

Policy Document 1
Age Management
Workplace practices
promoting older
workers' employability



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1 Description of the Problem

Population ageing is a global, pervasive and enduring phenomenon with profound implications for many dimensions of human life. At the societal level, a salient consequence is an imbalance in the finances of pension systems. A frequent response has been an increase in statutory pension ages. However, there is ample evidence to suggest that incentives-based strategies targeted exclusively at the labour supply are not sufficient because the demand for older workers is sluggish. Indeed, previous analysts have concluded that such **national-level policies need to be combined with company-level solutions** to be effective.

This Policy Brief assesses the state of senior human resource management in Europe and shows to what extent policies exist that may offer more sustainable solutions.

Age management is a holistic concept describing a proactive, workplace-centred approach to keep older workers longer employed. Age management covers a range of different policies, including more flexible work time arrangements, continuing education and workplace training, ergonomic adjustments to the physical work environment, and health interventions. By enhancing older workers' productivity and lowering their work strain, later retirement can be achieved in a way that benefits employees themselves, as well as their companies and society overall (Ilmarinen 2001).

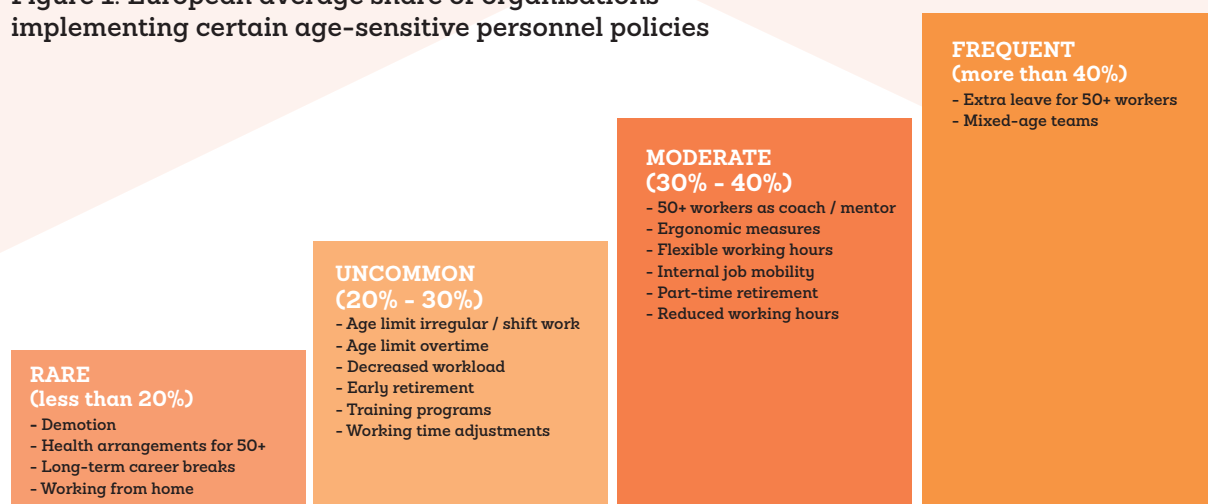
At the basis of an effective age management lies the employer's awareness of the challenges associated with it, which in turn shapes the personnel strategy as well as specific age management tools employed. Age management at the organisational level contributes to active and healthy ageing by improving older workers' employability.

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2 Current Situation

Figure 1 shows the percentage of organisations making use of different measures of age management in the European Union. Most existing measures aim to relieve older workers of work-related pressures by gradually phasing them out, such as part-time retirement, reduced working hours and extra leave. Yet, several activating measures are reasonably common as well, such as mixed-age teams, coaching programmes, or training. Finally, least common but still relevant, are flexibility measures, such as working time and schedule adjustments or working from home. However, implementation of these policies tends to be clustered: many organisations implement several policies, while some do not implement any age-related personnel policies at all. Size is an important factor, with larger organisations being able to dedicate more resources to age management.

Figure 1: European average share of organisations implementing certain age-sensitive personnel policies



Note: Figure shows authors' own calculations based on 20 data sets, containing over 30,000 organisations in 22 EU countries. Source: Lössbroek (2018)

This Policy Brief focuses on age management policies related to training and flexibility. Table 1 gives an overview of the “old” and “new” approaches in these two areas.

There is a virtual consensus that **training** contributes to increased motivation and productivity of younger workers. Indeed, training programmes have repeatedly been found to increase the preferred and actual retirement age of older workers (Van Rooij 2012). However, training has not been found to be successful in increasing the productivity of older workers, so any benefits of training older workers may only register in the bottom line of companies in the long run.

Conventional (state-run) active labour market policies have been shown to enhance the employment chances of unemployed people, but there is some evidence that they are less effective among older workers (Vikström et al. 2013). Once older workers become unemployed it is very hard for them to get back into employment (Heisig and Radl 2017). Thus, to minimise late-career job losses, it is crucial to help sustain ageing workers' employability through adequate continuing education and on-the-job training (Picchio and Van Ours 2013).

Sustainable solutions can include: (i) age-specific training programmes tailored to the needs and capabilities of each cohort of workers in a given work environment, accompanied by an evaluation of the training process; (ii) coaching for managers to eliminate ageist prejudice and helping them identify the potential of all staff members (or new job applicants), taking into account their age and their initial training; as well as (iii) employing older workers as coaches and mentors themselves to share their experience through project management, demonstration, rotation, and shadowing. All these strategies build on the insight that it is in the immediate interest of companies to involve their older employees so as to guarantee the intergenerational transfer of knowledge.

