



European Institute of Public Administration  
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# **The impact of demographic change and its challenges for the workforce in the European public sectors**

*Three priority areas to invest in future HRM*

*Danielle Bossaert in cooperation with  
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By

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## **Abstract**

European public sectors are particularly affected by the demographic challenge and an ageing and shrinking workforce. According to OECD statistics, over 30% of public employees of central government in 13 countries will leave during the next 15 years. Moreover, the public sector has as compared to the private sector to rely on a much older workforce, who will have to work longer in future. Against this background, European governments need to react and re-think major elements of current HR and organisational management in the public sector. Particularly the skills in age management should be improved in order to also maintain in future a highly productive, competent and efficient public sector and to ensure that public employees stay longer ‘employable’, ‘healthy’, ‘fit for the job’ and ‘up to the task’. The survey suggests some solutions by investing more in three priority areas in the field of HRM.

## Table of Content

Introduction .....	3
1. The demographic challenge: Towards a smaller and older population and workforce.....	6
2. Workforce ageing in the public sector: Trends and Developments .....	12
3. Why should the state employer care or the urgency to react .....	15
4. Three priority areas to invest in future HRM.....	18
4.1 The introduction of a more age conscious and non-discriminatory human resource management .....	18
4.2. Towards a more preventive and holistic health management .....	22
4.2.1. The building of public sector organisations based on good working conditions, job autonomy and recognition.....	25
4.2.2. Effective preventive measures in health management .....	26
4.2.3. The introduction of flexible working patterns and working time arrangements....	28
4.3. Training and career development until career end as a major element for safeguarding long-term employability .....	32
4.3.1. The need for a higher participation rate of older employees in age related training .....	33
4.3.2. The prevention of skills obsolescence, knowledge gaps and deterioration of performance.....	35
4.3.3. More varied career paths with better end of career management.....	37
5. Examples of HRM approaches which aim to cope with demographic change and an ageing workforce in the public sector .....	43
Conclusions .....	52

## Introduction

The EU Member States are facing huge changes of their demography, which are expressed by the fact that people are living longer and national fertility rates are declining.<sup>1</sup> Hence, the average age of the population will increase – although to a different degree in different states; while the group of employees aged 55-64 will go up as compared to those of lower age.<sup>2</sup>

European public sectors are particularly touched by this trend and they should be prepared to cope in future with a smaller and older workforce.<sup>3</sup> As this survey will show, state employers already now face a much faster ageing process of their workforce than the private sector. Moreover, they will be confronted with considerable re-organization challenges which are due to growing needs in healthcare and social care of an older population. In short: lesser and older public employees will have to deal in future with a bigger population of higher age. Already since 1995 the group of public employees aged 50+ has increased in most of the European states, which will be even more so in future.<sup>4</sup> Nowadays this group amounts to 32% in the French civil service, while it reaches only 20% in the private sector.<sup>5</sup>

State employers cannot stand on the sidelines of this process; they have to react: firstly they should become more aware of the effects of an older population for the delivery of services. Secondly, they should start to develop effective solutions to potential HR and organisational capacity problems such as risks of performance gaps, skills obsolescence, loss of knowledge through massive retirements etc. Thirdly, they should introduce measures and instruments which encourage longer working lives to cope with the low employment rate of older workers.

Challenges linked to demographic change make it necessary to review current personnel policies by stronger focusing on a more age conscious HRM. In order to also remain in future attractive employers, European public sectors need to take much more into account age based needs with regard to working arrangements, training and career development, reward systems etc.. Motivation, job satisfaction and performance will in future much more depend on an HRM policy which will aim to maintain the workability and employability of public employees at all ages during their whole career.<sup>6</sup>

So far, the state employer only reacts slowly and avoids to clearly communicating the need for drastic changes, which the *Economist* describes as follows: ‘*This painful truth is no longer news in the rich world....Unfortunately, the boldest plans look inadequate. Older people are going to have to stay economically active longer than governments currently envisage: and*

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<sup>1</sup> Eurostat, Active ageing and solidarity between generations, A statistical portrait of the European Union 2012, Luxembourg 2012, p. 7.

<sup>2</sup> Ebd, p.16, p.41.

<sup>3</sup> For literature on demographic change and ageing in the public service, see under footnote 8.

<sup>4</sup> OECD, Government at a Glance, 2009, Paris 2009, p.72.

<sup>5</sup> Eurogroup Consulting, Le management des seniors dans la fonction publique, Conférence, École nationale d’administration, Paris, mardi 22 septembre 2009, p. 4.

<sup>6</sup> E.g. A. Hondeghem, K. Vanmullem, Training the older worker, Paper for the 5<sup>th</sup> International Conference of the Dutch HRM Network, Tilburg 2007; E. Parry, Sh. Tyson, Managing an age-diverse workforce, Palgrave Macmillan, New York 2011; A. Walker, The emergence of age management in Europe, in: *International Journal of organisational behaviour*, 2005, Vol 10 (1), p. 685-697.

*that is going to require not just governments, but also employers and workers to behave differently.*<sup>7</sup>

Against this background, the aims of the survey are the following:

- to describe the impact of demographic change on public sectors;
- to describe the specific challenges, with which European public sectors are confronted in the context of demographic change and an ageing workforce;
- to analyze major characteristics of a more holistic and age conscious HRM;
- to identify priority areas in the field of HRM that aim to keep an ageing public sector workforce productive, motivated and healthy at work until a high age.

As regards the last aspect, the survey will focus on three priority areas. Firstly, on a more age conscious HRM in order to adapt personnel policy to a changing workforce composition and its changing needs as regards working conditions; secondly on health management to maintain a high level of workability, well-being, job satisfaction and motivation until career end and thirdly on training and development and career management to promote employability until a high age and during the whole life course.

The survey is divided into five chapters and the conclusions.

The objective of the first 2 chapters is to illustrate the impact of demographic change on the development of the public sector workforce. Topics discussed are the effects of a lower birthrate and a longer life expectancy, the trends towards a smaller workforce and a low employment rate of older workers as well as the increasing number of public employees aged 50 or even above.

Chapter 3 will firstly identify the challenges which should be addressed by the state employer to tackle the consequences of demographic change and an ageing workforce and secondly argue that a thorough re-thinking of current HR practices will be needed to prolong active working lives.

Chapter 4 outlines major cornerstones of a more age conscious HRM. It identifies three priority areas which support a high level of workability and employability of public employees and thus contribute to longer and productive careers. Important measures which are touched upon in this context are a non-discriminatory HRM, a preventive health management, learning and development opportunities, more flexible career paths and working arrangements and smooth transitions between work and retirement.

Chapter 5 gives examples of HRM approaches applied in European public sectors, which aim at a more age conscious personnel policy and thus promote longer active working lives. The three examples chosen are Finland, France and Germany. All three states have in common that they are below the OECD average as regards the average effective age of labour market exit and are thus in a certain need to promote measures which promote active employment. All of them have so far taken rather extensive age management initiatives in the public sector:

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<sup>7</sup> *Economist*, 2011, April 7, p.13.

While Finland and Germany were among the first European states, which reacted to the demographic and ageing challenge with the introduction of programmes and projects to promote longer work lives, France only very recently started to launch age management initiatives in the public sector after it had already done so in the private sector since several years.

A few examples refer to Belgium, which is like Finland, France and Germany characterized by a rather low average effective age of labour market exit as well as by a high percentage of central public employees aged 50 or older, which creates a certain pressure to introduce age management initiatives.

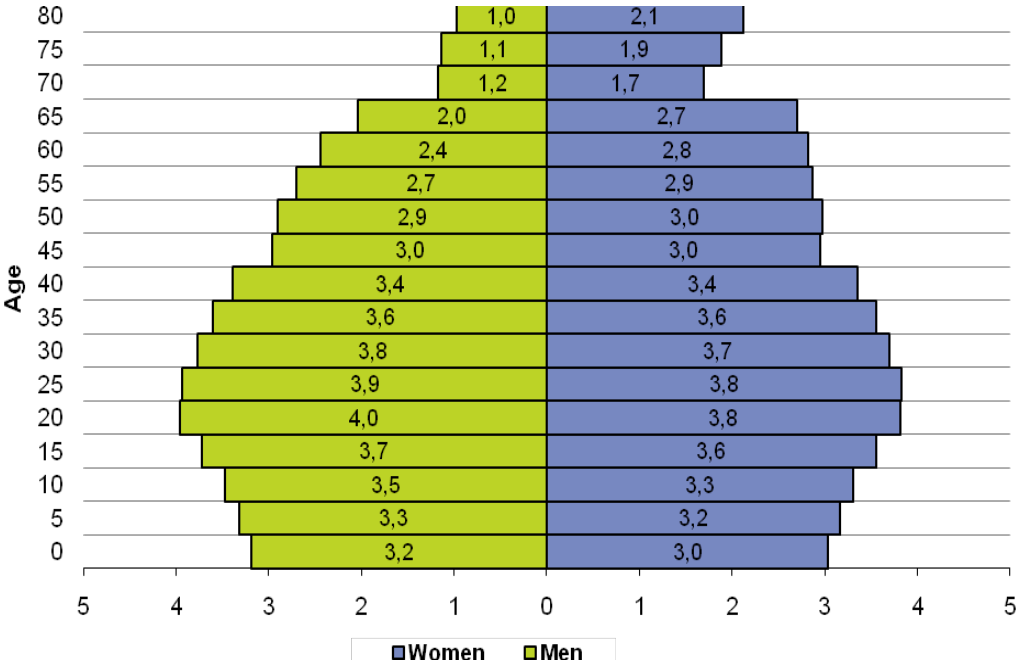
Finally, the conclusions sum up the most important outcomes of the survey.

# 1. The demographic challenge: Towards a smaller and older population and workforce

Ageing population and ageing workforce are a rather well-recognised and documented fact among industrialised countries. During the last decade, a vast number of studies have been conducted to analyse the effects of the on-going structural change<sup>8</sup>. Demographic change has also been noticed at the political level, and several policy recommendations have been drafted to reflect and manage the effects of demographic change at European and national levels<sup>9</sup>.

Demographic change stems basically from by two parallel long-term trends: there are fewer babies than before and people live longer than ever before. As compared to 50 years ago, life time has been extended by more than one decade in rather good health. Between 1960 and 2010 life expectancy at 65 in OECD countries increased by around four years for men and more than five years for women.<sup>10</sup> Both trends, low birth rate and high life expectancy, can be easily observed by comparing the shape of age pyramid of the EU-27 countries in 1990, 2009 and 2060 (Figures 1-3). In 1990, the graph still resembles a pyramid shape although the biggest cohort is already around 20-25 years, not 0-5 years.

**Figure 1: Population pyramid in EU-27 in 1990 (% of the total population)**



Source: Eurostat – Statistics explained – Population – Population structure and ageing: tables and figures, 2010.

