished, sometimes interest in older workers has waned.

Maintaining competitiveness

Age management tended to become a central feature of strategic HRM when driven by business imperatives; otherwise, it could stay on the margins. A consequence of this is that policies on age management evolve, and that engagement with older worker issues varies over the business cycle. Moreover, the process of policy evolution is not necessarily always in the direction of the greater inclusion of older workers: an example of this being the machine operators that Swedish company Rapid Granulator needed as it expanded. Machine operators were usually hard to find in the locality, but the recession of the early 1990s had forced nearby companies to close down; as a result, a number of unemployed, fully trained and experienced workers were available, some of whom were aged over 50 years. Rapid Granulator identified this supply of labour as an important resource and saw the opportunity to immediately employ qualified and fully trained labour on the production line without any delays for training. The company continued to expand until 1998, but then was forced to reduce its staff numbers. Since then, no employees over the age of 50 years have been recruited.

A Dutch example also demonstrates the intense pressure that market conditions can exert on organisational policies that directly affect older workers. **Neopost**, a manufacturer of machines for the postal industry, has seen a significant shortening of the product life cycle: in the 1990s, designs lasted several years; now more designs are required each year to keep pace with the market. Until recently, a large number of older employees worked in research and development (R&D) because Neopost valued their experience. Now, however, the perception is that the age structure of the R&D department is problematic and that younger workers are required to keep up with industry changes.

Privatisation or an increasing market orientation also influenced the evolution of measures in case organisations. Alongside ongoing management reforms, a change took place in the operating environment of Dutch public body **COKZ**, which provides quality assurance in the dairy industry, with a lessening of state control and an increasing market orientation. There was a greater need for worker flexibility due to less predictability and an increased diversity of demand for quality control of various products. This entailed a number of changes to terms and conditions of employment. The first was of the replacement of the collective ‘pay-as-you-go’ early retirement system with an individual savings arrangement. Next, the option of downshifting was introduced within the concept of career mobility, which prepared employees for changing job functions, changing tasks or workloads or moving to different business units. This met with some initial resistance from the works council. However, the result has been that older workers were mostly maintained in employment until retirement age. A notable feature of the approach taken by COKZ has been its continuing efforts to involve workers and their representatives; overall, consequently, there has been widespread support in the company for the reforms.

Radical restructuring has also had an adverse effect on organisations' ability to sustain measures for ageing workers. For example, the Belgian company **SBB Services** was formed after a merger in 2000. Some years later, it is still difficult for older staff to cope in their roles: due to the flat organisational structure, many of the older employees feel a lack of challenge in their work; burnout is also experienced. Whereas job rotation was a possible and frequently applied solution before the merger, the feeling is that the organisation is now too small to provide this option. Part-time work and early retirement options have been made available.

Similarly, while they still retain elements of their original initiatives, the Finnish case organisations have undergone several critical phases, such as during the recession after the first initiatives in the 1990s. The recession brought unemployment and other problems, and older workers were laid off for economic reasons. One such example is **Ruoka-Saarioinen**, where initial measures were introduced aimed at the working environment and health and well-being of older workers; the recession adversely affected the course of the programme, with technological and structural changes affecting the development process. Nevertheless, the programme survived and new measures have continued to be implemented, targeting both older workers specifically and the workforce generally. Likewise, in a Finnish **power and automation technology company**, layoffs – which mostly affected older workers – meant that this age group in particular was suspicious of development actions, but an intensive information campaign overcame this difficulty.

In some companies the integration of older employees has been viewed as aiding competitiveness by drawing upon their skills and knowledge. Among case organisations, it is possible to identify different ways in which knowledge and competences have been utilised. One option is to give older employees the opportunity to incorporate their practical knowledge within their career development and, therefore, make it useful for the company; this is the case in the German company **Efkemann**, the small sanitary and heating installation company mentioned earlier. Management style is characterised by a strong commitment to the workforce. The company also has a strong customer-service philosophy. A high degree of experience, combined with well-developed social competences, makes older workers particularly suited to the customer service roles; there is less physical strain in these roles than in the installation of systems. Furthermore, service technicians are trained internally to keep pace with technological developments: this is necessary because technicians are not always in touch with the latest technologies. Over the last five years, three older workers retired, two at the age of 66 years and one aged 65 years; two of them had worked in client services. This indicates that, by reducing physical demands and providing learning opportunities, older workers can not only be retained but can also make a unique contribution to a business.

In the German company **Fahrion Engineering GmbH and Co**, knowledge is used differently. Older people have been recruited to fill skills gaps and broaden the company's knowledge base. The company's experience of older engineers has encouraged it to establish mixed-age work teams, the rationale being that, by combining the strengths of different age groups, greater flexibility and responsiveness to market demands would be achieved. Furthermore, intergenerational teams offer the prospect of easier transitions and knowledge transfer when older employees retire. The value of these mixed-age teams is confirmed by recent company growth.

Meanwhile, the German high-technology manufacturing company **MicroTEC**, recognised that greater gender and age diversity would bring additional capability to an originally rather

homogenous workforce. The logic was that the strengths of a varied staff profile would appeal to a more diverse market. Over time, the company has sought to develop and formalise its approach. In a similar vein to Fahrion Engineering, the management of MicroTEC hopes to capitalise on having diverse teams by achieving a complementary use of employees' abilities and competencies, to promote knowledge transfer between staff and to break down prejudices.

However, it should be noted that the influence of market conditions on the success or failure of measures cannot be determined exactly. Good economic circumstances may have a positive influence on the sustainability of measures. Nevertheless, this does not necessarily mean that measures will end when such conditions no longer apply. For instance, in Germany at **Wilkhahn (Wilkening and Hahne GmbH and Co)**, despite a marked fall in orders and associated layoffs in 2002, the company's workplace health promotion measures survived and have even been developed; in addition, a new initiative on updating staff skills has been implemented. One explanation for this may be the long-term commitment of the company towards maintaining good labour relations, and the sense of partnership between management and workforce that it has sought to engender.

Cost containment

A concern for some case study organisations is the increasing amount of long-term sickness, absence or disability among older workers. Some case companies' operations were characterised by physically demanding work: this resulted in high levels of sick leave among older workers in particular, followed by early retirement – a costly outcome for the company. Through health promotion measures, ergonomically improved workplaces and a reduction in working hours, these problems declined. One German example of this is **Verkehrs Aktiengesellschaft (VAG) Nuremberg**, a public transport company, where research found that a remarkably high number of drivers – 85% – retired prematurely, affecting the company's profitability.

The most effective feature of the company's approach was the 'special driver group'. A driver group is a group of drivers who are scheduled to work on the same shifts. The special driver group measure reduced working hours for drivers over 57 years, irrespective of their health. The regular shift pattern provides a rotation of six days, with five days on duty and one day off. Older drivers are released from work on the fifth day (after a short morning shift) while retaining the same level of pay. This measure has been very effective, with rates of sickness absence and premature retirement being almost halved.

In the UK, most initiatives have been driven by a combination of the business case and supply-side issues. Several companies wanted to retain the skills of employees for longer, because it saved them money in terms of hiring and training new staff. Many experienced difficulties in sourcing key skills, skills that older employees possessed. Others increased the normal retirement age for staff to 65 years, in order to reduce their company pension liabilities. One such example is **London and Quadrant Housing Trust**; here, measures addressing recruitment, lifelong learning, health and well-being and flexible working have been introduced, primarily in an attempt to attract more people to work in the social housing sector, which traditionally has a high staff turnover. Management contends that workforce diversity makes people more enthusiastic about their work and thus more committed to it. These measures have been successful in attracting and also retaining older workers.

Maintenance of workforce skills

Maintaining skills and capabilities in a business environment of rapid and ongoing change is a further important driver of policymaking in case organisations. Demands for greater productivity, and constant changes to the business environment, have encouraged development actions in organisations. For instance, it is recognised that the work in Belgian electronics company **Barco** is increasingly stressful: because its services are provided worldwide, work operates on a 24-hour cycle and deadlines are getting tighter. Since 1995, Barco has invested in the further development of education and training programmes, and in 1997, it started a project with a training centre. After a review, it was clear to Barco that it needed to invest in its staff's general competences; a rapidly changing technological environment and increasing market competition meant that employee versatility was essential. Otherwise, someone whose skills had been invaluable could find them to be worthless after the implementation of new technology. In addition to the in-depth training modules they took, staff were also encouraged to learn additional skills not immediately applicable on the job. This proactive preventive approach meant that such staff could develop their skills as methods evolved.

Developing this proactive approach, Barco initiated the 'Lifetime employability' project in 1999, part financed by the European Social Fund. The organisation considered it important to include 'replenishment' periods in the careers of their employees: the aim of these was to broaden the knowledge base of employees regarding new technologies and software. Since 2002, Barco has begun to develop a competence database. This provides the basis for a 'growth interview', where future career and skills needs are discussed.

Barco's workforce is ageing, particularly its white-collar workers who are mostly engineers and others with technical skills. The rate of technological change is accelerating and pressure to keep up-to-date is intense. Some older workers find it hard to keep up, despite intensive training. The company created a specific policy to cope with these cases. Known as 'beacons', they act as examples for others: options for such employees include remaining within the company (e.g. by working flexible working hours, shifting to part-time work or downshifting) or, sometimes, outplacement. Trade union representatives are kept informed about cases and the search for solutions. It is considered important that proposed solutions have both individual and organisational benefits. With this open and constructive approach, the company hopes that people will come forward with difficulties they are encountering before it is too late for a positive outcome.

Knowledge transfer and retention

Many of the case organisations sought to utilise and retain the knowledge and competence of their ageing and older workers, gained through years of experience. This issue has been coming to the fore as recognition grows that older workers possess key knowledge and capabilities. Swedish company **OKG's** approach is driven by a recognition that unique competencies are about to be lost (its workforce includes many staff approaching retirement). It aims to secure these competencies in strategically important areas through knowledge transfer projects, adopting two approaches: parallel duty and role takeover. Parallel duty means that the mentor and trainee work side by side; important knowledge and skills are thereby transferred. Role takeover means that, under supervision, the trainee steps into the role of the mentor. It is noteworthy, however, that OKG is currently facing a problem in evaluating the effectiveness of the programme; estimating if, and how much, competence has been transferred has proved difficult.

Also in Sweden, the recruiting practices of **Elmhults Konstruktions AB**, a manufacturing company, derives from its need for experienced, ready-trained personnel. Its ongoing policy of recruiting older workers is linked to the fact that it has expanded during a period when other industries have been in recession and experienced and qualified labour was more available. By employing experienced staff, the company has gained important skills and has also reduced training and acclimatisation costs; the problem-solving skills of the older workers are particularly valued. Furthermore, the greater age diversity of work teams has resulted in increased efficiency, as a result of older workers taking on informal supervisory roles.

Managing labour supply

Concern over the future supply of labour, sometimes linked to changing demography, was of considerable importance to some case organisations. Thus, in France, a transport company considered the issue of older workers in the mid 1990s, but took no action because of large-scale youth recruitment programmes taking place in 1996 and 1997 and between 1998 and 2001. All efforts were concentrated on young workers' integration. Now, with the prospect of massive exit via retirement, management efforts have focused on the careers of both young and mid-career workers (those aged 40 years and over), and on skills transmission.

In Germany, it was occasionally the case, for instance at **Wilkhahn** and **Fahrion Engineering**, that a shortage of qualified employees led companies to consider the recruitment of older workers. At Wilkhahn, older workers are employed on an ad hoc basis, in response to particular needs arising. Over the last two years, there have been three phases of recruiting workers aged over 50 years. At Fahrion Engineering, a local shortage of qualified engineers led to a review of HR policy. The result was that the company employed older engineers with specific skills that were unavailable elsewhere.

Such concerns have also driven policy development in several UK cases. Retail Catering wishes to retain the workers it has recruited and trained throughout their working lives. The organisation recognises that the catering and hospitality sector has had labour supply problems, and, therefore, strives to be a premium provider and employer of choice. The company's approach is based on four key processes: auditioning, engaging, retaining and developing people. Considerable emphasis is put on the recruitment process, on initial training and on monitoring satisfaction levels after an employee has joined the company. The aim is to ensure that the right people are recruited and will stay. The company faces a highly competitive labour market, and the recruitment and retention of older employees is an important part of its HR strategy, as younger people are less willing to work in the industry; when they do join, they are likely to move on quickly. A further aim of focusing on improving recruitment and retention is to reduce the costs associated with staff turnover.