According to the new paradigm of lifelong learning, there is a need to overcome the conception that education is only for young people, whereas middle-aged and older persons do not have anything to learn anymore. Quite the contrary, the swiftly changing nature of today's economy and the ongoing technological innovations require a constant updating of skills across the age spectrum.

Table 1: Age Management Policies in the Areas of Training and Flexibility

Scale	Training	Flexibility
Conventional	<ul style="list-style-type: none"> - Formal education - On-the-job training 	<ul style="list-style-type: none"> - Early retirement - Gradual retirement
Innovative	<ul style="list-style-type: none"> - Age-specific training - Manager/supervisor training - Older workers as mentors 	<ul style="list-style-type: none"> - Flexible schedules and home office - Additional leaves - Age-specific job tasks
New paradigm	Lifelong learning	Age-integrated life course

Source: Authors' own elaboration.

In terms of **flexibility**, the conventional approach has been to release older workers into early retirement. Part-time work for older employees and gradual retirement have long been advocated for by experts, but the take-up in such schemes has been sketchy and finding the right policy design has proved difficult for policy makers. When programmes provide strong incentives they quickly became expensive and even lead to shorter working lives and involuntary partial retirement as organisations (mis)used them for downsizing (Eurofound 2016). Newer ideas include flexible work schedules for older employees as well as additional leave. Another approach, which has shown to enhance the productivity of older employees, consists in age-specific jobs that re-allocate tasks “shifting duties away from physically demanding jobs or monotonous procedures or by shifting old workers to workstations that better fit their capabilities” (Göbel and Zwick 2013: 83). This approach also includes using older employees as mediators, trustees or ethical advisors and it overlaps with the idea of using them as coaches.

The new paradigm of the "age-integrated life course" implies the flexible distribution of work years across the life course, possibly organised through "unified funded social insurance" (Falkingham et al. 2011). The possibility of additional leave to attend to caring tasks or training needs at different individualised moments in life overcomes the rigidity of the tripartite life course – education, work, retirement – that governed the golden age of welfare capitalism but is being renegotiated in today's world where many people want to be able to forge their own biography in line with on personal preferences and circumstances.

3 Promising Practices

In their "guide to good practice in age management", Naegele and Walker (2006: 3) point out that "there are three key questions to ask of an initiative. Is the initiative beneficial? Is it sustained? Are its effects monitored?" In this vein of evaluation and effectiveness, this section identifies two particular policies with a contrasted potential in the areas of age management, one pertaining to the realm of training and one to flexibility.

Flexibility. The STAR program. STAR stands for "Support. Transform. Achieve. Results", a programme that targeted workers aged 50 to 64 years. This organisational intervention was carried out in the IT division of a large US company. The results were evaluated by Moen and colleagues (2016). A randomized trial involved three components: (a) participatory training sessions where working groups evaluate new ways to increase employees' working time flexibility by increasing the efficiency of work flows (b) training supervisors to be more considerate of employees' private lives; and (c) assessing ways to reduce low-value work and to focus on results rather than "face time", e.g. by avoiding inefficient meetings requiring unnecessary physical presence. Moen et al (2016: 330) report substantial effects on expectations of later retirement measured five years after the introduction of STAR: "the likelihood of expecting to retire later, at age 67 or older, is on average 10.3 percentage points higher for those in STAR, net of all other factors." Although it remained unclear how exactly this process was triggered, the findings show that flexibility interventions are capable of making the prospect of working longer more attractive.

Training. A very promising type of initiative, interestingly, influences older workers' performance by training their managers in how to manage a mixed-age team (Wegge et al. 2012). In the control group, team productivity was hampered by ageist attitudes among workers, which generated friction and impaired cooperation. Managers who participated in age-diversity training were significantly better at realising a helpful climate and thereby increasing productivity of both younger and older workers. Mixed-age teams potentially outperform homogenous age teams (Göbel and Zwick 2013; Wegge et al. 2012); training can help fulfilling this potential.

4 Policy Recommendations

Population ageing is attracting a lot of attention from the media, policy makers, international organisations and researchers around the world. Thus, there is no scarcity of ambitious strategy documents. However, the practical implementation of ambitious plans has been more lacklustre. In a nutshell, policy makers have found it easier to introduce financial penalties for early pension uptake than to effectively foster older workers' employment chances. Below, we summarize our recommendations to four different stakeholders.

Employers

- Consider implementing successfully evaluated policies such as the STAR program on a larger scale
- Promote access to training, which is unequal for older workers and appears to be affected by gendered ageism among managers (Lössbroek and Radl)
- Empower employees in the decision to use personnel policies
- Stimulate diversity training for managers

Policy makers

- Support anti-ageism projects, e.g. through information campaigns and government-sponsored 'best practice' company prizes
- Fund social scientific research to carry out more randomized trials and undertake field experiments to evaluate promising practices
- Stimulate employers to extend successful policies also to include those who are marginally or temporarily employed, many of whom are women

Scholars

- Continue testing promising policies
- Rigorously evaluate which good practices are transferable to new settings, are scalable, and contribute to prolonged working lives and healthy ageing without losses in productivity

Trade unions & employer's organizations

- Inform employers about good practices
- Include implementation of good practices in employee-employer negotiations

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