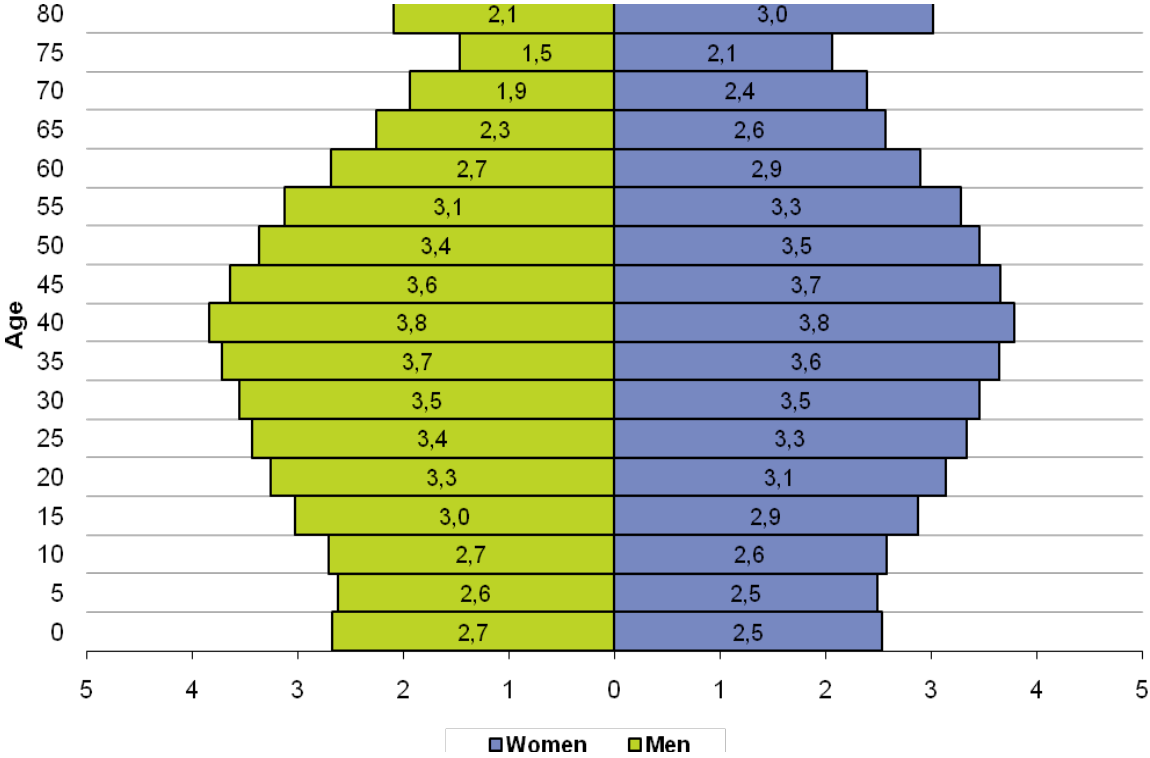
<sup>8</sup> E.g. J. Ilmarinen, Towards a longer worklife. Ageing and the quality of worklife in the European Union, Helsinki 2005, p.18; W. Douglas A. & Amirkhanyan A., Demographic change and its public sector consequences. *Public Administration Review* 2010 70(6), S. 12-23; Federal Ministry of the Interior, Demographic change and the public sector, summary of the European Expert Conference, Brühl, Germany 2007; OECD, Ageing and the Public Service, Paris 2007, p.11. KPMG, Rising to the challenge, The impact of global demographic change on the public sector, 2009 KPMG international.

<sup>9</sup> E.g., Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, COM(2009) 180/4.

<sup>10</sup> *The Economist*, 9<sup>th</sup>-15<sup>th</sup> April 2011, Special Report Pensions, p.7.

In 2009, the graph has a more roundish shape: the biggest age cohorts are in the middle (40-45 years), and there are signs of the increase of the elder population. Especially the amount of women is becoming more visible in elder age cohorts.

**Figure 2: Population pyramid in EU-27 in 2009 (% of the total population)**



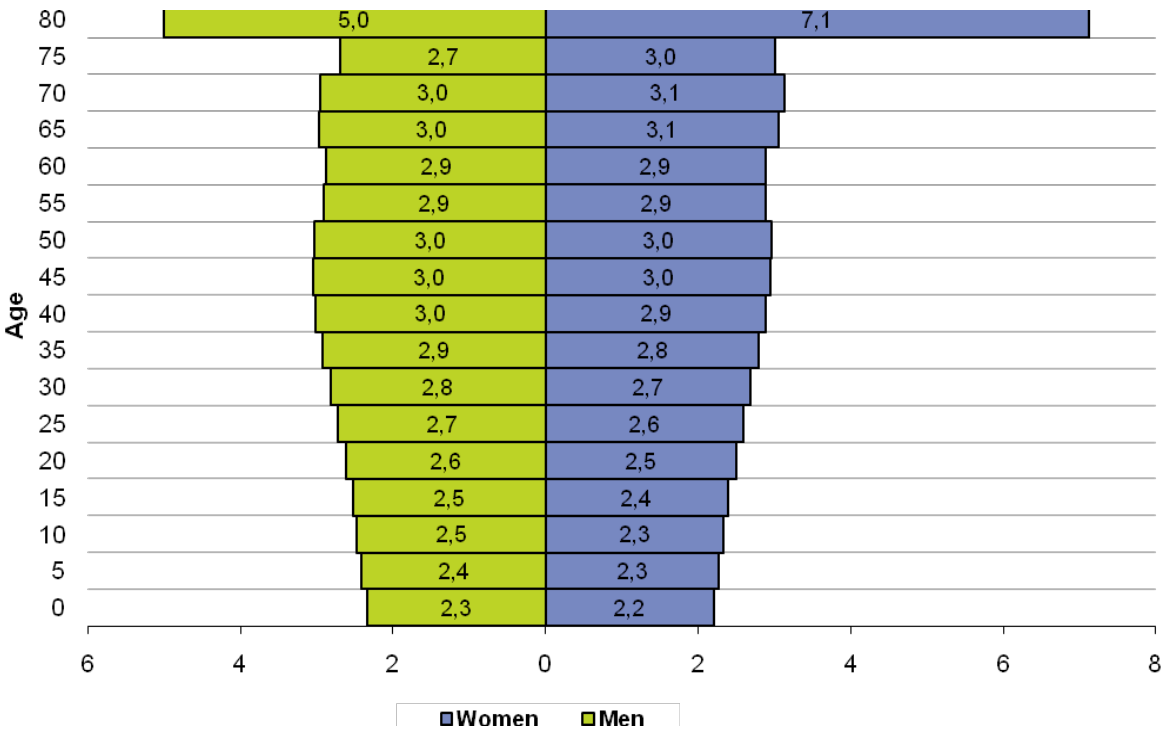
Source: Eurostat – Statistics explained – Population – Population structure and ageing: tables and figures, 2010.

The age pyramid is expected to undergo further changes in the future. According to Eurostat’s demographic projections<sup>11</sup> for 2060, the proportion of elder population has further increased, and the cohort of people over 80 year forms the biggest single group. The median age of the population was 40.6 years in 2009, and it is projected to rise up to 47.0 years by 2060 (EC 2010, 2). Over the years, the European age pyramid has turned upside down.

<sup>11</sup> Projection is based on the premise that nothing will be done to change the current trend.



**Figure 3: Population pyramid in EU-27 in 2060 (% of the total population)**



Source: Eurostat – Statistics explained – Population – Population structure and ageing: tables and figures, 2010.

Population growth consists of two things: natural change, i.e. the difference between live births and deaths, and net migration which refers to the difference between immigration and emigration. Despite the fact that fertility rates have been slowly increasing during the last few years to 1.6 children per woman in 2008, they are still on a lower level than is needed for a population to be self-sustaining (2.1 children per woman). This increase has potential to slow the rates of population ageing but since younger generations are smaller in size compared to older generations, even increased fertility rate cannot stop demographic change in the short-run.

Another way to analyse demographic change is to focus upon the share of the active workforce. Ageing of societies inevitably means that the amount of their active workforce decreases. A smaller active workforce will, in turn, lead to an increased burden on those of working age to provide for the social expenditure required by the ageing population. This is well expressed by the old age dependency rate<sup>12</sup>, which will double from 26% in 2010 to 50% in 2050.<sup>13</sup> As can be discerned from Table 1, the proportion of active workforce population is projected to decrease as much as 10 percent during the coming decades.

<sup>12</sup> By dependency rate the population 65+ as compared to population 15-64 is meant.  
<sup>13</sup> White paper, An Agenda for adequate, safe and sustainable pensions. Brussels 2012.

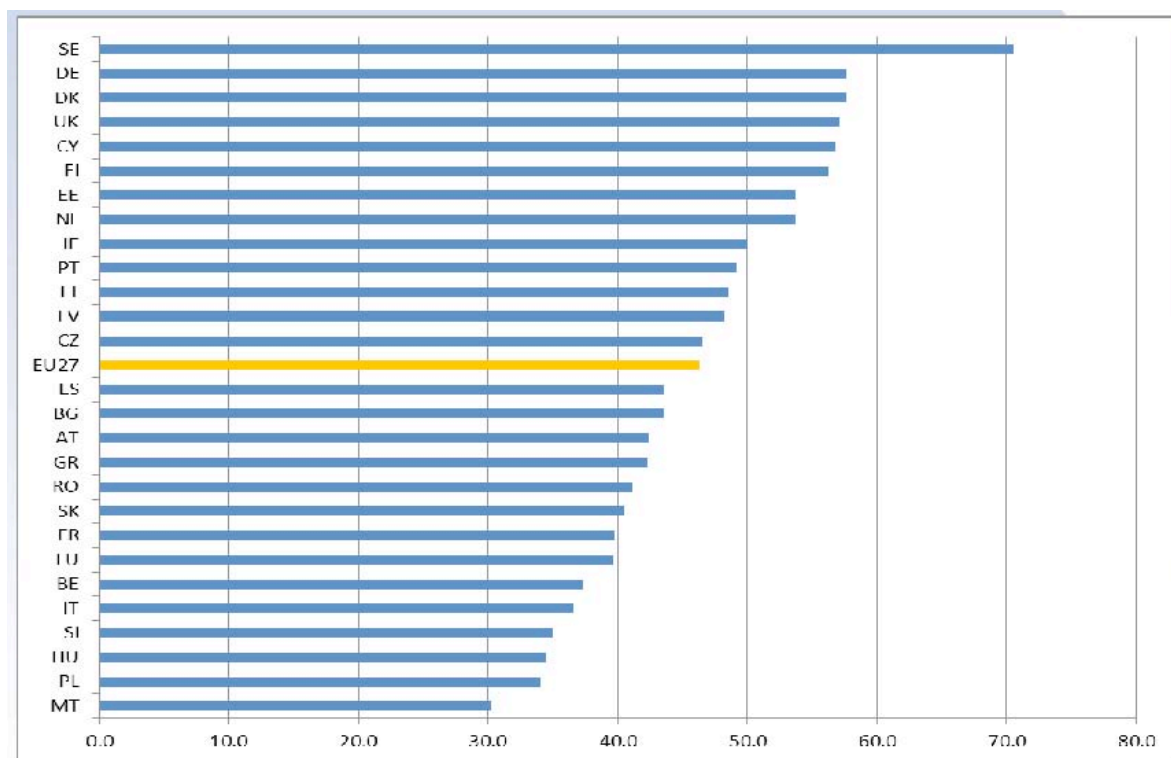
**Table 1: Population structure by major age groups in EU-27, 1990-2060 (% of total population)**

	1990	2000	2009	2020	2030	2040	2050	2060
0-14 years	19,5	17,2	15,6	15,4	14,5	14,0	14,1	14,0
15-64 years	66,8	67,2	67,2	64,6	61,9	59,2	57,1	56,0
65-79 years	10,6	12,3	12,7	14,4	16,6	18,0	17,8	17,8
80+ years	3,1	3,3	4,5	5,7	6,9	8,9	11,0	12,1

Source: Eurostat – Statistics explained – Population – Population structure and ageing: tables and figures

As table 2 well illustrates, the decrease of the active workforce population is further enhanced by the low employment rates of the age group 55-64. While age groups from 15 to 54 demonstrate the highest employment rate, age groups from 55 to 64 illustrate a considerably weaker level. In 2010, the employment rate of the whole working population (20-64) in EU 27 was 68,6%.<sup>14</sup> However, within the age group 55-64, it represents only 46,3%.