Likewise, in Sweden, **Kronoberg County Council**, with its ageing workforce, is facing the prospect of large-scale retirement in the near future. The council initiated a project aimed at improving the working environment to reduce levels of sick leave and prolong working lives. The original goal was to make managers more aware of the issue and help them to identify and implement individual solutions for workers. This process was carried out through training sessions; staff in participating units were also invited to attend a half-day information seminar. The initiative appears to have changed attitudes towards older workers, with an evaluation finding that managers appreciated the opportunity to discuss practical problems and obtain useful advice. Since the original initiative,

work in this area has continued and evolved, with a life-course approach more in evidence, and greater attention being paid to skills maintenance and career management.

By contrast, other initiatives, such as that in Swedish company **Volvo Cars Torslanda**, were developed in response to a labour surplus. The company considered that, by implementing certain measures, they would be able to manage the surplus of labour without resorting to redundancies. The desire to take care of long-service older employees was the driving force behind the implementation of good practice. This case study is described in more detail later.

Box 2: Internal drivers of age management policy in scenarios of labour shortage and over-supply

Labour shortage

- Need for skills maintenance and development
- Need for a working environment that is conducive to retaining staff (developing interesting tasks, introducing career development and learning opportunities, maintaining or promoting well-being, ensuring job security and setting out clear pathways to retirement)
- Awareness of alternatives to targeting young labour market entrants
- Existence of policies on equality and diversity
- Legacy of earlier approaches to workforce management (e.g. a history of early retirement may make it difficult to promote policies on age management)

Labour over-supply

- Need for knowledge capture and retention
- Cost reduction at a time of organisational crisis
- Planning for the future – what will the labour requirements be after the crisis has passed?
- Social acceptability of different approaches (it is easier to promote early retirement among both management and workforce)
- Legacy of earlier approaches to workforce management, which may reinforce current approaches (e.g. early retirement is the conventional wisdom)

Demographic changes

Recognition of the changing age profile of an organisation was a significant driver of policy development. For instance, in all the Finnish companies, the key driver has been the high average age of the workforce. Companies are concerned about the potential cost implications of an increasing use of disability pensions and sickness absence, and are attempting to stabilise or reduce these by development actions. There is also a desire to curtail the exit of skilled older workers. Many will reach retirement during the next 10 years, raising the need for more efficient recruitment policies and extending working lives. An example is the **City of Helsinki Public Works Department**, which is concerned about the high average age of its workers (46 years). An organisational health promotion programme was carried out between 1999 and 2001, which sought to change work communities so that they were able to support workers of all ages. In addition, anticipating that hundreds of workers will retire over the next 10 years, the company has recently begun to plan a more efficient recruitment process, in cooperation with schools.

In Germany, consideration of general demographic developments has, to an extent, influenced practices regarding the employment of older workers. However, the issue of demographic change was mainly regarded by companies as one to be addressed in the future, and more concrete and

acute reasons for implementing initiatives prevailed, such as solving an immediate business problem.

In UK cases, the two main issues driving company initiatives were the raising of eligibility ages for access to pensions, and the need to prolong skilled workers' working lives. Organisations are facing difficulties as former employees draw pensions for longer, putting strain on pension funds. Some companies were particularly affected by pension issues and were in the process of increasing normal retirement ages. In others, the prolongation of working lives was a direct response to the downturn on the supply side – recognising that the number of young labour market entrants was declining.

Organisations in the UK also showed a wider appreciation of the implications of demographic shifts beyond their immediate labour supply needs. Several wanted to retain older employees because they felt that such employees would have more in common with a growing proportion of their customer profile. Such a potential benefit was also noted in the Netherlands where **Albron**, a large catering company providing canteen services to companies, prefers that the age profile of its workforce mirror that of the host organisation. Older staff, it is believed, interact better with customers.

Changing business practices

Concepts such as change management, the learning organisation and organisational development attest to the fact that organisations are evolving. The question is to what extent organisational change affects an organisation's HR policy, especially its age management policy. The emergence and implementation of new management approaches are a crucial factor for the development of age management in organisations. In addition, the application of new technologies, modification of seniority wages, and a stronger emphasis on corporate social responsibility has also had an impact, albeit a less significant one, on developing initiatives in this area.

New management approaches

New management expertise could result from the development of skills within organisations as they refined measures; sometimes expertise came from outside, as a result of takeovers, changes in management theory around particular issues or from consultancy or research support. Some measures appeared to be the result of new management approaches or business practices. In Greece, for instance, the case companies exhibited considerable differences in terms of their evolution over the past decade, with a related impact on HR policies. In the intervening years, a new generation of owners has taken over family firms, introducing them to the stock exchange, to international business and investment and world markets.

The situation of the companies can be summarised as follows: four had been taken over by international companies; one was preparing to move operations across the border; five Greek-owned companies had expanded nationally and/or internationally; two internationally-owned companies had expanded their businesses in Greece; one internationally-owned company in Greece had downsized; two other Greek companies were in the process of downsizing or closing; and two Greek companies had remained static. Company economic expansion has, in most cases, not meant expansion of the workforce. The ongoing introduction of new technologies and new

forms of management and organisation over the past decade has resulted in ongoing waves of restructuring in production units and administration, and has led to reduced labour demand.

The original selection of Greek companies focused on those with good practices; therefore, most had opted for retraining and for redeploying older workers into other work roles, rather than redundancies. This practice has continued to benefit older workers; however, it was the result more of commitment to the long-term employment of their workforce rather than an explicit policy towards older workers as a group.

Companies that have a parent company abroad, or that have expanded into international activities, have developed more sophisticated policies in terms of non-discrimination, corporate diversity and equality. Greek HR managers and representatives of works councils reported that local policy derived from directives from the international parent company. Most strikingly, the seven companies interviewed that had expanded their economic activities in the past decade have, in all cases, adopted explicit equal opportunities policies; this was not the case when the same companies were studied 10 years previously.

The introduction of new management approaches is also apparent in British company **Denso Manufacturing**. Some of its original initiatives – such as redundancy schemes and ergonomic improvements – have remained in place, while others have changed, and some new ones have been added. The main cause of change has been the influence of Japanese management methods since Denso Corporation of Japan took over in 1999. The change of company ownership has improved the quality of HRM. The management team has devoted time and resources in order to raise the quality of operations and worker skills. The revised policies and new practices were discussed extensively between management and employee representatives, as the company has always tried to maintain a high standard of social dialogue. It raised the level of support available to tackle occupational health issues, particularly those affecting older employees. In addition, it has redesigned the working environment to reduce physical stresses and strains, has taken extensive steps to show that it values older employees' expertise and experience, and has implemented education programmes for those lacking basic skills.

A new management perspective is apparent in the area of early retirement. As already noted, organisational policymaking has used early retirement during programmes of downsizing for the past 20 years. However, in contrast to this long-standing practice, a few case studies have developed innovative solutions whereby older workers are integrated within the organisation even to the extent that early retirement is explicitly rejected as an option.

One such example is French company Arcelor where, after the company abandoned its early retirement scheme under state pressure at the end of the 1980s, a policy of voluntary working time reduction for older workers has evolved and been refined over time. There have been various influences on the measure: for instance, in the mid 1990s, it was recognised that workforce ageing would have a profound impact on the organisation; this prompted efforts to make the scheme more attractive and to re-balance the workforce by recruiting younger workers. Furthermore, the August 2003 Pension Reform Act led to the introduction of a new scheme wholly financed by the company. As of 2005, 27% of the workforce worked part time – mainly blue-collar workers and clerical, technical and supervisory staff. Meanwhile, the recruitment of younger employees has balanced

the age structure. Absenteeism and the number of strike days have decreased. A survey found that shift workers were less tired, and there was less use of antidepressants, blood pressure medication and sleeping tablets. Part-time work has not been perceived as exclusionary because it largely takes the form of 80% of full-time hours.

At **Volvo Cars Torslanda** in Sweden, in the 1990s, increasing automation led to a radical change in the way work was organised, with self-managed teams being introduced, and demands for greater efficiency and greater levels of competence among the workforce. Moreover, as a consequence of recession, the company was in a difficult economic situation. These circumstances had the potential to put pressure on older workers. The company's management felt that it would be able to handle the situation without recourse to dismissals, at an equivalent or lower cost than dismissals would incur. Furthermore, the company saw an opportunity to avoid the human costs of redundancy. In 1992, management and the HR department adopted an initiative of senior working places, in a special unit, Special Vehicle and Services (SVS). The aim of this initiative was to take care of older, long-service employees who could not cope with the changed conditions in the production area; they were offered alternative work tasks that had been brought in house. A condition of the offer was that this new area of work should also contribute to company profitability. Applicants for a senior working place were interviewed in the presence of a trade union representative, the aim being to identify individual needs and find suitable solutions. Initially SVS was not managed under the same demands for profitability as other business units. Over time, the scope of the initiative has increased, with more activities being gathered under SVS. This has been accompanied by a steady increase in the size of the unit's workforce. Profitability has also risen and, for the past few years, the unit has run at a profit.

An Italian case points to the possibility of tackling restructuring via outsourcing, when a need to focus on core business areas led to the establishment of partly-owned satellite companies. One company was **Sernet**, a partnership created in 1991 between IBM and an initial group of 10 IBM managers aged between 55 and 65 years. Sernet's aim was to offer professional services and consultancy through its experienced team. It has prospered, despite no longer being directly linked to IBM.

Another Italian case is **Olivetti**, which has also used training and redeployment, particularly to the benefit of older workers. (The company has sometimes also used redundancies during phases of restructuring caused by major market shifts, consolidations of the industry around a small number of large suppliers and the relocation of manufacturing to Asia.) The original measure implemented in the 1990s involved an eight-week programme of retraining and vocational guidance for workers who were to be redeployed within Olivetti and those who were designated to move to new satellite companies. Since then, the company has successfully followed a similar approach as restructuring has continued.

It should be noted that such careful attention to the needs of older workers is somewhat rare, particularly during an economic downturn. Early retirement has continued to be a common strategy and one to which even so-called 'best practice' organisations have returned.

New technologies

The introduction of new technologies has had the benefit of reducing the physical demands of many production tasks, allowing organisations to retain older workers (after retraining), and to give

priority to recruiting more women. In some Belgian cases, because of extensive attention to ergonomics and increasing use of robotic technologies, working conditions have improved considerably. For instance, instead of being moved to a one-week-on/one-week-off-rotas, older workers with medical constraints are now being switched to jobs specifically designed for people in such circumstances. As a result, income loss is not as severe and people do not view this change as a demotion.

Seniority wage systems

It is frequently argued that seniority wage systems make older workers costly to employ. In Greece, for example, in the past, companies usually allocated bonuses on the basis of seniority, which tended to favour older workers. A change that has occurred over the last decade is that the majority of case organisations have switched to productivity bonus systems. One of the unintended consequences of the adoption of such policies is that older workers are no longer assumed to be worth more, despite greater years of service. Each individual has to prove their worth and gain promotion and bonuses accordingly. The consequence is that older workers find themselves competing with more highly educated younger people.

Corporate social responsibility

In some cases, a drive for corporate social responsibility came to the fore. In Germany, for some companies, social responsibility towards employees, particularly those facing occupational risks, was mentioned as a reason for implementing age management measures. For example, at **Wilkhahn**, the company culture enterprise is strongly shaped by the founder, who has demonstrated a cooperative style of leadership since the company was formed and who views corporate social responsibility as an integral part of good management.

The situation is different at German supermarket chain **OHG Netto**. Here, the business concept of a supermarket staffed only by people aged 45 years or older was taken from the Danish parent company and adapted to the German context. In the original initiative in Denmark, after research in consultation with the national employment agency, unemployed older people were targeted for recruitment. This was so successful that the Danish parent recommended that its German subsidiary try the approach. Initial success encouraged the German subsidiary to continue, although the second time it implemented a variation on the strategy; the company decided that, not only would it hire older unemployed persons, but that it would also fill about half of its vacancies with existing older staff. Furthermore, people without commercial training and retail experience were recruited, but their lack of experience was compensated for by the remainder of the staff group. While employees lacking retail experience did have more difficulties initially, a three-month learning and adaptation phase helped them adjust.