**Table 2: Employment rate of 55-64 year olds, 2010**



Source: Storrie D., Eurofound, Senior citizens on the Labour market – the need and potential of reforms, presentation, 18-19 January 2012

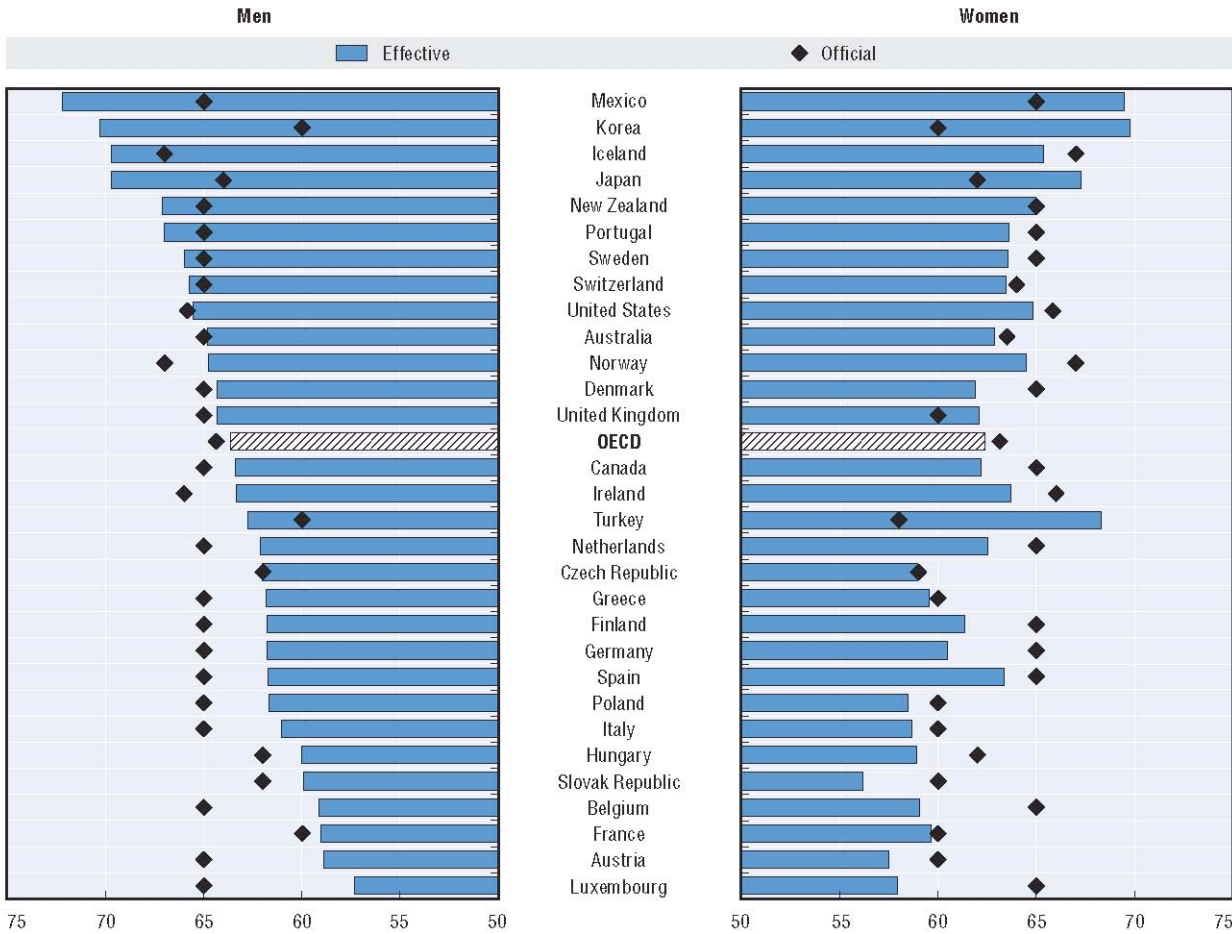
Employment of older workers is still lagging far behind from the general employment. EU Member States have – although to a different degree – accumulated needs to improve older workers employment rate.

<sup>14</sup> Eurostat, Newsrelease, 96/2011, 29 June 2011.

Pathways of older workers out of employment can be most often explained by disability, unemployment and retirement. Often, generous early retirement schemes facilitate an early and smooth transition from work to retirement. Hence, a high amount of workers is leaving the labour market significantly before the official retirement age. These early labour market exits led in 2010 in certain countries to employment rates of older workers (55-64) below 50% in the EU.<sup>15</sup> These figures illustrate considerable variations in the EU, moving from 30,2% in Malta, 34% in Portugal and 37,3% in France to 70,5% in Sweden and 57,6% in Denmark.<sup>16</sup>

Table 3 below illustrates that there exists in some countries a wide gap between the official pensionable age and the average effective age of labour market exit.

**Table 3: Average effective age of labour-market exit and official pension age**



Note: Effective retirement age is shown for five-year period 2004-09; official pensionable age is shown for 2010. Source: OECD, Pensions at a Glance, Paris 2011, p. 43.

For men, this gap is particularly big in Luxembourg, Austria, Belgium and Italy and for women in Luxembourg, Belgium and Germany.

<sup>15</sup> White Paper, op.cit, 2012, p. 7.  
<sup>16</sup> Ebd., p. 6ff.

In 2009, the effective retirement age of men and women was lower in all OECD countries (except in Japan and Korea) than in the 1960s and 1970s. The effective retirement age for men decreased from 68,6 in the late 1960s to 63,5 in the five years to 2009.<sup>17</sup>

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<sup>17</sup> OECD, *Government at a Glance*, 2011, Paris 2011, p. 42.

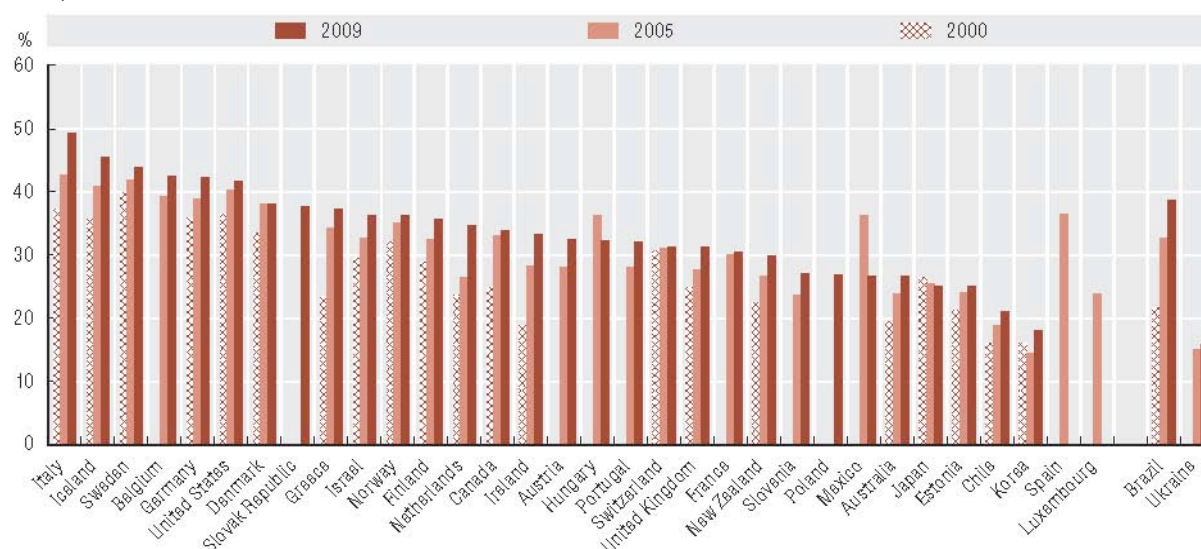
## 2. Workforce ageing in the public sector: Trends and Developments

Workforce ageing is more pronounced in the public sector than in the private sector. During the growth periods of public sectors between the 1960s and 1970s, the state employer hired a disproportionate high number of baby boomers (born between 1945 and 1964), who very often work in the public sector<sup>18</sup> and are now retiring and will be retiring for the next 10 years. This faster ageing process can moreover be explained by the later entry of civil servants to the public sector due to generally higher diploma requirements, which reduces the weight of youth employment.

The high average age of staff also explains why a high number of experienced personnel will retire during the next decade: in 13 OECD countries, over 30% of public employees of central government will leave during the next 15 years.<sup>19</sup> In Belgium, it is even estimated that 39% of the current federal employees will retire during the next 15 years.<sup>20</sup>

A comparison between the public and private sector illustrates a much higher dependency of the public sector upon an older workforce. Hence, in 2009, the ratio of central government employees who were above 50 or older was on average 26% higher than in the total working population. The development towards an ageing workforce can be rather fast as the German example demonstrates: Whereas the rate of older workers (over 55 years old) was 15,3% in 2000, it has risen to 21,5% in 2009.<sup>21</sup>

**Table 4: Percentage of central government employees aged 50 years or older (2000, 2005 and 2009)**



Source: 2010 OECD Survey on Strategic Resources Management in Central/Federal Governments.

<sup>18</sup> KPMG, *Rising to the challenge?* KPMG International, 2009, p. 12.

<sup>19</sup> OECD, 2009, op.cit. p.72.

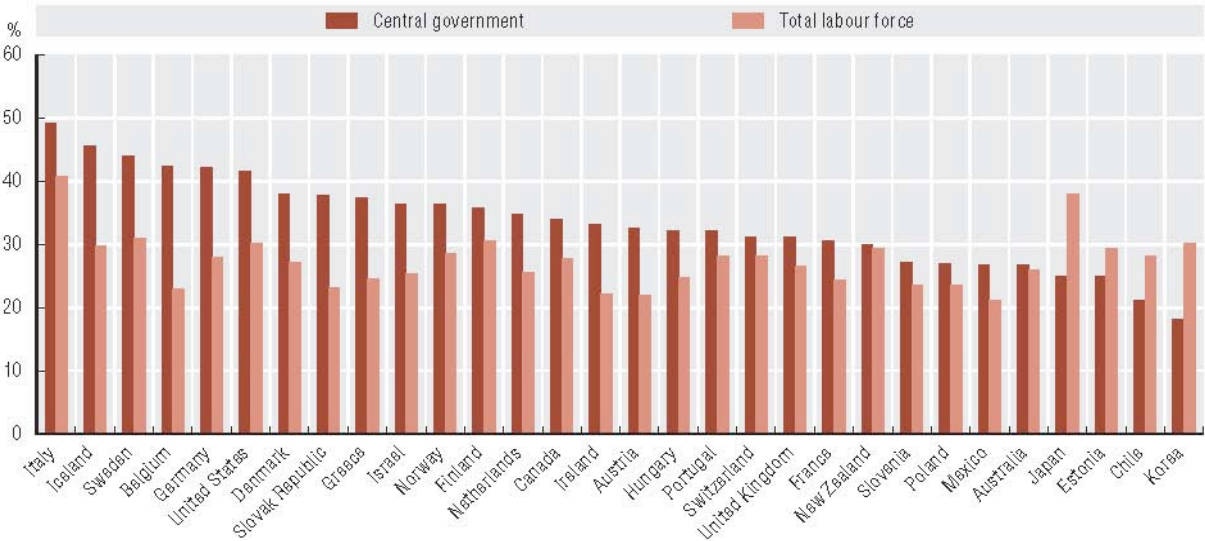
<sup>20</sup> OECD, *Belgium, Reviews of Human Resource Management in Government*, Paris 2007, p. 57.

<sup>21</sup> Data obtained from Federal Statistical Office, F 304/41100040 (30.5.2011).

This figure although varies across Europe: It is very high in Italy (49,2%) and Iceland (45,5%), while it is a bit lower in the French civil service (32%), where it reaches only 20% in the private sector.<sup>22</sup> The dynamic of this rate is interesting when taking into account that its growth reaches 12 points in the public sector and a bit more than 2 points in the private sector.<sup>23</sup>

Statistics show that ageing in the central government workforce will also continuing in most of the OECD countries.<sup>24</sup>

**Table 5: Percentage of employees aged 50 years or older in central government and total labour force (2009 or latest available year)**



Source: 2010 OECD Survey on Strategic Resources Management in Central/Federal Governments and OECD Labour Force Statistics.

So far, the public sector didn't set a good example in longer working. Public employees often go earlier on retirement or are submitted to a lower number of contribution years, or benefited from a generous system. In Belgium for instance, in 2003, pensions devoted to the public sector made up 32% of the global pension amount, while public sector employees represent only 22% of the total workforce. Traditionally, early retirement schemes are also much higher in the public sector than in the private sector.<sup>25</sup>

National programmes or pacts on combating negative effects of ageing which have been adopted during recent years by governments do not always apply to the public sector such as is the case in Belgium with the pact across generations. In the same way, the French employment pact for seniors ('Emploi des seniors') which has been decided upon in 2009 doesn't apply to the public sector.

<sup>22</sup> OECD, 2011, op.cit. p.106.