Spanish workers' cooperative **Mataró Glassworks** is an example of a company where corporate social responsibility strongly shapes policies. The company is participating in an initiative for cooperative enterprises, piloted by the Confederation of Catalan Cooperatives (*Confederació de Cooperatives de Catalunya*). The goal is the integration into the labour market of workers aged 50 years or over, and women who are unemployed but have previously worked in companies in the region (mostly in the textiles sector, which is currently in recession). In this way, the project aims to support local employment. Most of the people involved are from Mataró or its district. The cooperative has an agreement with the city council and the employment office of the Catalan

government regarding the recruitment of these new workers. For new employees, the cooperative organises:

- initial training aimed at integration and orientation;
- a welcome programme;
- internal training.

Since 2000, 65 people have joined the company through this system.

Another project in Mataró Glassworks draws on the skills and tacit knowledge of employees aged over 50 years who have nominated themselves for early retirement. These employees are given an additional training and assessment function with respect to younger workers joining the company as well as to the unemployed women mentioned above. This role accounts for a quarter of their working time, and currently 15 older workers are participating. This particular initiative coincides with similar measures for managers. One such initiative involves an external coach aged over 60 years and in early retirement, who provides support to executives in overcoming professional hurdles. The other concerns the management of the company and its strategic planning, which is led by an expert in his 60s and already in early retirement, who undertakes these tasks voluntarily. His intention is to lead the company for a limited period of time and prepare two female executives for top management positions. This expert is a member of the Spanish SECOT association (an association of voluntary experts in business consultancy), which has a partnership contract with the cooperative for training and promotion. SECOT aims to enable a continued professional career for older workers through the utilisation of their accumulated experience for the benefit of an enterprise.

The issue of corporate social responsibility was also prominent in some UK companies. While they were taking steps to comply with forthcoming age legislation, they particularly wanted to be viewed as good employers, both internally and externally. A financial services group provides an example where – amid a shift over the last 10 years towards emphasising diversity as well as equality – more attention is being paid to the needs of older employees, as well as to the value of recruiting and retaining older staff. The company has won awards for its approach. A long-term policy of offering career breaks has been extended to encompass all employees, recognising that older people may wish to manage and balance working and personal lives differently. This programme is an important component of the company's flexible working agenda, contributing to 80% of female employees returning to work following maternity leave. At branch level, the aim is to achieve a better work–life balance for staff through flexible working, part-time work, job sharing and reduced working hours for those approaching retirement.

Public policy and support

Public policy often appears to have played an important supporting role, although at other times it has been barely supportive and may actually have undermined some management initiatives. It has not always been welcomed by older people. In many instances, public policy reforms have clearly influenced organisations' approaches to managing their workforces, the responses of the trade unions, and the attitudes and behaviour of employees. Some reforms have had a positive influence, while others have had an unintended negative influence. In particular, just as early exit

pathways have previously shaped retirement behaviour among both employers and workers, current reforms aimed at prolonging working lives are beginning to cause an adjustment in behaviour; where it remains an option, however, early retirement is still often chosen. As will be discussed in more detail later, participation in innovative measures has sometimes been low; a contributing factor has been institutional frameworks that have continued to provide disincentives for older workers to remain with an employer or that have made employees cautious about participating.

For instance, the backdrop to policymaking in the Belgian companies at this time is that government and the social partners have begun discussions concerning the need to reform early retirement. The atmosphere regarding this topic is tense, with trade unions concerned about the extent of reforms. This has had an impact on the situation in companies such as **Barco**. Uncertainty surrounding whether and what changes will be implemented means that employees are continuing to opt to take early retirement while they still can.

Similarly, in **Bekaert NV**, another Belgian organisation, blue- and white-collar workers tend to retire at the age of 55. However, because knowledge recording and transfer are considered essential, and because of growing public debate over the implications of population ageing for employment, the organisation took part in the Knowledge Pool 50+ project for knowledge recording and transfer. In addition, in 2002, Bekaert began the Feniks project. This aimed to develop more age-aware personnel policies for management and executive staff functions in a situation where such staff tended to retire around the age of 60 years. Thus, it can be concluded that, despite the constraints of institutional frameworks, innovative policymaking towards older workers sometimes emerges.

Furthermore, public policy may undermine company efforts to recruit older workers. Belgian air-conditioner unit manufacturer **Daikin Europe** is a case in point: candidates for its temporary worker pool for people aged over 50 years have pulled out primarily because they believe that they may risk losing pension income if they take a job. However, proposed government reforms may overcome this obstacle.

Moreover, policies that are designed to protect older workers may have the opposite effect. Since Swedish company Rapid Granulator introduced an initiative to recruit older workers in the mid 1990s, the company has reduced the size of its workforce. Regulations concerning dismissal specifically protect older employees, with the result that a number of younger workers have been laid off. This has affected the company's age profile to the extent that it is now imbalanced and the average employee age is high; this is viewed as a problem and a negative consequence of the original initiative. Consequently, there is now a negative attitude to the recruitment of older persons; indeed, the company intends employing more workers in the 15–35 year age range in order to rebalance its age profile.

By contrast, in France, successful measures have clearly been facilitated by public policy. This is the case for Les Amis, a non-profit organisation that provides home help and care, mainly to older people. Home helps are particularly affected by physical problems associated with their work. In 2005, an agreement was concluded between the national government, the city of Paris and the local federation of home care. The implication for Les Amis is that a client's home is visited and adjustments – such as a medical bed or help with lifting – are proposed that aim to improve the

client's well-being, but that have the added benefit of also improving working conditions for home helps.

When external actors play an important role in implementation, especially in financing or co-financing a measure, the stability of their commitment is of particular importance. With respect to the organisation Les Amis, the tripartite agreement was set to end in 2005, resulting in uncertainty as no alternative plans had been formulated.

However, this organisation also provides an example of public policy putting older workers at a disadvantage. In 2002, increasing competence requirements for home helps led to a new diploma – the state social auxiliary diploma (*Diplôme d'État d'auxiliaire de vie sociale*, DEAVS). The diploma requires 1,000 hours of training. Validation of prior experience is possible, though this requires preparing a portfolio of experience and presenting it to a board of examiners. Les Amis has encountered two key difficulties in using DEAVS.

- The organisation lacks the financial resources to offer development opportunities to the large number of its experienced home helps.
- DEAVS does not always meet the needs of experienced workers. The way in which validation of prior learning is carried out puts people with low educational attainment at a disadvantage, as well as those who have difficulties expressing themselves in French (many home helps are immigrants). Therefore, some home helps aged over 50 years do not want to undertake actions leading to the DEAVS. Moreover, DEAVS requires double competency – care of older persons and child minding. However, most of the home helps do not have experience in both fields, as the organisation's activity is mainly in the care of older persons. Finally, DEAVS is split into units, which are scheduled over a three-year period.

Moreover, the sector collective agreement signed in 2002 put in place a new classification system, with three separate job categories for home helps: 'home agents' with no training (A grade); 'home employees' in the process of training (B grade); and 'social auxiliaries' holding the DEAVS (C grade). This agreement allows a significant increase in wages for DEAVS holders. As training opportunities are very constrained and progress is thus slow, Les Amis is unable to pay home helps according to their experience.

Within the organisation, the demands of funding bodies for higher levels of staff competence led to a modification in recruitment criteria. For around two years, diploma holders or those judged to have the potential to do the diploma (usually in the 25–30 years, rather than the over 50 years, age bracket) were given priority. The limited number of persons holding a diploma in this labour market does provide considerable scope for older applicants; however, even with support for older candidates being provided by the home help associations' federation, it is unlikely that many older people will achieve the DEAVS. Nevertheless, the 2002 sector collective agreement forbids classification as C grade if the person does not hold the DEAVS. As remuneration is calculated based on an employee's classification, it is not possible, therefore, to pay according to real skill and experience levels. Career progression thus remains at a standstill for many senior home helps.

Similarly, a new national competency and career framework is driving policy changes in the British National Health Service (NHS) Trusts, with the implementation of training and development initiatives. However, in one centre, there has been resistance from older nurses, who are satisfied

with their current roles and unwilling to progress to a higher competency level. The Trust has been required to accommodate this in its new grading structure.

Germany is another instance where workplace innovations are facilitated by state support. In several companies, measures were implemented in the 1980s and early 1990s at a time when technological and organisational changes were having far-reaching effects on company practices. New kinds of work organisation, such as team working and the introduction of flatter organisational hierarchies, demanded new and increased requirements for competences and qualifications among employees. Measures aiming to tackle such issues usually integrated all ages. Some companies in the sample profited from the Humanisation of Working Life (HdA) programme, which was government initiated and aimed to help business 'humanise' rationalisation processes. For instance, in **Continental AG**, this government programme cofinanced the project 'Age-based workplace layout in serial tyre production'. The objective was to improve working conditions of tyre assembly workers by improving workplace layout. It had become apparent that, in many cases, workers were unable to continue working after reaching 40 years of age due to the considerable physical strain they experienced.

In the Netherlands, the main driving force behind age-aware HR policies has been that early exit and exit via disability insurance have become more expensive. Until well into the 1990s, disability insurance was the main early exit route, next to pay-as-you-go early retirement arrangements. In 1996, the financial risk of the first year of disability insurance was shifted from the public sphere to the employer.²⁶ In 1998, contributory obligations for the remaining years of disability insurance were differentiated to reflect actual numbers of disabled workers in a company.²⁷ These policy changes have meant that companies have strong incentives to optimise working conditions in order to maintain the employability of workers.

Furthermore, pay-as-you-go early retirement arrangements have been virtually abolished because of the so-called 'early retirement, pre-pension and life course' package of policies, implemented in January 2006.²⁸ By means of changes to the tax regime, pay-as-you-go early retirement arrangements and funded pre-pension arrangements have been made more expensive, while arrangements that enable individual workers to save for various relatively long-term interruptions of their careers are supported by tax exemptions. Although the new life-cycle arrangement allows individual workers to save for up to three years of early exit (thereby enabling retirement at 62 years of age), these arrangements cannot be used as a collective measure in supporting older workers who are being discharged when companies need to reduce their workforces. In other words, collective pre-pension arrangements can no longer be used as instruments in social plans, the bipartite arrangements made in relation to larger reorganisations. Both the changes in disability insurance and in early exit arrangements have created incentives for companies to maintain workers' employability as they grow older.

Nevertheless, the 'CB-select' system in Dutch financial services company **Achmea** has experienced a low take-up. This scheme permits employees aged 57 years or over to buy and sell

²⁶ The Continued Payment of Salary (Sickness) Act (Wulbz). In the Netherlands, the first year of disability is covered by the Sickness Insurance Act. The Wulbz replaced the collective sickness insurance arrangement with an obligation on the part of the employer to continue the wage during that year.

²⁷ The Disability Insurance (Differentiation in Contributions and Market Forces) Act (Pemba).

²⁸ VUT, Prepensioen en Levensloop (VPL).

working time in order to reduce their working week or save and build a fund for additional income on retirement. While the scheme, with modifications, has survived major recent organisational restructuring, it has apparently been undermined by forces external to the company: in 2004, no employees participated. According to a HR manager, government changes to pre-pension and early retirement arrangements have made the workers reluctant to participate.

In the UK, case organisations were aware of forthcoming legislation on age discrimination and were taking steps to comply, but did not feel driven by this. Organisations that had gained recognition as 'age positive' employers in response to government campaigns were usually employers that had achieved awards for being good employers generally. Nevertheless, in the UK, many organisations permitted flexible working, on the basis of the need to meet legislative requirements around maternity and paternity. However, only a few had implemented flexible working for all, including older employees.

On the other hand, public policy sometimes has little apparent influence. For instance, older workers are not an issue on the Italian political agenda, nationally or locally. Exceptionally, initiatives can derive from specific national legislation, such as Law 626/94, which obliges companies to provide safety training. The costs of initiatives are paid by companies, with few financial incentives to encourage them; where these incentives do exist they are not, in any case, the driving force behind the initiative. There are some financial incentives for recruitment initiatives, such as the temporary reduction of employer social insurance contributions when recruiting workers registered on special unemployment lists (job mobility lists, Law 223/91). These lists mainly comprise older workers who have been let go by other companies. In some cases, companies have received small contributions to training and recruitment initiatives from the European Social Fund and/or regional funds.

In Greece, national public policy over the past decade has aimed at protecting older workers. Publicly funded financial incentives are in place for hiring older unemployed workers, as are financial disincentives for dismissing them. Trade unions are concerned with the increasing rate of long-term unemployment among older workers and strongly defend the rights of older employees, with strikes and demonstrations against closures and changes in conditions of employment. Collective agreements are particularly important in the state sector. In **Public Power Corporation (PPC)**, for example, which is in the process of becoming a privatised utility, a predicted loss of relatively secure conditions of employment may particularly affect older workers, who make up a large proportion of the workforce.

However, it is doubtful whether such protective policies – with the exception of PPC – have been the main driver of organisational practices. Culture and attitudes, such as the view that older workers of long service are loyal and productive, have meant that, despite technical innovations and organisational changes, companies have focused on policies for the retention and development of existing workers.

By contrast, in Greece, policies to promote health and safety in the workplace (strongly supported by trade unions and works councils), as well as participation in European programmes for health and safety and adoption of industry standards have been strong motivators for many company actions that have benefited older workers. Furthermore, the availability of national and EU funding

to encourage companies to undertake training and operate specialised training centres has been important, enabling many to provide more resources for training and development – in some cases, implementing a formal training approach.

Social dialogue

Social dialogue sometimes appears to have played an important role in providing the conditions for the development of initiatives, although most are driven by management. For instance, as noted already, knowledge management and retention seem increasingly important for some case organisations. In an initiative dealing with quality in the Belgian care sector, introduced in 2000, one regulation stipulates that efforts should be made to preserve the knowledge of older staff. The aim is that knowledge is captured and stored in order to encourage transfer and retention. Residential home **De Klink**, in further developing its earlier approach, which had concerned flexible working, training and consultation with staff, has developed a database of knowledge, which is valuable for both new and existing staff members.

In France, as noted earlier, there is an active social dialogue on age or related issues, although initiatives are usually management driven. Discussions with trade unions generally arise on the basis of already defined points of reference. Most of the measures taken are rather recent. In 2005, a transport company signed a collective agreement on lifelong learning; concrete details of implementation were then to be discussed through working groups. Aerospace has also recently signed a collective agreement in relation to the second half of careers. Collective agreement on a group-wide basis sometimes generalises a subsidiary's collective agreement, which constitutes a form of decentralised experiment: this is the case for Aerospace.

In Germany, cooperation between management, workforce representatives and other relevant actors has contributed to the success of company change processes. In most cases, where a works council existed, it took an active role in the planning, shaping and realisation of initiatives; in some cases, an internal agreement was concluded. A case in point is **Volkswagen Commercial Vehicles**, where a collective labour agreement guaranteeing employee security until 2011 has been introduced. The question arose as to how older employees with reduced work capacity could continue to work productively. This led to the development of the four-step 'cascade model' in 2002; this model, discussed in detail later, bundles together measures that maintain and restore the employability and productivity of employees.

In Italy, companies are almost always the major driving force for implementing positive initiatives for older employees and, more generally, for all employees. Usually, the employer decides to implement an initiative and decides its content in advance. Only then does management inform the workers, after which a debate ensues, followed by the signing of an internal agreement.

Similarly, in the UK, there was little evidence that the initiatives had evolved from collective agreements. Most were management driven and, although supportive of older workers, were in response to business need. Most organisations consulted trade unions and/or works councils and, through discussion, achieved acceptance of the measures. In more traditional industries, such as engineering and transport, the case for initiatives had to be sold more vigorously.

On the other hand, case studies also provided evidence of well-meaning collective agreements that, while aimed at benefiting older workers and organisations, were less effective than hoped for; some even had the opposite effect. For instance, in Belgium, a collective agreement in the healthcare sector stipulates that, from January 2002, additional paid leave is granted to employees over the age of 45 years (two hours per week for staff aged 45 years or over, four hours per week for those aged 50 years or over and six hours per week for those aged 55 years or over). A small employer, **De Berkjes** – a healthcare provider for children and adolescents with severe psychological problems – reported a positive experience with this measure. It led to greater organisational planning efforts and had benefited the well-being of older staff. The aim of the agreement was to relieve the physical and emotional strains of the job for older care workers. Teams were expanded with ‘wrinkle jobs’, which offered older workers the chance to take more leave. There are now approximately four members per team instead of three, making it possible to reorganise shifts. At this time, it is often possible for older staff members, depending on the specific unit, to be relieved from the hardest shifts or physically demanding tasks. The clients may be split into two groups during a game activity to ease the workload, and older tutors can undertake less strenuous tasks.

On the other hand, in the **De Klink** residential home, because of the rather high average age of the workforce, the impact of the new regulation has been substantial, and the organisational cost high. Management predicts that the new regulation will be an obstacle to the future recruitment of older employees.

Another Belgian sector agreement makes it possible for employees to take a part-time bridging pension at the age of 56 years and move into a full-time bridging pension at the age of 58 years. The experience of the De Berkjes organisation is that no one uses the right to a part-time bridging pension at the age of 56 years. (The fact that part-time work is not encouraged in the organisation partly explains this.)

Benefits of initiatives for employees and companies

In most of the case organisations, elements of age management have been developed and implemented in order to deal with a specific organisational problem. Both the employers and the employees benefited from the introduction of age management; however, the nature of the benefit tended to depend upon the measure and there was also evidence of unintended consequences. This chapter discusses the respective benefits for the employees and the organisation.

Benefits for older workers

The case studies revealed a range of benefits for older workers in terms of well-being, more positive work attitudes and increased employability. There were also benefits for the wider workforce in terms of being able to access the skills and experiences of older workers, and better generational relations. In many cases, the mere inclusion of employees in the change process was more important than the actual initiative, bringing with it positive outcomes for motivation.

It is important to comment on the use of the Austrian and Finnish data here. They are, on the whole, the result of action research projects, leading to the design of complex interventions and evaluation strategies. These kinds of interventions will almost always be more substantial and better evaluated than those implemented by an organisation without external support. Elsewhere, where measures were initiated and implemented without recourse to substantial external support, the scope of evaluations tended to be more modest and, although hard data such as sickness absence rates was used, supportive evidence could be anecdotal. It was acknowledged on occasion that isolating the effects of a particular initiative was problematic. A few cases were reluctant to provide figures on the take-up or effectiveness of specific policies. It may be inferred that organisations were anxious that they not be shown in an unfavourable light.

Box 3: Benefits for older workers

Employment opportunities

- Job offers
- Career advancement
- Role enhancement
- Job security

Maintenance or enhancement of health and well-being

- Improved health and well-being
- Better work-life balance
- Increased motivation
- Increased job satisfaction

Learning opportunities and skills utilisation

- Skills development
- Adapting to different methods
- Competence utilisation

Relations with co-workers and managers

- Feelings of appreciation and belonging
- Greater trust in management
- Better intergenerational relations

Retirement prospects

- Better preparedness for retirement

Among Austrian cases, for instance, there was evidence that involving older staff in the change process offered them a meaningful challenge and recognition, while resulting in less job stress and less need for younger employees to gain skills at an earlier stage. An example here is **Post Branch Network**, which is undergoing a reorganisation in preparation for the planned liberalisation of the postal market by 2008. Management has sought to draw upon the experience of older workers, because their customer knowledge is considered essential in making the transition to a market orientation. Employees were informed that reductions in staff numbers were not planned. Having received this reassurance, they have been motivated and believe that their jobs are secure. Subsequently, workshops have been convened with the intention of involving a largely older staff group (average age 54 years, and average tenure 27 years) in planning the change process. A number of agreements have been made, including the dual management of post offices by older and younger managers. The expectation has been that the coaching skills of older employees would assist in the development of younger workers, while both would benefit from a reduction in job stress. The following outcomes have been achieved:

- no reduction in staff headcount;
- a 23% reduction in sickness absence;
- an increase in the average age of the workforce by 2.7 years;
- a 5% increase in staff productivity;
- a reduction of personnel costs by 8.7%.

Perhaps most notable was the fact that the process was undertaken with a strong cooperative spirit and minimal conflict.

Another Austrian case points to the clear benefits of age management in terms of health, well-being and motivation among workers. **Polyfelt Geo-synthetics** reorganised its shift-work system to better integrate highly esteemed older workers who traditionally retired in their early 50s. In 1999, two major steps were taken:

- the reform of shift work;
- the introduction of Health Week.

Typical shift patterns tend to preclude time for training and development, an issue that is addressed in the new approach. Features of the shift plan reform include:

- a five-shift group system instead of a four-shift group system;
- three new workers being recruited for three new jobs;
- an 11% reduction of weekly working hours;
- a 5% reduction in monthly wages (8% reduction of shift allowance);
- a Health Promotion Week;
- one shift in five being devoted to training.

During Health Week, training in fitness, nutrition and relaxation is provided. Partners of employees are allowed to participate, with the intention that changes are then more likely to transfer to private life.

A notable feature of this case study is a comprehensive evaluation. Results are as follows:

- better sleep quality;
- a better work–life balance;
- stable work capacity;
- increased meaningfulness of working and private life;
- a significant decrease in stress levels;
- a decrease in the rate of sickness absence by an average of three days;
- a significant increase in subjective health level;
- better long-term health status.

The example of **Food Service Centrum** of the Finnish city of Espoo is notable because it primarily concerns the situation of women. This organisation provides catering services for educational facilities, social and health services, and the central administration of Espoo. The organisation is conscious of the ageing of its workforce and has invested in measures to promote work capacity. Older workers can access a part-time pension and, if their work capacity is limited, their daily performance requirements are reduced. Measures have been implemented aimed at increasing skill levels and functional capacity. An interesting feature was the establishment of a group to discuss the health issues of women aged over 45 years, known as the Senioriitta group. Topics included:

- women and middle age – internal and external challenges;
- women and exercise – motivation, problems and exercise principles;
- prevention and treatment of incontinence;
- osteoporosis;
- relaxation and self-management.

The project had the following key outcomes and consequences:

- improved skill levels;
- an increase in job control;
- a perception of work roles as being clearer;
- a lower perceived workload;
- improved leadership skills;
- better relations with colleagues;
- an increase in job satisfaction;
- reporting of more mental resources by staff;
- increased levels of work capacity.

Participants in the Senioriitta group were highly satisfied with the measures, particularly regarding information they received about the physiological and psychosocial aspects of women's ageing; they also gained insights into how to manage these changes. The opportunity to converse with women of the same age was also rated as important.

In Germany, a quantifiable indicator of success was the rate of sickness absence. For example, at **Wilkhahn**, rates of sickness absence fell from 10% to 4%, following analysis of the workload and resulting measures aimed at modifying behaviour. Similar results were achieved at **Continental AG** by ergonomic improvements, and at **Verkehrs Aktiengesellschaft (VAG) Nuremberg** by a reduction in working hours for older employees. However, this indicator must be treated with caution because the development of poor health reflects a complex relationship between a range of internal company and external processes, and so causality is uncertain.

German cases also reveal that employees in the later phase of their careers are open to new possibilities for learning and development. These cases show that forms of learning that opened up horizontal and vertical career opportunities was viewed positively by older employees. An example is the **Free Hanseatic City of Bremen**, where prison officers are exposed to an increased risk of disability, resulting in 15–20 workers being discharged each year. To reduce costs and to give prison officers a stronger incentive to develop their skills, a part-time qualification training programme has been introduced as a risk prevention measure. On completing the course and passing the final examination, participants qualify for an administrative position and are thus able to begin new careers. So far, nine out of 10 participants have passed the examination, and two have already succeeded in taking up new, less stressful positions in administrative departments.

Older people also benefited in terms of self-esteem and sense of identity. This applied to cases in different countries, particularly those where recruitment measures targeted older people. After long spells of unemployment, resulting in feelings of resignation and decreasing motivation, recruits flourished in new roles, with positive effects on self-esteem and energy levels. This was particularly the case in some German organisations, including **Segmüller**. When this furniture trading company intended to open a new store in 2004, it proved difficult to find suitable workers. Having had positive experiences with employing older people in the past, the company decided to target this group. After attending a presentation in the company and trial sessions, older unemployed persons were enrolled in a six-month training programme organised by an employment agency, and were hired upon successful completion.

In the case of German company **KSB**, as cited earlier in the report, there is strong evidence of the effectiveness of its programme for older employees. As stated earlier, many employees were concerned that they would no longer be able or allowed to retire early. An extensive information campaign convinced the workforce of the individual and operational advantages of remaining longer with the company.