<sup>23</sup> Eurogroup Consulting, , Le management des seniors dans la fonction publique, conférence, École Nationale d'Administration, Paris, 22 septembre 2009, p. 4.

<sup>24</sup> OECD, 2011, op.cit. p.106.

<sup>25</sup> OECD, Belgium, 2007, op.cit. p. 57.

Literature shows that public sectors are not well prepared to cope with demographic change and that they lag behind the private sector.<sup>26</sup> Although senior civil servants of public sector organizations are nowadays aware of the challenges of demographic change, they are rather reticent to start to address its effects: According to the 2009 Ipsos MORI survey of public sector employees from around the world, 60% of respondents see for instance the retirement of older workers as a significant challenge, while only 37% of senior managers have started to address for instance the ageing of the workforce. A positive trend is that 64% of respondents feel that their organization touches upon the important topic of knowledge management in the context of massive retirements and is effective at passing on knowledge to younger generations.

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<sup>26</sup> Ageing and Employment: Identification of good practice to increase job opportunities and maintain older workers in employment, final report, Warwick Institute for Employment Research, University of Warwick, 2006, p. 197.

### **3. Why should the state employer care or the urgency to react**

The public sector is as compared to the private sector much more affected by demographic change and its effects. It is not only that its workforce is often older than are private sector employees, but we can also observe that an ageing population entails changing needs of public services and first of all increased needs in health care, long term care, social services in general and housing. In future, more resources will have to be transferred to the delivery of these services. This shift of priorities from sectors with reduced needs of personnel to sectors with increased demands for additional staff requires important reallocations of labour force across sectors as well as more flexible organizations being characterized by mobility, job rotation and re-training opportunities. Against this background, European public sectors face the challenge to maintain enough capacity to safeguard the same high level and quality of public services for all citizens. The OECD characterized this challenge as a complex management task – ‘and this all the more so since this must be achieved in tandem with service delivery changes to meet the new demands from an ageing society.’<sup>27</sup>

In short: Future European public sectors will be characterized by an ageing workforce who has to take care of a growing number of elderly citizens and who will have to work longer. State employers will – although to a different extent – have to cope with the two following challenges:

#### **1. -The establishment of a legal framework which promotes longer working lives**

During the last decades, the state employer had to manage a balanced and rather young workforce, which faced possibilities to retire early. In the context of lower birthrates, an extended life expectancy and a high dependency rate, this is no longer the case: Employers have to manage a much older workforce, whom they have to motivate to spend longer years in their organisation – which is a complete different management task. Staff retention becomes the major challenge and this all the more so in view of skill shortages, a trend towards downsizing and in general a smaller workforce on the labour market. The economic crisis and the subsequent austerity measures will add to this challenge by putting financial constraints on new recruitments.<sup>28</sup>

As the current trend towards early retirement shows in many EU Member States, the efforts to invest in a professional retention policy and a higher retirement age have only started and need to be continued in future. Statistics above have shown that older employees tend to retire much earlier than is foreseen by the official retirement age. According to the European Policy Centre, the average labour market exit of Europeans is 61, whereas the official average retirement age is around 65. The European Centre also estimates by 2050 a labour gap of 35 Mio.<sup>29</sup> If the European Union wants to maintain a high level of growth and welfare, measures and incentives that promote longer working lives should be introduced such as a regular

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<sup>27</sup> OECD, Ageing and the Public Service, Paris 2007, p.11.

<sup>28</sup> The following paper very well illustrates different strategies of how to cope with budgetary cuts and make savings: Ch. Pollitt, Public Management Reform during the financial austerity, presentation to EUPAN Directors General, Stockholm, 10 December 2009.

<sup>29</sup> European Policy Centre, Policy Brief, 12 March 2012, p. 3-4.



adjustment of the retirement age to life expectancy and a reduction of early retirement schemes as well as more flexible transitions between work and retirement.<sup>30</sup> Moreover, retirement practices in the public sector should be aligned with practices prevailing in the private sector.

## **2. A better consideration of risks and opportunities of an ageing workforce by public sector managers**

Although a change of the legal framework will be important to extend working life, it will hardly be enough to ensure productivity, motivation and well-being in employment until a high age. Additional incentives such as the extension of career paths, more possibilities for job rotation, a change of job assignments, age based training activities and stress prevention and health management need to be introduced in the field of HRM to encourage longer careers. These measures need to be complemented by more open and professional organisations which promote career flexibility and offer career guidance and counselling. Advantages of such an age sensitive HRM approach are more productive organisations, a higher motivation of older workers, increased job satisfaction and lower rates of absenteeism. A stronger focus on age based needs becomes necessary, because they are not without an influence on retirement decisions. Work expectations vary during the life course. Research<sup>31</sup> shows well that older workers have different expectations towards their work than is the case with younger employees. The motives for retirement decisions illustrate that these are linked to different elements such as health status, organizational and HR management issues. The following table illustrates how employers can pro-actively influence retirement decisions of older employees.

**Table 6: Factors that promote a longer career in order of importance**

1. Promoting coping of ageing workers at work	3.62
2. Making use of the strengths of ageing workers	3.55
3. A more positive attitude of managers towards ageing workers	3.49
4. Maintaining and promoting the work ability of ageing workers	3.45
5. Developing the context of ageing workers' worktasks	3.38
6. Improving the organization of ageing workers' work	3.32
7. Supporting learning among ageing workers	3.25
8. Preventing age discrimination	3.19
9. A more positive attitude of colleagues towards ageing workers	3.17
10. Recruiting ageing workers who are able to work	3.08
11. Improving cooperation between the young and the ageing	2.92

Source: Illmarinen, Towards a longer working life, op.cit. p.85.

<sup>30</sup> See for instance in this context the following publication: W. Eichhorst, The transition from work to retirement, Institute for the Study of Labor, IZA Discussion Paper Nr. 5490, 2011.

<sup>31</sup> M. von Cranach, (et all), Ältere Menschen im Unternehmen, Bern 2004, p.124. J. Illmarinen, Towards a longer working life, op.cit. p.85.

In a general way, attitudes and mindsets of public sector managers should become more positive towards older workers by also abandoning false and negative stereotypes about their performance and competencies and by stronger looking at their strengths.

It will be the objective of the following chapters to present priority areas in the field of HRM which are to be addressed in view of promoting long, healthy, active and productive working lives.

It will firstly be shown in the following chapters how demographic change and an ageing workforce can trigger an overall re-thinking of current HRM in the public sector. It will secondly be illustrated by way of examples from different contexts, which instruments, tools and measures support such a process and contribute to introduce a more age conscious personnel policy or age management and what is meant by it. Against this background, state employers should be prepared to improve in future their skills in age management in order to better cope with the effects of an ageing workforce.

## 4. Three priority areas to invest in future HRM

### 4.1 The introduction of a more age conscious and non-discriminatory human resource management

The first chapters very well described the ageing of the public sector workforce and its related effects. In its analysis about Ageing and the Public Service, the OECD identifies as major HR challenges in the context of demographic change the need for a change in mind-set amongst HR managers.<sup>32</sup> This change of mind-set means that managers no longer have to find creative solutions ‘for ensuring the transition of older workers out of the organization’, but to retain them in future as long as possible in active employment.<sup>33</sup>

This core HR ‘task’ is more complex than thought at the first moment and this even more so with fewer resources in financially difficult times and more flexible labour markets. It requires an in-depth understanding of the specific features of an ageing workforce and of how to manage a more age diverse workforce.

Since recently, the concept of ‘age conscious HRM’ is more and more widely discussed and applied in research. Vanmullem and Hondeghem<sup>34</sup> distinguish between three dimensions with regard to an age conscious or age-related personnel policy: correction, prevention and proaction. While the correction dimension focuses on the older worker policy or remedial measures (re-training) for the age group 55 and older, the preventive dimension (e.g. avoidance of work-related health problems) focuses on the age group of 44-55 while trying to prevent typical ageing problems (e.g. deskilling, skills obsolescence). Finally, the pro-active approach targets at the younger employees who enter the labour market. It is nowadays recognized by age management specialists that the focus was in the past too much put on remedial measures and not as much on a life span approach with a strong focus on preventive measures.

An age conscious HRM or a life span approach is based on an integrated life phase policy and takes as much as possible age based needs into account, while it aims at increasing work satisfaction, performance and motivation of public employees at all ages. By reviewing HRM policies in this direction, it is essential that new instruments in the field of recruitment, career management, training, work organization as well as working conditions in general are not only adapted and targeted towards the needs of younger employees, but that they target the whole workforce throughout the life course.<sup>35</sup>

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<sup>32</sup> OECD, Ageing and the Public Service, op.cit. p. 17-29.

<sup>33</sup> R. McKinnon, An ageing workforce and strategic human resource management: Staffing challenges for social security administrations, in: *Internal Social Security Review, Vol. 63, 3-4/2010*, p. 101.

<sup>34</sup> K. Vanmullem, A. Hondeghem, An age-related personnel policy: Case study: the Ministry of the Flemish Government, paper for the pre-conference ‘Older workers, new directions’ in Columbus, Ohio (AHRD conference February 21<sup>st</sup> -26<sup>st</sup> February 2007, p.5.

<sup>35</sup> M. Muller-Camen M., M. Flynn, H. Schröder, From Youth Centric to Age Positive HRM: A comparative assessment of Germany and the UK, Paper to be presented at the 2009 CIPD Professional Standards Conference in Nottingham on Thursday 25 June 2009, p.2ff.

Age conscious HRM is characterized by a high number of different elements and namely the following: recruitment openings at all levels, the abolishment of age discrimination, the avoidance of de-qualification through learning and training throughout employees' careers; a preventive and holistic health management with a focus on well-being and work-life balance aiming at maintaining workability and functional capacity of staff over a long-term basis; a systematic change of positions through job rotation, job enlargement and job enrichment; flexible working hours; and age mixed work teams. The working conditions are adapted in such a way that the performance potential of each employee can be used throughout his work career.<sup>36</sup>

An example of an 'age friendly' instrument are for instance long-term working time accounts which can be valid for months, years or even a life-time. There exist different models: A life course oriented approach foresees that employees are allocated a certain amount of required working time on an account, which is reduced throughout a working life. This concept allows employees to work less during the 'rush hour of life' (raising children, caring for parents etc.) and more during other periods. Less ambitious models are more time limited and do not extend over the whole life span, but are spanned over three or four years.

In practice, an age conscious HRM means that HRM should in future not only focus on 'older workers', but that age related measures should be designed for all age groups. *Its focus would be on the whole working life and not only on its later part, with the chief aim of neutralising the present negative ways that ageing impacts have on employment prospects.*<sup>37</sup> The expert on age management Juhani Ilmarinen doesn't either refer to only older workers when he uses the concept of age management, but he interprets the concept as well as efforts to *secure individual wellbeing at work regardless of age.*<sup>38</sup>

An effective personnel policy focusing on an ageing workforce or on age management requires taking measures at the individual, organizational and societal level. It implies legal, political and HRM reforms in such different areas such as training, health management, work organization, working time flexibility, employability, combining job with private responsibilities, awareness policies etc. In addition, the different HRM elements such as recruitment, promotion, career management should be reviewed under the aspect of how they can contribute towards a prolongation of active working lives. The following figure illustrates that HRM in future requires a holistic and integrated approach:

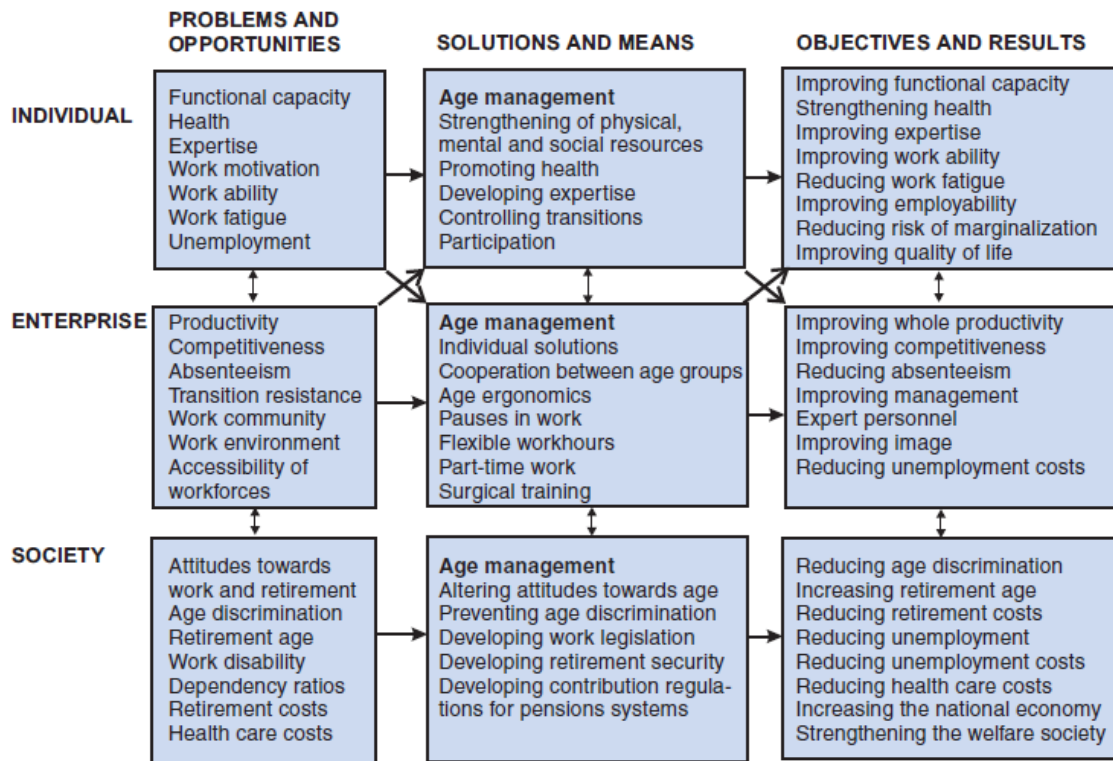
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<sup>36</sup> G.Naegele, A. Walker, A guide to good practice in age management, Eurofound, Dublin 2006, p. 7 ff.

<sup>37</sup> A. Walker, 2005, op.cit. p. 692.

<sup>38</sup> J. Ilmarinen, Active ageing in a life course perspective, Finnish Institute of occupational health, first forum on the demographic future in Europe, October 30-31, 2006.

**Figure 1.** Ageing and work, a challenge for everyone.



Source: J. Illmarinen, Towards a longer working life, Helsinki 2005, p.18.

The introduction of a more age conscious HRM is closely related to the need to abolish wrong beliefs about older workers characteristics. Practice shows that age discrimination is still among the most important factors, which prevents older workers to stay longer in employment.<sup>39</sup> Although recent studies<sup>40</sup> show that the scope of their development possibilities is much wider than traditionally thought, the long existing deficiency beliefs concerning the capabilities of an ageing workforce are quite resistant on the employers' side and employees' side, while preventing to take advantage of their strengths. They are generally considered to be less flexible, less productive and having lesser developmental capacities than younger workers. In many public administrations in Europe, workers over 50 years of age are described by adjectives such as tired, sick, reluctant, bureaucratic, expensive, although loyal. They are perceived as reliable but also as somewhat stagnant. They face age reflected discrimination in the same way as younger workers, who are considered to be inexperienced, unskilled, unreliable, moody, but also energetic and enthusiastic.<sup>41</sup> Senior female employees are the most threatened age group as regards negative stereotypes.

According to current negative beliefs as regards older workers, the human course of development is illustrated as a curve being characterized by an increase in mental and physical capabilities during youth and adolescence which is followed by a gradual decrease from the age of 35. This negative picture is only slowly replaced by a more positive one, which associates different skills and competencies to different ages without assigning only

<sup>39</sup> CEDEFOP, Working and ageing, Luxembourg 2010, p.17.

<sup>40</sup> Ebd., p.13-26.

<sup>41</sup>J. Illmarinen, op.cit, p.93.

negative characteristics to older employees. Research evidence also shows<sup>42</sup> that older employees are per se not less productive and performant than their younger colleagues, although they are characterized by different strengths and weaknesses as is illustrated by table 8.

**Table 8: Job-related strengths and weaknesses of older employees**

<b>Weaknesses of older employees</b>	<b>Strengths of older employees</b>
-Short-term retentiveness	-Experience
-Reaction rate	-Exactitude and quality
-Pace of reaction	-Knowledge
-Physical competencies	-Cross-linkage and association with existing knowledge
-Memorizing	-Social skills
-Listening and hearing capacities	-Vocabulary and terminology
-Learning speed	-Distinction of the substantial from the unsubstantial
-Logical mathematical skills	

Source: J. Ilmarinen, 2005, op.cit. p. 174ff.

Table 8 points out that older employees are for instance less competent to carry out heavy physical tasks as well as tasks, where high speed and pressure resistance are required. However, older employees can very well be an asset in a professional environment, where experience, broad background knowledge and a good overview of past practices, social skills and a high quality work are looked for. Furtheron, older employees also have the reputation of higher loyalty towards their employer.

Practice shows that age discrimination particularly takes place in the field of recruitment: Very often older workers are considered as valuable employees, while employers however are not always willing to recruit them to the same extent than is the case for younger employees.<sup>43</sup>

Another field, in which age discrimination can be observed rather often, are staff evaluations: many public sector organizations do not foresee mandatory appraisals for older employees above a certain age.<sup>44</sup> Such exclusion not only reflects a case of age discrimination, but it doesn't even promote the productivity and motivation of older workers. Hence, the *raison d'être* of effective evaluation systems is not only to identify performance problems, but also to support employers map out a strategy for coping with them. When evaluations are avoided, problems go undetected.

One important measure to combat age discrimination is legislation such as the European Directive 2000/78/EC of 27 November. Current experience shows that legal instruments are not enough to promote an 'age neutral' culture and that they need to be complemented by programmes and activities, which raise awareness about sensitive issues, prejudices and clichés in the context of age. In view of promoting a non-discriminatory language, the city of

<sup>42</sup> Ilmarinen J., op.cit. p.199ff. It is although a truth that the variability in terms of productivity among the same age cohort increases with progressive age.

<sup>43</sup> W. Conen, K. Henkens, J. Schippers, Are employers changing their behaviours toward older workers?, in: *Network for studies on pensions, ageing and retirement, Discussion paper 03/2010-021, March 2010.*

<sup>44</sup> This is for instance the case in the German public service for employees above 55. This principle may not only be in conflict with the merit principle and the equality principle, but as well with EU law.

Hambourg implemented an interesting practice, which abolishes age discriminatory formulations from statutory civil service law and which is easily transferable to other contexts.

**Case: The city administration of Hambourg: Examination of laws according to age discrimination formulations**<sup>45</sup>

In the context of the Gender Mainstreaming it has become important to remove sex-discriminating formulations in laws and replace them by sex-neutral formulations.

The city administration of Hamburg is going one step further and evaluates laws and regulations as to their effects on age-discrimination. To this end, a former employee was asked to check all existing laws and regulations as to their effects on age-discrimination. In the framework of this legal” Age Mainstreamings “ a focus was placed on recruitment and career management policies. For example, it was checked whether rules were acceptable which would not impose new IT-procedures on older employees or whether job appraisals which are not obligatory (for employees above the age of 55) were potentially discriminatory.

The results of this evaluation led to a number of changes which should help to build up an age-sensitive management policy in the city of Hamburg.

Moreover, age neutral HR instruments such as the introduction of standardized CV documents and selection interviews which exclude all kinds of discrimination as regards origin, age, ethnic group might be important to undermine age related discrimination such as is also the abolishment of characteristics and formulations from competency profiles which could exclude certain groups of employees during a selection.

In the context of an ageing workforce, the question arises of course what is meant by older workers, for whom there are more than one definition. In this study we use a very general approach by referring to older workers as employees who are in the second half of their working life, who have not yet reached retirement age. One reason for using this broad approach is that ‘old’ in the working life is very relative and depends on the profession. Thus truck drivers who have started work before they are in their 20s have reached the second half of their career much earlier than teachers who started their career much later. Moreover, age might mean also something different for physical workers than for mental workers.

## ***4.2. Towards a more preventive and holistic health management***

In a public sector environment, which is characterized by challenges such as re-organisations, downsizing, pay cuts and lesser resources in the context of the economic crisis, a preventive health management becomes a major issue to secure longer active employment. How much a greater care for health and well-being becomes important is pointed out by sickleave rates and absenteeism which are in many countries higher in the public than in the private sector. In the

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<sup>45</sup> Robert Bosch Stiftung, Demographieorientierte Personalpolitik in der öffentlichen Verwaltung, Stuttgart 2009, p.64.

Irish public sector for instance, the average sick leave of a civil servant is 11 days a year, while private sector employees only take six days.<sup>46</sup> The same trend can be identified in the German and UK public sector.<sup>47</sup> As regards health issues of older employees, statistics show that they are not reporting sick more often than younger employees. Even the contrary is true. However, when they are reporting sick, they are sick for a longer period of time.<sup>48</sup>

Health risks of older public employees, which are always also productivity risks, depend to a large extent upon the profession which they exercise in the public sector. Hence, different approaches should apply to different occupations and it should be distinguished between manual occupations which entail shift or physical work, clerical and managerial professions, which are knowledge-based and office-based and professions such as nurses, police officers and air traffic controllers, which involve high psychological demands and/or physical work and/or a high level of reactivity and stress. For all these different types of professions, preventive measures should although be foreseen in order to promote good health and to reduce a decline of the workability. This means in other words that health management measures should not only be reactive and try to remedy deficits of older employees, but they should target at employees of all ages through regular health checks, ergonomic improvements and task re-design.

The health status of employees is dependent upon a complex set of elements such as working conditions and arrangements, organizational and HR management, work environment and individual life style. According to research<sup>49</sup>, major factors which impact negatively on health are for instance a discrepancy between work demands/capacities of employees, all kinds of physical and psychological stress, exhaustion from demanding requirements, monotony caused by repetitive work, no decision latitude and over- or underchallenging tasks.

All of these factors have a negative impact on the workability and performance of public employees.<sup>50</sup> In this context, it is meant by workability the ability of workers in employment to perform their duties, ‘mostly through evaluating the combined impact of their mental and physical working conditions and work demands on their health. Hence, it could serve as a good indicator of functional capacities.’ Since lately, the concept of workability also includes values, attitudes and competencies of employees.<sup>51</sup>

A useful instrument to face mental and physical deterioration caused by age is the workability index<sup>52</sup>, which has been developed by Finnish experts and applied successfully in many European countries. Its aim is to assess in a holistic way not only work related demands, but as well individual factors such as health and functional capacity, motivation, attitudes and job satisfaction. Workability can be improved through the promotion of four different aspects: 1.

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<sup>46</sup> *The Irish Independent*, Sick leave in public service is twice the rate of private sector, October 23, 2009; Gesundheitsförderungsbericht, op.cit, p.6.

<sup>47</sup> Gesundheitsförderungsbericht der unmittelbaren Bundesverwaltung, 2009, Bundesministerium des Inneren, Berlin 2010; *The Guardian*, Public Sector staff hit by stress epidemic, July 11, 2005.

<sup>48</sup> T. Seddon, L. Henriksson, B. Niemeier, *Learning and work and the politics of working life*, Routledge 2010, p.191.

<sup>49</sup> J. Illmarinen, 2005, op.cit. p.267ff.

<sup>50</sup> See for positive effects on workability, J. Illmarinen, 2005, op.cit. p. 134ff.

<sup>51</sup> H. Kuperus, P. Stoykova, A. Rode, *Baseline Study*, European Institute of Public Administration, Maastricht 2011, p. 35-36.

<sup>52</sup> [www.meteroworkability.com.au](http://www.meteroworkability.com.au) (last update: 04 May 2011)



adaptations to the psychosocial work environment; 2. adaptations to the physical environment; 3. the updating of skills and through 4. health and lifestyle promotion.<sup>53</sup>

### **Case: The Finnish workability index**

The workability index was elaborated by the Finnish Institute for Occupational Health during the 1980s and it has shown that the promotion of workability can contribute to increase productivity at the organizational level and wellbeing at the individual level. It has become in Finland, but also in many other European countries, where employers use this index, an important element for the prolongation of working life by identifying health risks at an early stage and by decreasing work related disability and premature retirement. Workability is built on the balance between a person's resources and work demands.