In general, in Italy, the impact of initiatives was positive for both older workers and companies. Almost all initiatives brought improvements in worker motivation, increasing both worker and employer satisfaction. Employees have developed an increased sense of belonging and loyalty to the company, and this is often accompanied by improved relations with colleagues. Workers feel as if they are employed by companies that are interested in them and not just their productive capacity. Feelings of frustration and alienation also diminish. The outcome is better retention and greater productivity. This is not always a declared corporate objective; sometimes it is an almost accidental consequence of initiatives that aim at a shorter-term objective, such as reducing absenteeism, or ensuring better-trained staff.

With regard to benefits for older workers, the Italian cases show evidence of a number of benefits: greater career advancement; development of new competences and better relations with colleagues through training initiatives; better health through health promotion and flexible working initiatives; easier management of a work–life balance through flexible work options; and increased enthusiasm and motivation, particularly following disappointment after previously unsuccessful attempts at job-search. Redeployment initiatives following training by companies who had surplus staff also made it possible to safeguard jobs for older workers; however, these measures are rare in Italy.

In Spain, regulations on working conditions and in the Plan for the prevention of occupational hazards (*el Pla de Riscos Laborals*) mean that staff of the **Pia School of Catalonia** are entitled to an annual medical check-up. The medical protocol has been revised to include an electrocardiogram, and an adapted and preventive examination for workers aged over 60 years. This change was effective from 2005, after a review concluded that check-ups should be adapted to the characteristics of the individual being tested.

Furthermore, legislation allows employees who are aged 60 years or older to reduce their working hours by between 25% and 85% while they are replaced by a new recruit. This has proved popular at the school, with 39 staff participating. A number of outcomes have been reported:

- reduced workload, fatigue and stress, and increased levels of job satisfaction;
- a reduction in sickness absence, particularly in relation to depression;
- a gradual adjustment to retirement;
- intergenerational contact and exchange of expertise between the person reducing their working hours and the new recruit replacing them;
- an opportunity to assess the new employee's aptitude for the job, ensuring a good fit for both the employee and the organisation.

On the other hand, a less effective element of this particular public measure should also be mentioned. Requests for partial retirement have to be made to the National Welfare Institute (*Institut Nacional de Seguretat Social, INSS*) and a case takes several months to be assessed. If a request is not granted, the employee has the right to return to full employment, but the organisation is obliged to maintain the contract of the new recruit, even if they are then surplus to requirements. Although not apparently an issue in this case study, other employers may be reluctant to participate if they perceive that potentially serious financial implications could ensue from an unsuccessful claim.

In Sweden, a number of positive effects have resulted from measures for older employees. One is a greater sense of well-being due to recognition and appreciation of competence. For example, in the **City of Malmö education department**, the most important outcome of its initiative for older teachers is that they have been offered tasks for which their skills are called into use. Employees' health has improved, with the result that working lives have been extended and careers have ended on a positive note. The initiative has resulted in greater confidence among the employees that they will be able to continue working until retirement age, even if they can no longer manage regular teaching work. Similarly, at **OKG**, older employees' unique experience in the nuclear power industry is highly valued and they take great pride in their competence and achievements.

In UK companies, older workers had particularly benefited in the areas of health and safety and health and well-being. There has been increased emphasis on both individual voluntary action and company-instigated actions in relation to health. The effect has been to prolong the working lives of some older employees, particularly through occupational health support. Such measures as subsidised or free membership of health and fitness facilities, and/or the provision of company-based health and fitness support have been well-received by staff. The formal occupational health management of employees appeared to be better resourced than in the past and is now more effective.

For British Energy, health and safety management is a cornerstone of its business. It provides extensive occupational health support, physiotherapy and training and fitness facilities for staff. Occupational health teams work with staff, particularly older ones, and train them to accomplish their work tasks in ways that are beneficial and not detrimental to their physical health.

Denso Manufacturing, following its takeover by a Japanese multi-national manufacturer, worked extensively on job design to minimise the health risk to its employees, particularly older workers, and always had physiotherapy provision on site. The initiative has resulted in reduced sickness absence and injury, and in improved productivity.

London and Quadrant Housing Trust and **Eden Brown** provided subsidised health and well-being support, which brought greater levels of employee satisfaction, and also reduced the incidence of sickness absence.

On the other hand, in the UK, although some organisations had introduced flexible working policies to assist employees in taking gradual steps to retirement, many workers had not sought to access them. The reason most often cited was financial, in that workers did not wish to reduce income leading up to retirement, or diminish future potential pension benefits. This situation may improve with the introduction of new regulations that will allow employees to receive part of their occupational pension while remaining with their employer.

In the UK, there was little detailed evidence of the impact of the initiatives introduced. Anecdotally, employees had benefited from increased flexibility in working hours and, in the case of **FirstGroup**, staff have accessed learning opportunities provided by the company and have improved their qualifications.

To some extent, the French situation appears to mirror that of the UK. Many measures have been implemented only recently; as yet, there is no assessment of impact. With regard to the initiatives surveyed in the 'Combating age barriers' study, those referred to as flexible working time arrangements – mainly in a scenario of progressive early exit – often ended quite quickly, with the notable exception of Arcelor. For companies implementing them (a transport company and National Bank), these measures appear to have had little success, with relatively few employees participating. The main difficulty for the transport company was the loss of income that staff experienced due to the reduction of variable segments of wages consisting of premiums paid for exposure to certain work risks.

Benefits for employers

The case studies identified a number of benefits for employers. These can be categorised broadly as the securing of labour supply and the maximising of workforce utility. Examples of the former are where the organisation identifies a local labour shortage or where particular skills are found to be in short supply. Examples of the latter are where the organisation identifies benefits from better utilising older workers, or where it is anticipated that team working would be enhanced from improved generational relations. There may also be ancillary, usually unanticipated, benefits for organisations.

Benefits of securing labour supply

- Greater staff commitment
- Less stress and exhaustion among staff
- Reduced rates of staff turnover
- Decrease in rates of sickness absence
- Reduction of early retirement leading to reduced pension costs
- > **Result:** reduced labour costs and greater productivity

Benefits of maximising workforce utility

- Increased participation in learning and training
- Enhanced innovative capacity
- Increase in management and supervisory competence
- Better knowledge sharing
- Reduced conflict and better team working
- > **Result:** increased labour productivity, company competitiveness and share value

Wider benefits

- Better cooperation between management and trade union/works council
- Development of HR functions
- Better image among customers
- Perception of the company as being employer of choice

Building on existing measures for coaching older staff, a 2002 collective agreement allowed older workers in the Belgian healthcare organisation **De Berkjes** to take additional leave, and provided an opportunity to recruit new, mostly younger staff. Management has perceived a widening of generational differences. Due to developments in education and vocational training programmes, young labour market entrants tend to have a different approach to work and different pedagogical methods from their older colleagues. Sometimes, this difference between formal and tacit knowledge is the basis for conflict; however, differences in approach also offer an opportunity for mutual learning. These topics are discussed during weekly team meetings; the atmosphere is mostly cordial and staff appreciate the opportunities to learn.

In Finnish enterprises, an important effect of the initiatives was to increase knowledge and change attitudes in relation to older workers, to the extent that working until the normal retirement age became an objective of organisational policy. In addition, the importance of promoting health and well-being was often better understood by staff. Development actions have had a number of positive effects on employee competences, and physical and mental capacities. Employees' work capacity, almost without exception, was improved or maintained. Professional competence and job satisfaction among workers also increased. Furthermore, sickness absence decreased or remained at the same level. In some companies, initiatives led to a reduction in pension costs. It should be noted, however, that representatives of some enterprises emphasised that many factors, in addition to such initiatives, could have an influence on workers: it was difficult to demonstrate causality.

Nevertheless, there are more concrete results of initiatives. In some Finnish organisations, in order to exploit results efficiently and ensure continuity, groups set up at the outset of initiatives to promote well-being were made permanent. At one enterprise, a permanent training and workplace health promotion unit was set up; in another, the post of personnel manager was established.

In Germany, increased motivation, better health and increased competences in older employees helped raise productivity, which in turn helped to support innovative capacity and competitiveness. It should be noted, however, that companies had little hard evidence to support such claims. At the same time, most companies assumed that the experience and practical knowledge of older employees were also of benefit. The value of this potential was mostly acknowledged by measures addressing skills and competence development.

German companies also regard the promotion of employment for older workers as one way of reducing business costs. Thus, costs due to sickness absence are a concern because they tend to be greater in older age groups. Interventions have been successful in the example of **Verkehrs Aktiengesellschaft (VAG) Nuremberg**, a transport company, where a reduction in working hours has lowered rates of sick leave among older drivers (aged 57 years or more). Moreover, the exit rate of older drivers, as a result of this work being unsuitable for them, has been approximately halved. For the company, this has had clear economic benefits: among older workers, despite a reduction in working hours, actual driving hours increased. A further benefit, in the opinion of German companies, is that their experience in the management of older employees leaves them well prepared to deal with the effects of demographic change.

In Greece, training was assessed by all of the case organisations as effective, in terms of increased productivity, competitiveness and profitability. With the exception of some training in health and safety measures, most training programmes have been initiated by companies. In some cases, the role of employees in identifying training needs is a factor in their success and acceptability. The relatively disappointing performance of older workers in the one case where e-learning was introduced may reflect its passive and impersonal nature. This concerns a **film processing company**, which, in 1996, made it mandatory for all staff to undertake 40 hours of training per year, including people who were within six months of retirement. This was part of a general HR policy that gave value to long service and company loyalty. It was not a local initiative, but came instead from the US parent. However, in recent years, there has been a complete change in the training system – a move to one based almost entirely on e-learning. In fact, the mandatory 40 hours of training is no longer enforced for all employees and there is no real control over how much has actually been given or received. The use of the e-learning material has been encouraged, and local adaptations have been provided to ensure accessibility – for example, ensuring the training is in the local language; however, it is now only accessed by some staff.

In relation to securing labour supply, a particular effect of age-aware HR policies is that the employability of older workers is maintained. This translates into financial benefits for individual workers (continuing employment income) but has particular benefits for companies. In the Netherlands, as noted earlier, changes in government policies have meant that early retirement arrangements or disability insurance – the main pathways to exit from work in the 1990s – have become more expensive for companies. Furthermore, the costs of sickness absence are now being borne by the company. This translates into a double financial incentive to implement age-related personnel policies.

An age-aware personnel policy can have a general, positive impact on working conditions. When management realises that optimising working conditions helps older workers in remaining employable, and when age is seen from a life course perspective, companies tend to make a general

effort to improve conditions for all phases of their employees' careers. This may, in turn, increase worker motivation.

From the employer perspective, the Swedish case studies demonstrate a number of positive effects. For the **City of Malmö education department**, **OKG**, **Elmhults Konstruktions AB** and **Volvo Cars Torslanda**, the measures taken meant that key competences were retained. The City of Malmö education department has also overcome problems with labour shortages among teachers; OKG has been able to transfer skills within the company and thus retain them; and Elmhults Konstruktions has, by recruiting older, experienced workers, gained valuable competences and at the same time reduced the costs of training and adjustment for workers.

The case of the City of Malmö education department points to a range of benefits resulting from age management initiatives. In the late 1990s, the city had problems with its supply of teachers, with concerns over the imminent retirement of a significant portion of its workforce. The aim of the measure for older teachers (aged 60 years and over) was to make use of their skills and encourage them to remain in employment until the normal retirement age. The initiative aimed to create suitable roles for these teachers and to bring their tasks into line with their needs. It consisted of the following measures:

- the reduction of stressful or tiring tasks;
- replacing such tasks with other tasks that drew upon the skills of older teachers.

It is important to note that the replacement activities were not time fillers. Teachers involved in the project took responsibility for the library, the development of workshops, school administration, environmental issues, mentoring new teachers, issues of school development and competence development of colleagues.

The most obvious outcome of the initiative is that Malmö currently has no teacher shortage, health levels have improved and staff are more likely to remain until retirement age. Absenteeism rates fell from 4.5% to 3.5% between 2002 and 2004. Other factors, such as health promotion, active rehabilitation and an improved work environment, have contributed to this change, but this specific measure should be viewed as a contributing factor. The initiative has also played a part in raising teaching quality. Schools have been able to offer more, smaller groups for students in need of extra support.