At the core of the workability model is the self assessment tool, the workability index (WAI) which provides a self-assessment of workability that is predictive of continued participation in the workforce. The WAI includes other questions which provide a self-assessment of individual and work related factors that are influencing one's workability.

Basically, the questions aim at the following areas:

- the estimated current and future workability;
- diagnosed illnesses and the number of absenteeism days in the past year;
- the estimated sickness-related deterioration in the work performance;
- the mental ability reserves.

The results of the questionnaire give a unique perspective of both personal and work related risk factors impacting on workability and the ways in which they interact. The core of the index touches upon questions such as for example the current mental resources, an own prognosis of workability two years from now, past sick leaves, current workability compared with the lifetime best etc..

The WAI can be used for individual employees or as an analysis instrument for a whole organization. The results extracted from the answers to the questionnaire can lead to an action plan to improve the general health management and promotion within the organization. In Finland, where the WAI has been used for years, it has become an effective tool for predicting general disablement and mortality. The fields of interventions of the WAI are – individual health, individual skills, competencies and values, physical and psycho-social work demands and the work environment.

Investments in employees' health and workability during their whole career not only matters with regard to increasing the health status of older workers: the age expert Illmarinen shows very well that midlife workability predicts old age disability and that there exists a direct impact.<sup>54</sup> In other words: Caring as state employer for a good health status of employees during their whole career is not only a pre-condition for longer and productive careers, but has as well an impact on health status after retirement age and consequently on health costs.

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<sup>53</sup> S. Harper, Health and well-being in older workers: Capacity change with age, in: Tyson S., Parry E., Managing an age diverse workforce, Palgrave Macmillan 2011, p.219.

<sup>54</sup> J. Illmarinen, Impressions about the Dutch weeks of workability and the future of workability, Presentation, Utrecht, January 28<sup>th</sup>, 2011.

As compared to former decades, a preventive health management is nowadays no longer restricted to occupational health and safety at work, but takes on a wider significance and comprises not only physical health and safety, but as well the prevention, monitoring and evaluation of mental, psycho-social (e.g. stress, depression, harassment) social and well-being aspects. The legitimacy of this overall approach is confirmed by research<sup>55</sup> which shows that it is first of all the working atmosphere and leadership behaviour which have the strongest influence on public employees' health and work satisfaction.

With regard to retirement behaviour, the Finnish experience has so far shown that if the employer has developed a policy to strengthen the workability of its employees during their work life, they are less inclined to retire early, while they also better adapt to professional change in worklife.<sup>56</sup>

#### **4.2.1. The building of public sector organisations based on good working conditions, job autonomy and recognition**

The health status, the job satisfaction and the wish of employees to stay longer at work are not independent variables, but they are closely linked to working conditions and organizational management. Only in a few cases, a decrease of work capacity and well-being is only and directly linked to chronological age. Most often, environmental aspects, which can be changed in a positive way, play a crucial role.

Particularly low work pressure, not too long working hours and positive feedback can be associated with a good health status for men and women alike, while other organizational characteristics which impact on health, are job autonomy, the workload, professional development possibilities and the acquisition of new competencies, career advancement, recognition and a fair salary.<sup>57</sup>

How the quality of working conditions impacts directly on health is well illustrated by a recent study about working conditions and musculoskeletal pain of public sector employees, which shows that good relationships between subordinates and their immediate managers and high levels of decision latitude among the subordinates were health promoting, while leadership behaviours and styles of immediate superiors perceived as poor by subordinates were related to high levels of musculoskeletal pain.<sup>58</sup>

Other aspects related to working conditions matter as well in the context of health and well-being at work. Research<sup>59</sup> highlights that work should be arranged in such a way that it encourages learning and development: If employees accomplish the same repetitive tasks over a prolonged period, while there is nothing to learn, qualifications which existed will be lost with a negative impact on employees' motivation and productivity. In such a way, it is not

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<sup>55</sup> This result is illustrated by a survey of 2 800 employees of the German federal administration. See in this context the German Gesundheitsförderungsbericht 2009, op.cit. p.5.

<sup>56</sup> See for more details under chapter 5, Finland.

<sup>57</sup> Th. Debrand et P. Lengagne, Pénibilité au travail et santé des seniors en Europe, *Économie et Statistique*, Nr. 403-404, 2007.

<sup>58</sup> Y. Fjell, Working conditions and musculoskeletal pain of public sector employees: A study of female dominated workplaces in health care and educational services, Solna, Karolinska Institute, 2007.

<sup>59</sup> Ph. Rothlin, R. Werder, Diagnose Boreout, *Wirtschaftsverlag* 2007.

only burnout, which risks to negatively impact on health and longer working lives, but as well boreout, which is characterized by the absence of significant and interesting tasks and challenges. Frustration in this case stems from the fact that the employee is unable to use his competencies and to perceive a purpose in his work.

Another aspect which is closely linked to working conditions and working atmosphere is the quality of the social environment: Here, research<sup>60</sup> has shown that the valorization by employers and colleagues, and having a sense of control and autonomy in the workplace are motivational factors with a positive impact on work satisfaction and health and thus on performance. People in jobs that entail a personal sense of purpose or concern about professional reputation may lead to remain longer in paid work. These are the choosers: well-qualified people in professional and managerial jobs, who have significant control over their working lives, and describe their job changes in terms of challenge and opportunity. If work is interesting they are likely to stay (sometimes into their 70s). If they retire, they are more likely to take up voluntary work.<sup>61</sup>

Also, the organizational structure and culture have an impact on work satisfaction and mental health. Employees who work in more centralized and hierarchical organizations and have little autonomy and responsibilities, little job control over work and fewer training opportunities are also less likely to wish to stay longer in employment.<sup>62</sup> This is also shown in other surveys, which present evidence that employees working for inflexible employers were more likely to leave the labour market earlier and to not have felt any incentive to stay longer.<sup>63</sup> Consequently, many workers who are dissatisfied with their jobs simply choose retirement as early as possible rather than to pursue work that better fits their needs and personal circumstances.

#### **4.2.2. Effective preventive measures in health management**

As the examples of the box below well illustrate, the health status of public employees can preventively be enhanced through measures such as through training and health programmes or through ergonomic arrangements and a motivating work organization which stimulates productivity.

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<sup>60</sup> D. Smeaton, St. Mc Kay, Working after state pension age, Department for Work and Pensions, Policy Studies Institute, University of Bristol 2003.

<sup>61</sup> J. Davey, M. Davies, New Zealand Institute for Research on Ageing, Work in later life-opportunity or threat?, *Social Policy Journal of New Zealand: Issue 27, March 2006*.

<sup>62</sup> See in this context the latest surveys of the European Foundation for the Improvement of Living and Working Conditions on European working conditions.

<sup>63</sup> P. M. Clayton, Working on – choice or necessity, p.12;

[http://eprints.gla.ac.uk/44502/1/Clayton\\_CEDEFOP\\_Pre-final\\_version.pdf](http://eprints.gla.ac.uk/44502/1/Clayton_CEDEFOP_Pre-final_version.pdf), (last checked on 15 April 2011)

## **Training**

The aim of training measures in different public organizations is a pro-active promotion of health consciousness (e.g. about health risks at the work place) and health related competencies as well as the encouragement of a health oriented attitude towards work. Training can as well be complemented by sensibilization and information campaigns such as is the case for musculo-squelettiques troubles as well as for psycho-social risks in *France*.<sup>64</sup>

In the *French* civil service, training in the fields of work hygiene and occupational safety is a statutory obligation for all public employees during initial and continuous training. Moreover, employers and employees have given more importance to health at work in 2009 by obliging the different state employers to take care in a more homogeneous way of the implementation and follow-up of training in the field of health. Both sides have also agreed that training should focus more particularly on managers, HR officers and officers working in the fields of health and occupational safety.<sup>65</sup> Health is since recently taken more serious as a ‘hot’ topic of personnel policy. The *German* approach to training strongly builds upon the improvement of competencies of superiors when dealing with stresses and strains and health problems of public employees at the workplace. Furtheron, sensibilization campaigns for superiors as being the major actors for the introduction and development of health management, are organized. These efforts are supported by the federal academy of public administration. Additionally, the federal health insurance (Unfallkasse) offers consultancy in the areas of health promotion and management, while the different agencies of the health insurances will be responsible for health prevention and promotion in the fields of work-related health issues.

## **Health programmes**

The aim of health programmes is to supervise the health status of employees and to guarantee a follow-up. In more and more organizations, employees are given the opportunity to undergo a regular health check. In this respect, employees receive possibilities to consult health services directly at the working place (e.g. physiotherapist, fitness for employees, health prevention courses, health coaching etc.). These services are welcomed by employers and employees and strengthen employees’ responsibility to better take care of their own health. It is although to be observed that the private sector is more advanced in this field than the public sector, although the sick leave in the public sector tends to be higher than in the private sector such as is for instance the case in *Germany*.<sup>66</sup> The *Finnish* state employer is rather active to strengthen the health consciousness and status of its employees. In case of outpatient rehabilitation, patients participate at the same time in programmes on advice on nutrition, guided physical exercise and follow-up on results. In the *French* civil service, the prevention of addictif behaviour of public employees (e.g. alcohol, nicotine treatment, toxicomanie) is also taken more seriously, while instruments to strengthen health consciousness are being developed. This aim of personnel policy is laid down in an agreement between employees’ and employers’ organizations.

## **Workplace design**

In view of maintaining the physical work capacity, the ergonomic design of the workplace with the aim to adapt the work equipment to the physical conditions and needs of employees, is becoming more important. Such a design is particularly important for older employees as the efficiency of the senses and speed decline with age. But in view of a life cycle approach to HRM, it is as well to be considered as an effective healthcare measure for younger employees. State employers are slowly attaching more

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<sup>64</sup> Ministère du budget, des comptes publics, de la Fonction publique et de la Réforme de l’État, Accord du 20 novembre 2009 sur la santé et la sécurité au travail dans la fonction publique.

<sup>65</sup> Ebd., p. 25.

<sup>66</sup> *Gesundheitsförderungsbericht*, op.cit, p. 6.

and more significance to this aspect of health management such as for instance the *Belgian* employer since 1996.<sup>67</sup>

### **Work organization**

According to the life-long learning concept, tasks and work content must be organized in such a way that they encourage learning and development: If employees accomplish the same repetitive tasks over a prolonged period, while there is nothing to learn, qualifications which existed will be lost with a negative impact on employees' motivation and productivity. In this context, job rotation, job enlargement and job enrichment are gaining in significance. Further on over- as well as underqualification should be avoided. Overqualified employees tend to suffer more often from health problems and are more likely to have taken leave for reasons of stress. The risk of overqualification can be reduced by offering employees greater challenges.<sup>68</sup> Underqualified employees illustrate the same reactions than overqualified employees and report more often health problems. The effects of underqualification can be decreased through on-the-job training.<sup>69</sup> Both forms of skills mismatch may undermine motivation and entail a decrease of productivity.

Such as is the case in *France*, the yearly appraisal system as well as the definition of individual task objectives as well as the dialogue between the employee and employer can contribute to a more satisfying work organization and prevent unmanageable task requirements. In a general way, yearly appraisals should be used to discuss work organisation aspects.

### **4.2.3. The introduction of flexible working patterns and working time arrangements**

Among the elements which motivate older employees to continue working life, flexibility in work arrangements and working time scale both high (ranks 3 and 5) as table 8 illustrates.

**Table 9: Employees' (aged 45-64) and employers rating of actions which can be important for older workers to continue in working life**

<b>Action</b>	<b>Employees</b>	<b>Employers</b>
Improving possibilities for rehabilitation	37	34
Increasing wages	35	22
<b>Reducing workloads and tight schedules and increasing options to affect work</b>	32	56
Improving the work environment	28	71
<b>More flexible working hours</b>	27	32
Improving management skills and good supervisory action	21	68
Increasing educational possibilities and training that promotes occupational skills	13	40

CEDEFOP, Modernising vocational education and training, Vol. 2, Luxembourg 2009, p.219.

Further research also shows that the encouragement of part-time employment as an alternative to full-time employment is prolonging labour market participation of older employees by

<sup>67</sup> *Loi du 4 août 1996 relative au bien-être des travailleurs lors de l'exécution de leur travail.*

<sup>68</sup> CEDEFOP, The right skills for silver workers, Luxembourg 2010, p.31ff.

<sup>69</sup> Ebd., p. 37ff.

several years. Already in 1999, the OECD showed that older employees are willing to accept lower hourly wage rates than full-time employees, if they have more flexible work arrangements.<sup>70</sup> Moreover, older workers may like to work part-time because of health problems or to make use of flexible retirement schemes.<sup>71</sup>

Particularly, more flexible working hours are appreciated by employees: Thus, according to Eurofound, three times as many workers working long hours in the public and private sector as compared to other workers who work lesser hours feel that their working hours do not fit in with their social and family commitments.<sup>72</sup>

As table 10 illustrates, there exist different forms of flexibility which can contribute to a better worklife-balance and a higher work satisfaction and consequently to longer working lives.

**Table 10: Different forms of flexibility to promote longer and healthier working lives**

<b>Part-time (classic)</b>	The number of working hours is reduced on a daily basis. Working days per week: 5 days.	<b>Telework</b>	The employee is working exclusively or on a part-time basis at home. The most usual form is an alternation between home/office working places.
<b>Part-time (vario)</b>	The weekly working hours are spread over the whole week. The flexibility is such that the daily, weekly or monthly number of working hours may vary. Working days per week: flexible.	<b>Sabbatical</b>	The employee is allowed to take a longer holiday (3 months-1 year), while renouncing remuneration claims during this period.
<b>Job sharing</b>	Sharing of work between two employees. Full-time position during 2-4 working days or part-time position during 5 working days.	<b>Time account</b>	Introduction of an account for each employee which foresees the possibility to collect working time or salary.
<b>Part-time (invest)</b>	The employee is working full-time, while being paid part-time. The difference will be saved on a time account or money account and can be used for sabbaticals, holiday periods or advanced retirement.		

<sup>70</sup> H. Buddelmeyer, G. Mourre, & M. Ward, (2005) 'Recent developments in part-time work in EU countries: Trends and policy', in: IZA Discussion Paper, n°1415; OECD (1999), 'Focus on part-time work', in: *Employment outlook, June 1999*.

<sup>71</sup> Eurofound, Part-time work in Europe, Dublin 2009, p. 7.

<sup>72</sup> Eurofound, Fourth European Working Conditions Survey on Working Time, Dublin 2005, p. 19.

A good example in the field of the implementation of flexible and family-friendly working hours is illustrated by the approach of the German State Chancellery of the Land Brandenburg, which decentralized responsibility for working time to team level.<sup>73</sup>

**Case: No strict rules on working time in the State Chancellery of the Land Brandenburg**

Combining individual working time flexibility with the organizational need for efficiency and effectiveness is no easy task. The State Chancellery of the Land Brandenburg has decided that working time issues should no longer be decided at the central level. Thus specific working time requirements were abolished. Instead, service times were introduced which are not related to individuals but instead to teams. Thus, it is the team which decides in its own responsibility who works and when. The only condition is that a sufficient number of manpower must be available and that services must be carried out effectively and efficiently. In practice, this means that the employees can agree amongst themselves who is working at what time. The management of the working time becomes thus a delegated responsibility of the employees.

Another form of flexible working arrangements is underlined by the introduction of working time accounts and flexible or gradual retirement schemes.<sup>74</sup> Although influenced by the needs of the employer, advantages of working time accounts for employees are that they can take into consideration different expectations regarding working time arrangements of employees during their life course. In so far they imply– if applied correctly - a greater respect of older employees' needs for more individual time sovereignty.<sup>75</sup>

In the same way, the introduction of gradual retirement schemes and smoother transitions better correspond to work preferences of older employees than is the case with a rigid break retirement – work. These preferences are well illustrated by a British survey of retired people carried out by the Centre for Research for older workers, based at Surrey University, which showed that less than 20% would like to return to work. However, half of them would have liked to remain longer in work, if they had been allowed to work fewer or more flexible working hours.<sup>76</sup>

According to research<sup>77</sup>, smooth transitions have as compared to a 'guillotine retirement' from one day to another a more positive effect on health. Medical studies show that such a rigid cut

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<sup>73</sup> Bericht der Landesregierung, Drucksache 5/2239, Familienfreundliche Landesverwaltung gemäss Beschluss des Landtages Brandenburg vom 2. Juni 2010, p. 23.

<sup>74</sup> See in this context, chapter 5, Germany.

<sup>75</sup> Eironline, European industrial relations observatory on-line, Provisions on working time accounts in collective agreements, 1998 ([www.eurofound.europa.eu/eiro/1998/03/feature/de9803255f.htm](http://www.eurofound.europa.eu/eiro/1998/03/feature/de9803255f.htm); last checked: 20.07.2012)

<sup>76</sup> M. Flynn, St. McNair, Managing age, A guide to good employment practice, Chartered Institute of Personnel and Development, London (no year), see also <http://www.tuc.org.uk/extras/managingage.pdf> (last time checked on 15 April 2011).

<sup>77</sup> G. Reday-Mulvey, Working beyond 60, Macmillan, New York 2005, p. 14. On average, men spend over 20 years in retirement.

can trigger negative feelings such as depressions and other illnesses or even a loss of the purpose of life.

Very often, new pensioners are ill-prepared, while developing the feeling that they serve no further social purpose with negative effects on their health.<sup>78</sup> Research evidence also demonstrates that the new cohorts of employees more and more want to stay in employment, if flexible retirement schemes or part-time retirement do exist. Moreover, studies show that quality of life is higher for those who work beyond the pension age than for those in the same age group who retire early.<sup>79</sup>

More flexible schemes also benefit the employer: In case of a clear cut between work and retirement, the employer loses valuable experience and know-how from one day to another, the so-called 'corporate memory', and this even more so if employees worked during a large period of their working life for the same organization and if there are no institutional schemes for the transfer of knowledge between young and old. In such a case, public sector organizations more and more go over to call back their former staff in order to fill skill gaps, to cope with negative effects of staff reductions or to organize a skill transfer to younger employees.

As illustrated in the next paragraph, European countries have introduced different schemes of gradual retirement. According to phased retirement, older employees gradually reduce their working hours before the retirement date in order to allow a slow adjustment to a changing life pattern. This form of retirement is different from a flexibilisation of the retirement age, where the employee can choose to retire within a flexible time period. A third form is characterized by the fact that a public employee leaves his position, while he is returning to work after having been out of work for a certain period.

In the context of demographic change and the need to prolong active working lives, more flexible retirement schemes should primarily be applied. For example, in Finland, the transition from work to retirement has been flexibilised in several ways. On the basis of one's age, one may be entitled to an old-age pension, early old-age pension or part-time pension. The Finnish pension system also recognises disability pension, partial disability pension, unemployment pension and survivors' pension. As of 2005, employees can retire flexibly on an old-age pension between the ages 63 and 68. The longer one works, the bigger pension one receives. It is possible to retire on an early old-age pension once one has turned 62 but this will permanently decrease one's pension by 0.6% each reduction month. However, certain positions in the Defence Forces and in the Police are subject to a retirement age below 63. The latest major change to the pension system was made in 2010 when the life expectancy coefficient was introduced. If the average life expectancy in Finland continues to rise, the coefficient will reduce monthly pensions.

In Germany and France, employees who are over 60 years, have the right to diminish their working time and receive a partial pension, if they have contributed long enough to the social security system.

In Germany, the working time of employees over 60 can be reduced to half-time and it can be managed as part-time work or as a block. Besides the age condition (60 years), the public

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<sup>78</sup> G. Reday-Mulvey, op.cit. p. 36.

<sup>79</sup> Ebd., p. 83.



employee should have – before the start of the half-time scheme – been employed for 1080 running days.

In the Belgian civil service, there exist two different retirement models to prolonge working life: First of all, early retirement rules have been changed: early retirement still exists, but the age from which it is possible to leave work, has been raised from 58 to 60. Since recently, encouraging measures to stay longer at work have been introduced. Public employees who are 60 or older and who want to stay in employment will be rewarded a bonus on top of their legal pension until the age of 65. Secondly, public employees have the right from 55 years onwards to work part-time for a maximum period of 10 years. They also have the right to return to full-time work.

There exists moreover a bonus for older unemployed who re-enter again employment. All of these measures should encourage public employers to develop age management inside their organizations. They are furtheron obliged to monitor the age structure in their departments and be sensitized about prejudices concerning older employees.

#### ***4.3. Training and career development until career end as a major element for safeguarding long-term employability***

In a context of rapid technological and economic change, longer working lives require enhanced investments in the employability of the workforce during the whole life-course. This is even more so true in knowledge-based organisations, in which skills and technical expertise are fast outdated and need regular up-dating. Employability depends upon many factors such as the level of knowledge and skills as well as upon the attitude and values of an employee on the one hand and on the other hand upon how far the skill profile of an employee reflects the demands of the labour market. It is meant by employability as used by the OECD ‘the capacity to be productive and to hold rewarding jobs over one’s working life’.<sup>80</sup> Employability is to a large extent the result of biography, the level of diploma, work experience, know-how and competencies held. Generally speaking, it is considered as a mix of several elements that influence an employee’s chances of becoming and/or remaining economically active.<sup>81</sup>

Important preconditions for safeguarding one’s employability are a regular participation of employees in work relevant training and development activities until career end, the prevention of skills obsolescence, underskilling as well as overskilling as well as a flexible career management with age based job profiles. As compared to former decades, training nowadays takes place under different forms. It is no longer limited to the transfer of knowledge in a classroom situation using a traditional top-down approach, but it is characterized by the fact that it can occur in different situations in very different ways. For example it can take place in front of the computer with an e-learning programme, through coaching or mentoring during working time or through knowledge transfer between younger and older employees. Hence, it is to be considered as a permanent and career accompanying activity which isn’t finalized at a certain age, but which will be taking place throughout life

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<sup>80</sup> OECD Observer, Issue 209, 1998, p.13.

<sup>81</sup>European Foundation for the Improvement of Living and Working Conditions, ‘Employment security and employability: A contribution to the flexicurity debate, Dublin, 2008’, p. 14-15, in: H. Kuperus, P. Stoykova, A. Rode, Baseline Study, ESF Age Network, Maastricht 2011, p.38.

and in alternation with work. In this context, life-long learning includes all training activities *on-the-job, off-the job, formal, non-formal and informal learning*<sup>82</sup> and re-training. *Furthermore, lifelong learning must be understood as all learning activity undertaken throughout life, with the aim of improving knowledge, skills and competencies within a personal, civic, social and/or employment-related perspective*.<sup>83</sup>

In more flexible public sector organizations being characterized by more varied and longer career paths, training, re-training and life long learning will be key to maintain professional and competent organisations.

However and as the following chapter will show, older employees so far participate to a much lesser degree in training activities than younger employees.

### 4.3.1. The need for a higher participation rate of older employees in age related training

Participation of older workers in training is generally low as compared to younger colleagues. This trend bears a risk of decreasing productivity and skill gaps. Not having sufficient skills leads to stress related health problems<sup>84</sup> and it can as well have a negative impact on retirement decisions.

**Table 11: Participation of different age groups in lifelong learning (%)**

Type of participation	19-24	25-34	35-44	45-54	55-64	65-80
Further education and training, of which	55	55	55	51	40	25
• In-house further education and training	41	42	43	37	31	9
• Further education and training linked to a profession	13	14	15	16	10	8
Self-learning <sup>85</sup>	55	53	54	56	54	10

CEDEFOP, Working and ageing, Emerging theories and empirical perspectives, Luxembourg 2010, p.38

<sup>82</sup> Formal learning takes place in education and training institutions and leads to recognised diplomas and qualifications, non-formal learning can for instance take place on the job and within the framework of activities and organisations and does not lead to formalized certificates; informal learning is a natural complement to everyday life (and is not necessarily intentional). CEDEFOP, Working and ageing, Emerging theories and empirical perspectives, Luxembourg 2010, p.36.