Another positive effect concerns staff relations. Prior to the initiative, expressions of dissatisfaction from employees were commonplace. This negative attitude has lessened, and the city has become a more attractive employer for teachers and other categories of school personnel. Indeed, the initiative has received wider attention, being promoted as a good example at national level.

The case studies underline the business benefits of recruiting and retaining older workers for maintaining companies' competitive advantage. Swedish company Elmhults Konstruktions, in recruiting older people to manufacturing, aims to obtain valuable competences in industrial processes. Older workers, with their long professional experience, possess knowledge and skills that cannot be acquired through formal education alone. This knowledge gives older workers confidence, independence and problem-solving skills. Moreover, older workers do not require as much induction and adjustment when they join the company: as a result, training costs have been

reduced. Older workers have lower turnover rates and display greater loyalty to the company. Finally, increased efficiency is gained as a result of older workers supervising younger ones.

In Sweden, it should also be noted that some of the identified effects of initiatives have been unintended. One such effect has been a positive impact on public relations for companies or organisations. **Färs and Frosta Sparbank**, for example, received considerable publicity from its particular age management measure and, as a result, gained new customers. In the City of Malmö education department, as noted above, the measures introduced for teachers have improved the city's reputation as an employer. By recruiting older workers, Elmhults Konstruktions has earned a reputation as employer of choice; for some of the workers recruited, this has ended a period of unemployment. Others who are living in the locality reduced their commuting time and enjoyed greater well-being as a result. Similarly, at Volvo Cars Torslanda, the initiative also achieved a positive outcome in terms of good community relations through the avoidance of dismissals.

In the UK, organisations have overcome skills shortages, reduced their pension payments costs and lowered the costs of sickness absence by having healthier older workers. Retaining staff for their experience and expertise has been the main driver of employment policies in relation to older employees, although it was difficult to quantify outcomes for the different initiatives and thus assess impact. The UK **telecommunications company** indicated that it had seen an increase in the average age at which employees left the company. However, its use of flexible working initiatives to retain older workers had had minimal take-up or impact. Most British organisations felt that measures were cost-neutral when reviewed strategically. A total of three case organisations had undertaken a fairly intensive measurement of costs and benefits of HR policies, but the remainder had not gathered enough data to assess the initiatives' value for money.

Key factors for success

6

In considering the factors underpinning success, it is important to distinguish between the substance of policies and the organisational aspects of their implementation: the content of policies may look promising, but they may not succeed because of difficulties in implementation. This appears to have been the case in several case organisations. Walker, in *Managing an ageing workforce: A guide to good practice*, based on the case study data collected for the 'Combating age barriers' project, identified four key success factors for the implementation of measures:

- backing from senior management;
- a supportive HR environment;
- commitment from the ageing workers involved;
- careful and flexible implementation (Walker, 1998).

Regarding implementation, he identified a further nine sub-factors:

- careful preparation;
- open communication;
- the early involvement of trade unions;
- the early involvement of older workers;
- education and awareness raising among line managers;
- a staged implementation;
- periodic assessment;
- constant communication;
- attention to other aspects of the working environment.

The present case studies point to many factors that appear to underpin the successful application of age management measures, bearing out, extending and refining the list identified in the earlier study. With the advantage of a longitudinal perspective, this report then departs somewhat from the 'Combating age barriers' project in emphasising the dynamic nature of policymaking in organisations and drawing attention to the pressures to which age management approaches can be subjected. The findings underline the need for putting messages for organisations in context, and in particular addressing the issues of managing a labour surplus as well as making efforts to retain workers; frequently, case organisations have been faced with such a situation, in which older workers have been vulnerable. Age barriers are especially noticeable in the process of exit from an organisation and this area requires particular attention, given the long history of early retirement and its continuing attraction for both organisations and workers. Furthermore, the potential vulnerability of age management measures means that it is essential to align them carefully with organisational strategy and allow them sufficient flexibility to respond to shifts in that strategy.

The present study has identified six critical, related success factors for initiatives; the first is external and supports the others, which are internal:

- public policy;
- management commitment and competence;
- the industrial relations climate;
- the process of implementation;
- flexibility and responsiveness;
- devolution of responsibility.

Public policy

The critical role of public policy has already been discussed. While it has been noted that a supportive policy framework in the area of age management is not absolutely essential for the emergence of employer actions, it certainly increases the likelihood of successful implementation. When public and employer policy seem at odds, worker engagement is diminished. In the case examples, regardless of the degree of management commitment, policies that did not clearly benefit employees were unlikely to succeed. For instance, in the UK, a lack of interest by employees in flexible working was often the result of concerns over losing pension entitlement. Elsewhere too, workers were sceptical of employer attempts to implement policies that seemed at odds with prevailing national policy, particularly regarding early retirement. On the other hand, in the Netherlands, since early exit and exit into disability insurance have become more expensive, this has discouraged their use and companies are increasingly inclined to optimise the working conditions of younger and older workers alike. Similarly, in the UK, the prospect of age discrimination legislation is encouraging some organisations to look closely at their HR policies to ensure that they will be in compliance.

Management commitment and competence

At the core of successful initiatives are senior management backing, clear benefits for the bottom line and a management equipped with the necessary skills to implement measures. The importance of strong leadership for policy development and implementation was an unambiguous finding of the 'Combating age barriers' project and also came out strongly in the current project; however, as organisations decentralise, it was clear that policies would not get far without broad approval across the organisation.

The case studies also point to the need for sufficient management competence, with a particular issue being expertise in workforce planning and organisational change, and a strategic vision of the role of HR for organisational performance. Another issue was the ability to align the age dimension with organisational strategy. Being able to articulate the relationship between age management and organisational performance or competitiveness was highly advantageous. The case studies show that initiatives that were not viewed as clearly linking to organisational priorities were at risk in the long run. On the other hand, policies and practices beneficial to older workers appeared to gain a higher profile when they clearly met a business need, generating support from management. As the perceived need declined – as it did in some case organisations – so support could also wane.

For instance, companies recognising that older and younger workers have complementary capacities and vulnerabilities are often able to find ways to maintain older workers' employability as mentors or coaches of younger staff. In construction company **Hazenberg Bouw BV**, in the Netherlands, jobs were redesigned as part of the original initiative to ensure that older workers only faced physical demands that were appropriate for their capacities – supervisory roles and acting as tutors. Working together, a younger worker would carry out physical tasks, while the older colleague supervised. However, the company later reassessed its recruitment policy, targeting younger workers after a relatively large group of older workers joined the company in the 1990s. This can be viewed as a measure to preserve the feasibility of the original initiative. The practice of older workers functioning as supervisors was only feasible while the age profile of the workforce was not imbalanced. Although management feels that younger recruits need additional on-the-job

training, which demands the continuing deployment of older workers, the numbers of older workers have still declined in favour of younger employees.

Furthermore, decades of early retirement have left managers with little experience in managing older workers. For instance, the development of a HR strategy based on workforce planning was a new concept for many managers at **Voestalpine Austria**, an automotive and steel company, after years of downsizing. An imminent lack of staff and a high staff turnover came as a surprise to some managers, but raised awareness of future challenges. Furthermore, while employees' expectations were being raised, this contrasted with the slow pace of conceiving measures, conducting social dialogue and implementing measures, leading to tensions. With the company's long history of downsizing, it was not easy for managers and for worker representatives to achieve a quick turnaround in HR policy.

Financial support and the provision of external skills from, for example, the European Social Fund, have been important in enabling organisations to access much needed expertise. Austrian and Finnish cases, in particular, appear to have benefited from bringing in external support in terms of the scope, quality and sustainability of interventions. In other cases, project management teams have been formed, bringing together expertise from within the organisation.

Nevertheless, management may still tend to return to the familiar strategy of early exit in an economic downturn. Of particular value for educational purposes are case studies that have successfully challenged the tradition of early retirement, demonstrating the cost-effectiveness of alternative approaches to downsizing. A fresh, external perspective on managing the process of downsizing may bring benefits.

Swedish examples show the importance of persuading managers that an initiative provides value for money. The primary success factor at **Volvo Cars Torslanda** was said to be that, from the outset, the company emphasised that the Special Vehicle Services (SVS) initiative should be profitable. The fact that SVS has achieved profitability is one reason for its continuation; the unit has survived despite recurring rationalisation within the company. Another stated reason for the continuation of the initiative is that older workers would otherwise incur costs for the company, either by raising the number of sick days or by their dismissal. However, a recurring threat comes from the accounting department's demands for cost savings. The weak point of SVS is that it is not a core company activity, making it vulnerable to cost reduction exercises and outsourcing.

In Sweden, the initiative developed by **Kronoberg County Council** also shows that problems can emerge during implementation in relation to gaining the support of line management. One problem that affected the project in a negative way was criticism of the 'top-down' implementation strategy. The project was initiated at a high level in the organisation and line managers were not given the opportunity to participate in its design. They perceived this as a lack of confidence in them. Managers also noticed a contradiction between the objectives of the initiative and the council's other HR policies. The fact that it was forced to cut costs, resulting in reduced access to the occupational health team, appeared to contradict the aims of the initiative.

Industrial relations climate

Often, it appears that the main initial drivers of organisational initiatives were HR departments. There was relatively limited trade union involvement at the conception stage; however, they could be crucial in securing or undermining the commitment of staff. Clearly, the success of measures depended to a great extent on the lead taken by trade unions, with good cooperative relations with management convincing the workforce that participation was worthwhile.

One example is Italy, where initiatives that enjoyed the greatest support among employees involved worker representatives in the decision-making process – not only with regard to initiatives, but generally in managing the company. This represents a significant shift in attitude for Italy, where companies usually inform trade unions after the decision has been taken. It was found mainly in two cases – **ZF Marine** and **Box Marche**. At ZF Marine, worker representatives are actually part of management, while at Box Marche, although it has no trade union representation, employees and management hold informal monthly meetings to discuss and decide HR and general corporate policy together.

In the Swedish case of teachers in the **City of Malmö education department**, its older worker initiative had a slow start. In the first semester, only five teachers participated. Some of those who were offered places were insulted by the offer and interpreted it as a criticism of their job performance. The project, therefore, had a low status initially. However, over time, it has become more popular, with approximately 45 teachers now involved, and others requesting that they be allowed to participate. A factor in this may be the implementation process, which involved close cooperation between management and unions, and was characterised by an open and creative climate. Conflict between the union representatives and managers was thus minimised and proposals were presented as common objectives. Another condition for success was the resources that were allocated for the initiative.

Moreover, change can only be achieved if the workforce is willing, or can be persuaded of the benefits. This becomes easier when they participate in the initiative's conception, development and execution. In the Belgian example of **Proviron**, the company took part in the Knowledge Pool 50+ project, with support from the local chamber of commerce. The organisation considers it important to record and transfer in-service knowledge because the average age of employees is high and the company anticipates increased staff turnover due to retirement. After an initial pilot scheme involving one individual, more volunteers – all aged over 50 years and from among blue and white-collar workers – were involved. Following training, volunteers were added to a knowledge pool of experienced employees to be called upon from inside or outside the organisation and to pass on their knowledge to younger employees. They experienced the project as a fresh boost to their careers, it added variety to their work routines – at a time when some regarded these as monotonous – and they gained respect. Moreover, the gap between the older, unskilled but experienced blue-collar workers and younger, skilled blue-collar workers has narrowed.

In Greece, in some cases, the role of employees in drawing attention to needs has been a factor in the success and acceptability of training measures. Another example of successful employee involvement comes from Finland, where the idea of improving a shift system in order to promote staff well-being also came from staff. A revised system was developed at **Ovako Dalsbruk**, part of Ovako Wire Oy Ab, a steel company specialising in long steel products. The project did not lead to

a permanent change in the shift system at the time, but did inspire a second project concerning a different system at the **Ovako Koverhar** division. Following a 12-month trial with the new schedule, a large majority of the workforce voted in favour of its permanent retention. The schedule has also been applied at Dalsbruk and other divisions of the parent company.

A further example is an older worker programme at Finnish company **Ruoka-Saarioinen**, a food processing plant. This voluntary initiative, which was to be piloted until the end of 2005, was targeted at workers aged over 54 years who have been with the company for at least five years. The first step was a discussion between the staff member and their line manager, which covered issues of work capacity, work content and development and rehabilitation needs. Following this, the line manager put forward proposals to senior management, who approved the planned actions.

Another such example is German company **KSB**, which, in developing its programme for older workers, sought the employees' point of view through an employee survey and two separate workshops with older blue and white-collar employees. The purpose of this preparatory measure was to identify factors preventing staff from remaining with the company.

Process of implementation

Developing an intervention strategy was a key success factor in the cases studied. This involved a preliminary age audit to provide a framework for projects and their objectives, including benchmarks for assessing progress. The strategy also guided the development of the business case for initiatives; together with a strategy for ongoing evaluation and monitoring, it provided a strong base of evidence, necessary for winning and maintaining commitment. Ongoing communication concerning rationale, process and impact was important for sustaining the commitment of management and the workforce. While it was not made explicit in the case studies, it appears that a perspective external to the organisation may have been beneficial in terms of new thinking to challenge existing practices and ensure that one aspect of policymaking did not contradict or undermine another. This not only pertained to possible conflicts with public policy, but also with internal organisational policies that might have undermined initiatives. Reframing the attitudes of managers and workforce was also essential, influenced by the research evidence base and an external perspective; however, some case studies could also point to instances of successful 'beacon' employees providing an example to others (see **Barco**, Belgium). Although a higher age profile in an organisation could mean that measures were more likely to be sustained, there was a sense in which this could limit the scope of organisations wishing to promote greater age diversity.

Frequently, the case studies have faced challenges during implementation. An important issue in some has been that take-up has been low, at least initially. In some cases, there has been reluctance among staff to participate. For instance, in Austria, the **Viennese Hospital Association** developed a new grading system for staff. At first, head nurses in departments hesitated about participating, fearing role conflict with expert or master nurses. Therefore, during the implementation phase, a precise job description for master nurses on each ward was developed in consultation with the head and master nurses, with a particular focus on the interaction between them.

Another example is **Volkswagen Commercial Vehicles** in Germany where, in order to delay retirement age, preventive measures in the fields of skills, health promotion, work organisation and

people management have been implemented. There are a number of stressful job tasks that often cannot be performed right up until retirement age. To safeguard employment, the four-step 'cascade model' was developed; the four steps – prevention, integration, integration department and special assembly – encompass all the measures required to maintain and restore worker employability and productivity. The measure aims to safeguard deployment possibilities for all employees, and the objective is to reintegrate older workers with reduced work capacity into the production area. If this cannot be achieved by means of transfer or temporary employment in the integration department, then the special assembly unit can assign tasks that are not subject to the standard performance criteria to employees who are experiencing difficulties. For the workers, this means that they have the prospect of being retained. However, some have been critical of the pay cut accompanying the reduction in working hours and the possible downgrading that the measures entail.

In **DSM**, a large Dutch chemicals company, application of its 'Stay Fit' programme was problematic because those who needed the programme were already demotivated, while motivated staff did not take it seriously. Later, a pilot programme taking a life course approach to work was implemented; however, although line managers disliked policies that were labelled as being aimed at older workers, they did not view the life course label as particularly meaningful. This indicates that current terminology is inadequate.

In the UK, as noted earlier, there has been evidence of a slow start among initiatives and a low take-up of them. Policies that have depended on employees wishing to access the initiatives, such as flexible working, and gradual retirement, have probably been under-utilised. After initial promotion of the schemes, they have not been subject to extensive additional promotional activity.

An Austrian example underlines the importance of tackling age prejudices in order to provide a solid basis for later measures. In **GiroCredit**, now part of **Erste Bank**, previous mergers had included staff reduction exercises involving early retirement. Promotional activities to retain older employees and maintain their work ability were not considered; nor was it easy for management to understand workforce ageing as an issue. Managers frequently pointed to motivational problems and 'inner retirement' among older employees, which was confirmed by staff surveys. Given that most of the company's services are personally delivered and, therefore, depend on individual personality, ability and willingness, the risk was that customers would be dealing with demotivated staff. The HR department recognised the problem and launched a programme of activities that began with awareness-raising workshops. Managers from all levels, including the board, participated. Parallel workshops were organised for employees aged 45 years and over. Attitudes, images and myths were outlined, discussed and reassessed.

A further challenge has been implementing measures in particular sectors or occupations. In the Netherlands, for example, construction company **Hazenberg Bouw BV** implemented an initiative on flexible working that allows workers aged 55 years and over to work a four-day week. The intention was to reduce worker fatigue. However, there have been problems with implementation because of the way the work is organised, with on-site construction and tightly scheduled activities.

An Italian example also shows that the context in which older workers are employed can be crucial to the success of initiatives. The measure taken in **Coop Adriatica**, aimed mainly at older women returning to work, was judged to have been a major success. However, later evidence of declining

motivation among recruits was partly ascribed to their difficulty in adapting to a working environment that was primarily youthful.

Another issue that came to the fore in case organisations was a cultural reluctance to address the issue of a workforce age imbalance towards older workers. In Greece, the overall ageing of the workforce was not perceived as a problem in itself, but there was concern among companies about trying to achieve a reasonable age balance. This necessitated hiring young employees, which was difficult because of a commitment to retaining older workers and a lack of job openings. Unresolved problems relating to older workers became evident in companies that had adopted policies of retaining older workers until retirement. In some cases, this meant bearing the cost of less productive employees, who were mostly older and of low educational attainment.

In the UK, several companies were taking the opportunity to raise the age level of entitlement to draw company pensions. Others were replacing old company schemes with new ones. This had the negative effect that, while companies were giving signals about being age positive, middle-aged and older employees had the perception that they were being financially disadvantaged. As noted already, this theme emerged in other cases with, for example, flexible employment practices being perceived as demeaning by some workers.

Flexibility and responsiveness

Changes over the economic cycle require different management approaches. This study has revealed marked changes over the last decade in the circumstances of many of the case study organisations, with concomitant effects on workforces. Thus, the ability to adapt policies to suit changing organisational and individual circumstances would seem key to successful implementation and sustainability. Constant evaluation and review are essential; however, while they were at the heart of some case initiatives, they were almost entirely absent in others. Crucially, one Finnish respondent from a **power and automation technology** company commented: 'We have learned that continuous development is essential. If something dies out, it is very difficult to galvanise it into action'. There were also instances, such as the British cases, where company policies were sometimes applied rigidly. For instance, flexible working, applied in response to European and British regulations around maternity and paternity, had not been extended to include other kinds of caring responsibilities. Current government proposals to extend such rights may change this situation. In the meantime, such inflexibility is unlikely to properly meet the needs of workers or managers.

A need for responsiveness to changing circumstances also emerges – for instance, when measures come to a natural end. This links to the ability to plan for the future and predict the likely outcomes of particular measures. Occasionally, a short-term perspective resulted in problems later. For instance, an issue of capacity has arisen in the Dutch construction company, **Hazenberg Bouw BV**, which has implemented job-design measures for older workers. The original initiatives identified for the 'Combating age barriers' project have largely remained in place, with some intensification, because the average age of the workforce has risen. A large group of workers in their late 30s and early 40s joined the company at the time of the earlier project (1995–1996) and, as staff turnover is low, the company is experiencing an imbalance of its age profile. However, management now considers that no more design adjustments are possible, and the view is that, with an increase in the average age of the workforce, problems will escalate.

In a similar vein, the Swedish company **Elmhults Konstruktions AB** points to the benefits of low turnover rates among its older employees; however, the management also suggests that the company's approach might have future adverse consequences in terms of rising absenteeism rates, as the average age of its workforce increases.

Flexibility is also valuable in ensuring that policies are responsive to changes over the individual life course. For instance, some case companies facilitate career transitions that take account of workers' changing capacities as they age. In **DNB**, the central bank in the Netherlands, younger employees often work in highly volatile environments, while older staff have jobs that require a more reflective, distanced approach. At another Dutch company, **Afvalverwerking Rijnmond (AVR)**, the transition from physically demanding shift work to daytime work is facilitated by the introduction of a transitional job that incorporates elements of both shift work and daytime work.

Devolution of responsibility

The case studies show that, although HR managers and trade unions had a critical role in initiating and promoting measures, success depended on including a range of actors. In particular, responsibility for action was best located among line managers and the workforce. On occasion, organisations have formed teams responsible for managing initiatives, with representation from management, trade unions, occupational health and safety experts and research institutes. Policy implementation has been highly successful when responsibility is given to work teams or line managers, with HR departments and others providing support.

Lack of commitment from operational managers to implement policies at a local level was a possible explanation for a lower-than-expected take-up of some initiatives. Despite the best intentions of senior managers, measures did not always receive strong support at lower levels; sometimes they were fitted in around competing priorities. This suggests that real success will only be achieved if line managers prioritise measures and are assessed on their performance. For example, when an indicator such as rates of sickness absence is made part of line managers' evaluations, there is a strong incentive to address issues of employability. Dutch catering company **Albron** is one example where line managers have responsibility for maintaining worker well-being. Since 2000, the company has expanded its range of policies impacting on older workers. In that year, a pilot project called 'focus on absenteeism' commenced. This shifted the responsibility for absenteeism to line management, a move that was facilitated by the introduction of so-called reintegration managers. As a result, absenteeism rates declined by over two percentage points, to 3%.

Another example, this time concerning operatives rather than managers, comes from the Finnish **power and automation technology company**. In addition to periodic medical examinations at various ages between 40 and 65 years, the company has extended its occupational health service to carry out physical examinations among the entire staff group. The intention is to prevent a decline in work capacity at an early stage. Workers first receive individual feedback and recommendations on the basis of the results, after which staff are given general feedback on the workforce as a whole. The group feedback enables a company-wide approach to promoting better work abilities: staff are involved in designing and implementing measures. The company plans to repeat this practice every three years.

Critical success factors for measures

Public policy

- National policy framework that encourages organisations to tackle age issues and is conducive to policy development.

Management commitment and competence

- Strategic vision of management and a view of HR as a strategic resource
- Strong leadership and unambiguous commitment from senior management
- Experience of managing change
- Support of line management
- Cost neutrality or profitability of the initiative
- Meaningful replacement activities for staff
- Sufficient resources – both financial and human

Industrial relations climate

- History of good cooperation between management and trade union/works council
- Trade union or workforce involvement or support
- Participatory development of measures
- Active involvement of workforce in implementation

Process of implementation

- Preliminary age audit to provide a framework for projects and their objectives, including benchmarks for assessing progress
- Identification of the business case for initiatives
- Strategy for initial and ongoing communication concerning rationale, process and impact
- Integrated policymaking
- Strong base of evidence to win and maintain commitment
- Greater likelihood of sustained success in organisations with higher age profile
- Reframing of attitudes of managers and workforce

Flexibility and responsiveness

- Ongoing evaluation and review
- Flexible measures that take account of changing needs of workers and the organisation
- A life course perspective

Devolution of responsibility

- Clearly defined roles of main actors with consistent messages
- Opportunity for management discretion in the implementation of policies
- HR goals integrated as key performance indicators
- Worker discretion in terms of how tasks are carried out
- HR department and other functions take a supporting/expert role

Decades of early retirement have resulted in a self-fulfilling prophecy regarding the attitudes, aspirations and motivations of older workers. A lack of investment in such workers has resulted in a lack of job opportunities and an orientation towards early retirement. An 'early retirement' mindset prevalent among management, trade unions, and older workers has developed to the extent that alternatives are often not considered. Tackling this is the responsibility of each actor: indeed, success is conditional on coresponsibility. However, as shown, the behaviour of managers and older workers is strongly shaped by public policy. Cultural change will only emerge when governments set out a fresh map of working lives; as demonstrated, the issue is highly contentious.

Challenges for employers

In considering the implications for employers, it should be remembered that this study has largely examined the situation in larger, private sector organisations. Case studies tend to be larger than average due to problems of gaining research access to smaller enterprises; moreover, HRM functions are more likely to be found in larger companies. The private sector bias is a little surprising and it is interesting to speculate on the reasons for this. Difficulties of accessing public sector organisations may be one reason, with such organisations being concerned about opening HR practices to public scrutiny. Another reason may simply be that policy on age management has not developed to the same extent in the public sector, perhaps as a result of continuing pressure to rationalise workforces. Whatever the reason, this narrows the scope of the conclusions that can be drawn.

With these caveats in mind, a number of future issues or challenges exist for managers. First, HRM policies can only be considered to contribute to older workers' employability if they are actually implemented. This requires that line management is encouraged to adopt the issue. Gaining the commitment of all levels of management is of primary importance for the success and sustainability of initiatives. Without management support, it is difficult to find resources for development work and to make the necessary decisions. If management is not behind the initiative, it is almost impossible for it to become a part of daily routine. Case study evidence suggests that actual implementation of policies on age management is more likely when HR departments and line managers are made responsible for achieving age management objectives in the form of key performance indicators.

A successful programme does not, however, depend only on management. The commitment and participation of the workforce increases the probability of success of an initiative. Cooperation and social dialogue are needed at all levels. In order that everyone fully understands the purpose of a measure, and to increase motivation and trust, communication and awareness-raising should be extensive and continue beyond the initial phases.

Continuous feedback to staff and ongoing evaluation of measures are necessary to ensure success. Furthermore, sufficient financial resources are needed for occupational health services, and for external and internal consultants. Sufficient time must be scheduled for preparation, detailed planning, and for implementation and evaluation; this means that adequate human resources must also be available.

A key factor of success in implementing measures is that they be the result of agreement between trade unions and management, although there are examples where trade union representation is

weaker and management has worked hard to engage staff and persuade them of the benefits. If management and unions present a common front from the outset, this also seems to be beneficial for success. Furthermore, initiatives tend to develop in a positive direction if they make a clear contribution to organisations' strategic goals and objectives.

Although the role of external consultants and specialists is important, the company must have a sense of ownership in the programme for it to become everyday practice. Nevertheless, external consultants help to speed up the implementation process of initiatives, especially at the beginning. Moreover, some measures originate in the actions of particular individuals; however, to be successful in the long term, it is important to incorporate the measure within the organisation.

The promotion of equal opportunities in various forms (e.g. promotion of cultural diversity, non-discrimination policies) has had the consequence that employers do not examine specifically age-related issues in some cases. While a broad commitment to tackling issues of equality is commendable, it is unclear from some cases how this commitment extended into action. A related issue is the generalisation of age-aware policies to become life-course policies. Such a development may strongly increase support for policies that address the needs of older workers, but the danger exists that older workers' specific requirements are no longer fully recognised in the broader context.

A small number of organisations recognise linkages between age and gender issues – for example, in workforce planning. Likewise, in a few instances, organisations have recognised risks in policies based on the employment of particular age groups. Experience in gender diversity and multiethnic or international team development is a potential source of age management competence and vice versa.

Business case for age management

At various points, this report has drawn attention to issues surrounding the business case for age management. It appears, for example, that commitments to older workers can be undermined by business imperatives such as the need for staff reductions. Although this may bring short-term business benefits, it can undermine the credibility of initiatives, and leave survivors confused as to managers' real intentions. While managers may be aware of concerns about future labour supply, these longer-term issues are sometimes put to one side.

A further need for action is seen in the field of risk prevention. This concerns both company health promotion and questions of skills and motivation. Another related future field of action will be the question of how to regulate the internal labour market: what kinds of mechanisms will be needed to determine who does what work, and in which life phases? An option here would be to utilise working life biographies to plan personal development pathways. The issue of performance management did not often arise in case organisations, but it is also likely that the need for effective tools enabling employers to assess performance accurately will come to the fore as workforces age.

The case organisations will need to take steps to address the question of work–life balance (some are doing so already). This will require models of working hours that take aspects of caring roles into consideration.

Age management as a strategic issue

In time, changing demography and associated shifts in labour supply, ongoing industry changes and a changing public policy framework may force organisations to consider workforce ageing much more seriously as a strategic issue. Managers will, therefore, need to find effective solutions for making use of older workers and to plan accordingly.

However, significant progress will not be made without reconciling age management with other aspects of organisational policy. It seems that market demands still frequently leave older workers highly vulnerable, with organisations willing to let go those who are supposedly less productive. The perception that management has of older staff can quickly change – from prized assets to expensive liabilities. It may be that as the supply of labour ages, markets will adapt. Nevertheless, in the meantime, this project points to ongoing difficulties with retaining older workers in organisations.

Role of employer organisations

For employer organisations, these findings point to the importance of raising levels of awareness and competences among members in terms of age management and the implications of demographic ageing for labour supply. It is apparent that both awareness and competence vary widely among the case countries. Key areas to address include alternatives to early retirement when downsizing is required, and how to implement policies on equality and diversity. Specifically, the composition of the future workforce is a topic for several case organisations, in which the recruitment of older workers is not a top priority, but one that fits within the wider concept of diversity as organisations seek to employ more heterogeneous staff teams. Employer representative bodies, such as chambers of commerce – locally and nationally – have an important role to play in helping their members to understand the issues associated with workforce ageing and in tying the various diversity strands together.

Employee perspective

For employees and job-seekers, the findings of this study – while indicating the importance of a person's age in determining their employment prospects – clearly show that the situation is highly complex. Thus, there appears to be a continuing preoccupation with early retirement benefits among older workers in different case organisations. Moreover, some companies reported situations where older workers approaching retirement showed no interest in development activities, and HR departments accommodated this. Of course, this may only serve to feed prejudice against older workers, though the behaviour of older workers may be understandable if they perceive that their employer had taken little interest in them until that point. On the other hand, it should be acknowledged that other older workers appear to have welcomed and benefited greatly from development activities.

The case studies emphasise that the availability of employment opportunities can have a range of other benefits beyond financial remuneration. There may be value in referring to these in promotional activities aimed at encouraging older people to re-enter the labour force.

Given the role that early retirement continues to play in organisational life, it might be expected that older workers would not necessarily be quick to embrace a new vision of working life. It seems that, for many, the rhetoric of active ageing is far from being realised, although some case

organisations have clearly taken major steps in this regard. In some instances, older workers appear suspicious of the notion of flexible retirement and the motives of employers. This suggests a need for policymakers and trade unions to do more to raise awareness, and for policies that offer realistic alternatives to early retirement or full-time employment.

Involvement of trade unions and works councils

In a number of instances, it was apparent that the initiatives most appreciated by staff were those that had involved their representatives at decision-making and/or planning level. Moreover, initiatives were found to be successful when sufficient investment was made, when employees were the main focus – from a human as well as economic perspective – and when companies planned appropriately. For the workforce, this brought benefits in terms of loyalty and a sense of belonging, and also with regard to greater productivity, acquiring new skills and extending working lives or safeguarding jobs in the event of a company crisis.

Well-meaning measures appeared to have sometimes foundered when they were not supported by employee representatives and work councils. Moreover, it is apparent that employee representative groups frequently remain convinced of the value of early retirement, and do not often provide strong leadership in this area. It is apparently unusual for trade unions to initiate measures for older workers, which is surprising, given the range of employee benefits referred to earlier.

On the other hand, the case studies contain several instances where, despite the emergence of HR policies ostensibly aimed at supporting older workers, these have been undone as business priorities have shifted. This points to a further key role for trade unions and work councils in promoting approaches to downsizing that are more protective of both business and older workers, such as those outlined in this report.

Findings for national policymakers

For national and regional policymakers, a key finding of this study is that early retirement remains a popular instrument for unions, managers and workers. There is also evidence that some policymakers still favour early retirement as a social instrument, although, overall, there has been a broad shift towards policies aimed at reducing the incidence of early retirement and encouraging a prolongation of working life. Indeed, companies and workers in countries with a long history of early retirement, such as Belgium and Germany – when they see the direction that public policy is taking – sometimes try to use early retirement instruments while the window remains open. This traditional option has deeply influenced age management and, as shown in the case of some countries with a culture of early exit, the shape of workplace policymaking is determined to a large extent by the continued availability of retirement pathways. It is noteworthy and perhaps encouraging that, against this background, more innovative workplace policies have emerged at all.

One of the counter arguments to employers' use of early retirement cites the 'lump of labour fallacy' – the mistake of assuming that giving work to someone takes it away from someone else as there is only a fixed amount of labour to go around. Nevertheless, employers and trade unions facing the prospect of restructuring still often tend to favour early retirement as being somehow more socially acceptable. For them, the day-to-day reality is that there really are only so many jobs available; arguments to the contrary are not perceived as credible.

In some countries, a highly evolved public debate is mirrored by increasingly sophisticated organisational approaches. Elsewhere, issues of age management remain at the periphery of national and workplace debate, Italy being one example. Some Italian companies are well aware that the population of older workers will increase in the future, but tangible, planned actions to address the issue are rare. In fact, companies were almost always uncertain in describing future intentions. Overall, during the research, what emerged were possible future approaches, rather than systematic strategies and detailed plans. In Germany, it appears that demographic ageing, while acknowledged, is viewed as being of limited immediate concern. By contrast, future actions with regard to age management in Finland and the UK appear somewhat more concrete. It may even be that some of the case study organisations have moved ahead of policymakers in how they perceive and understand issues of age management. Nevertheless, it can be concluded from the cases that, overall, few organisations viewed demographic ageing as a strategic issue.

For government, perhaps a key finding of this study is that organisational policy appears to be breaking free from the narrow confines of an emphasis on older workers and moving towards life course perspectives. This includes lifelong learning, career management and long-term workforce planning. It raises important questions about the ability of social policy to support such a development. The national overviews point to some progress in this regard. Clearly, a narrow focus on issues associated with the employment of older workers will serve neither the needs of industry nor of employees.

While national policymakers may be heartened by developments in the case organisations, it should be emphasised again that this study has not demonstrated that workplace policymaking on age management is developing generally, beyond these instances. Moreover, while policy has evolved, it is also apparent that measures can end abruptly and permanently as priorities change. It is hard to be persuaded that there is a profound shift in the treatment of older workers. In fact, their changing fortunes may serve as an accurate barometer of the faltering growth of some European economies in recent years. These cases also highlight the adverse consequences of some public policy reforms. As mentioned, some organisations and older workers are hoping to avail of the last-minute opportunity before early retirement pathways are closed off.

A gap also exists between policy and practice: European policymakers are to varying extents promoting the importance of extending working lives, while business pressures often consign this issue to the periphery. The oldest – and the youngest – workers continue to bear the brunt of recession or industry restructuring. In recent years, some policymakers and campaigning groups have sought to promote a business case for the employment of older workers. However, progressive approaches that some companies had taken towards their older employees tended to be overlooked when companies were faced with external factors that demanded labour force reductions. In cases where the business case is arguably weak, for example, in countries with high current levels of unemployment, such as in Germany or in Greece where industries are offshoring because labour is cheaper, it seems likely that arguments for retaining older workers would be viewed as barely credible. The promotion of corporate social responsibility offers a possible way forward here. On the other hand, the business case has been shown to be strengthened when cost imperatives are involved, for instance, in the Netherlands, where the cost of early exit is increasingly being borne by business.

Finally, the case studies also highlight the value of partnerships between employers, government, researchers and other actors in establishing workplace initiatives on age management. The Austrian and Finnish cases, in particular, reveal how organisations have benefited from drawing on external capability and provide excellent examples of the benefits of age management. Although workplace examples of age management exist in many European countries, systematic action research would help to strengthen the messages of policymakers.

Conclusions for European policymakers

Progress has been made towards achieving the ambitious European targets for the employment of older workers, but this has been mainly due to (limited) economic growth. While the issue has had a relatively prominent place in debate in some countries – such as Finland, Germany, the Netherlands and the UK – it has had low profile elsewhere. Progress seems to have depended to a great extent on economic performance, and on the willingness of national policymakers to promote sometimes unpopular policies on retirement and social welfare. To conclude that the fortunes of older workers have changed permanently would be premature. European policy may be perceived as being ahead of, or out of step with, the challenges facing industry and national governments in terms of managing continued restructuring and issues of labour supply. Arguments concerning changing demography and the employment of older workers do not appear to have resonated strongly with employers or with some national policymakers. Added to this, given the trend towards the offshoring of segments of industry, and continued pressure on immigration policy from industry, there may be a need for policy that draws these different threads together into a strategic and coherent vision of managing future labour supply.

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As the European population grows older, there is increasing pressure on governments and companies to provide initiatives that enable and encourage older workers to remain in the workplace. This report documents a range of case examples from companies across the former 15 EU Member States which have implemented successful age management initiatives over the past ten years. The 150 examples selected demonstrate good practice in such areas as recruitment, training, skills development, time management, health promotion and workplace design. The overall aim of the research was to show effective ways of increasing the labour market participation of older workers, to enhance their contribution and productivity, and to prevent the incidence of early exit and unemployment.

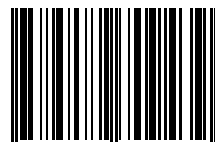
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