<sup>83</sup> EU Council Resolution 27 June 2002/C 163/01.

<sup>84</sup> Presentation J. van Loo, CEDEFOP, Keeping ageing workers up-to-date, what difference does guidance and training make?, January 18, 2012, Opening conference for the European Year for Active Ageing and Solidarity between Generations, Copenhagen, Denmark.

<sup>85</sup> Informal education and training

A recent European study<sup>86</sup> examines the effects of on-the-job training for older staff. One of the questions asked was whether on-the-job training can delay the moment at which workers go into (early) retirement. They found out that European countries have a higher participation rate of older workers on the labour market if they have received on-the-job training. Estimation results show that older employees (aged 50 and over) who do not receive training on-the-job have a probability of 25% to retire. Retirement probability of older workers who did receive training is 10% lower. The effect of training on participation is higher for older workers with low education.<sup>87</sup> However, older employees should also be expected to be more pro-active and to do 'more'. For example, willing to become more mobile, to accept training and development duties, to actively engage in job interviews, to accept the need to develop IT skills, language skills and specific job skills etc..

One important reason for the low participation rate of older workers in training is on the one hand that they often have reached the top of their career and no longer consider training as being relevant or necessary for their further career path. It needs to be mentioned on the other hand, that state as well as private employers often wrongly assume that employees, who are closer to retirement, will be with them only for shorter periods of time than younger ones, and therefore fail to invest in their training and career management.

What can contribute to improve the low participation of older employees in training activities is a revision of negative stereotypes as concerns their learning abilities and their lower performance level and their minor need for training. Although older employees can not be considered as being a homogenous group, research evidence<sup>88</sup> shows that they are in general not less able to learn new things, but that they only learn in a different way than their younger colleagues.

Learning of older employees takes place through other methods than is the case for younger employees. The participation level of older employees could be enhanced by better adapting training methodologies to their learning specificities such as for instance through an approach which builds upon their experience in a participatory, interactive way and which takes place at peer level. Older employees also learn more easily, when they can tie into their experiences and see the benefits of learning in contrast to being told about them.

The European Centre for the Development of Vocational Training has established the following seven principles for training ageing people.<sup>89</sup>

- 1. Motivation – make entry easy and deal with initial fear
- 2. Structure – base training on work tasks
- 3. Familiarity – build on existing skills

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<sup>86</sup> D. Fouarge, T. Schils, The effects of early retirement incentives on the training participation of older workers, in : *Labour*, 2009, pp.85. See also T. Schils, Early retirement in Germany, the Netherlands and the UK: A longitudinal analysis of individual factors and institutional regimes, *European Sociological Review*, 2008, Nr 24(3), p. 315.

<sup>87</sup> E. Berkhout, E. an den Berg, Bridging the Gap – International Database on Employment and Adaptable Labour, Amsterdam : Randsted & SEO Economic Onderzoek, 2010, p.79.

<sup>88</sup> A.Ch. Bartscher, Personalentwicklung und ältere Arbeitnehmer, Salzwasser Verlag 2008, p. 21ff.

<sup>89</sup> Presentation J. van Loo, CEDEFOP, Keeping ageing workers up-to-date, what difference does guidance and training make?, January 18, 2012, Opening conference for the European Year for Active Ageing and Solidarity between Generations, Copenhagen, Denmark.

- 4. Organisation – change manager and supervisor attitudes
- 5. Time – allow adequate time
- 6. Active participation – avoid the standard training setting
- 7. Learning strategies – take account of learning method.

In addition to these 7 principles, the following ‘guidelines’ can be mentioned based on the quoted literature:

- Classical class-room situations should be avoided
- Linkage to existing professional experiences by referring to concrete working examples
- Training should be relevant for workplace
- Active participation and involvement of course participants including communicative learning
- Adaptation of learning speed to needs of participants
- A mixture of practice-oriented learning and working
- Exploitation of current working experience.

When taking the concept of a more age conscious HRM seriously, public sector training should better take into account the varying needs of different age groups and this particularly with regard to forms of learning and training techniques. Current public sector training focuses very often on the needs of employees during the growth and maturity phase which is often up to the age of 40, while development of staff beyond this phase is not much considered.

#### **4.3.2. The prevention of skills obsolescence, knowledge gaps and deterioration of performance**

The content of most of the tasks in the public sector is submitted to fast change (e.g. knowledge in different policy fields such as environment, economy, defense, security, IT etc.) which requires regular and continuous up-dating through training. The risks of knowledge or skill gaps entail the need for a constant follow-up of competent job holders on new developments through different kinds of formal, informal and non-formal learning.

As compared to younger employees, older employees are more prone to technical or/and economic skills obsolescence. They face more quickly than their younger colleagues the problem that their knowledge, skills and working methods depreciate and become less relevant. According to CEDEFOP obsolescence is defined here as the ‘degree to which organizational professionals lack the up-to-date knowledge or skills necessary to maintain effective performance’.<sup>90</sup>

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<sup>90</sup> Bolliger S., van der Loo J., Lifelong learning for ageing workers to sustain employability and personality, in: European Centre for the Development of Vocational Training (CEDEFOP), Working and ageing: Emerging theories and empirical perspectives, Luxembourg 2012, p. 44.

Skills obsolescence happens in the same way in the public and in the private sector, while it may take place as technical obsolescence: this is the case when older employees lose know-how and skills with regard to drafting legislative texts or establishing budgets or taking fast and effective decisions. Economic obsolescence takes place when the knowledge is outdated and this can take place in fields where technology is fast changing such as IT, environmental sciences, weapon logistics etc. For some rare professions in the public sector such as for tasks in the field of air traffic control or for computer-based work tasks, technical skills obsolescence is directly linked to biological age and thus difficult to change, while for most of the public office workers decline of knowledge and skills is not related to age<sup>91</sup> and more complex and multifactorial.

Hence, the loss of know-how and knowledge may have different causes: it may be linked to deteriorating or lacking learning capacities in general or to insufficient training and development or also to work structures, which are detrimental to competence development.

It is however first of all important to revise wrong stereotypes that build upon the assumption that skill gaps and decreasing levels of competencies and performance are only due to biological ageing: they can be explained to a large extent by insufficient investment in professional development. In this respect, the risk of attrition is less, if an employee is required to further develop his skills and is involved in challenging tasks during which his expertise is used and for which he is valorized.

It is important to be aware that all age groups have needs for learning and training during their whole career, otherwise the learning abilities deteriorate and consequently work performance decreases.<sup>92</sup> A vicious circle starts during which deteriorating learning abilities lead to lesser competencies which then lead to technical skills obsolescence. So the question is not so much at what age do learning abilities deteriorate, but how to train these abilities until a high age.

The age expert Ilmarinen<sup>93</sup> points in this context to the need of older employees to learn new things and to experience learning and belief in their own capability. He emphasized particularly the following skills for the reinforcement of ageing employees' competencies.

- Computer related skills
- Information management and processing skills
- Language skills
- Capability to learn and absorb new things
- Tolerance to change
- Teamwork skills
- International skills.

A decrease of skills can also be linked to subjective ageing. Individual learning abilities vary and they are not the same for everybody. They depend upon the biography in general, the attitude towards learning, the past use and exercise of these abilities, past opportunities for training and development in the current job etc.

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<sup>91</sup> Ebd, p.41.

<sup>92</sup> J. Ilmarinen, Towards a longer worklife, op.cit, p.224.

<sup>93</sup> J. Ilmarinen, op.cit. p. 217.

Finally, skills obsolescence can also be related to the organizational design and the work structure; the best way to avoid it is by building organizations, which are characterized by a clear purpose, organizational mobility, possibilities for job rotation, job autonomy, learning and development etc. In the context of demographic change, activities such as intergenerational exchange, knowledge transfers from seniors to juniors and mentoring are most promising to stimulate an updated and productive workforce.

CEDEFOP lists the following elements<sup>94</sup> as being of importance for work structures that prevent skill gaps and are beneficial to learning during the whole life course:

- Complete activities and/or overall tasks;
- Sufficient control of contents and management of time in different areas of work;
- Individual goal-setting and transfer of responsibility;
- Self-control over work process and work results;
- Variety in activities by task integration and flexible task allocation;
- Social recognition of performance, effort and commitment and participation in decision-making processes

A closer look at these findings is interesting in view of the future design of public sector organizations. They confirm the positive effects of reforms which aim to transform hierarchical, centralized systems, based on tayloristic principles such as tightly designed job descriptions, a clear division of work, no delegation of power based on authority rather than on knowledge into organizations being characterized by job autonomy, a decentralization of HR responsibilities, a professional management of competencies, staff involvement, broad job profiles which encourage mobility and intrinsic motivators such as interesting job content and tasks which contain a purpose.

Hence, in a public sector which is composed by an ageing and generally more mature workforce, a highly skilled and professional leadership as well as a thorough people management based on the respect of diversity, individual responsibility and development becomes even more important than was the case in a more age balanced organization.

#### **4.3.3. More varied career paths with better end of career management**

Traditionally, careers in the public sector were characterized by linear career progression, a career path which ended at around 40 with no further career or development opportunities and remuneration progression based on seniority. This career pattern was adapted to an age balanced workforce, which has been employed in economically prosperous times and which retired between 55 and 60. Since recently and even more so in the future, a considerable change will take place in so far as most of the workload will be shouldered by older public employees, who will have to work longer. In this perspective, the question is justified, whether this career model being characterized by a salary system based on seniority, a rigid and uniform career management with career plateauing at a young age and early retirement still matches the needs of today's employers, employees and is still affordable in economic terms.

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<sup>94</sup> CEDEFOP, Working and ageing, Luxembourg 2010., p. 47.

It seems evident that this model requires some important changes and besides all a better design for transitions from work to retirement including possibilities for flexible and phased retirement. Finally, scenarios should illustrate how to remodel seniority pay based on age in times of budgetary cuts by stronger linking the pay level to the level of competencies acquired by the candidate during his professional life and thus preventing too high costs of a predominantly senior staff composition.

It took quite a while, before employers realized the need for a change of paradigm in the field of career management. It was first the private sector and then the public sector, which started to promote programmes and projects especially targeted at senior employees.

In parallel to the creation of more flexible organizations and career paths, a trend is emerging in the public sector to change rigid and detailed job descriptions to broader competency profiles, which are used organization-wide and which facilitate interorganizational mobility. Increased internal mobility and greater task flexibility are also more and more seen by public organizations as being an important cornerstone for building-up an effective strategy to cope with demographic change and an ageing workforce.

In this context, internal career flexibility needs to be encouraged by rules regarding the recognition of former professional experience as well as a certified recognition of all different forms of learning.

An overview of HRM policies in European public sectors shows, that such measures in the field of career management have been introduced in France during the last years. In 2009, the French state employer has introduced a new law<sup>95</sup>, which favours longer and more flexible careers by abolishing important mobility obstacles. Opportunities for older employees to enter the civil service are also facilitated through a widened access to different career levels.

In this same context of greater career flexibility and a greater diversification of tasks, the French hospital sector has for instance introduced new functions (*métiers*) in the field of health as a result of the remodeling of activities, competencies and training.

This is only one example which illustrates how to break with the idea of a linear career progression and how to favour mobility during the whole career.

Important measures of the 2009 law are the following:

- The enhancement of different forms of mobility (functional, organizational, geographic, mobility between the private and the public sector).
- The abolishment of the most important statutory and financial mobility obstacles. Mobility becomes a right of the public employee (with few exceptions).
- The opening-up of all *corps* and functions for secondment and integration
- The increase of recruitments at all career levels favoured by the recognition and certification of prior professional experience.

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<sup>95</sup> Loi n°2009-972 du 3 août 2009 relative à la mobilité et aux parcours professionnels dans la fonction publique.

Research and literature<sup>96</sup> about career management in the French public sector even go further by suggesting a fundamental review of this issue and more specifically of the career end. Major milestones of this more advanced approach, which builds-up on more flexible and mobile organizations, are the following:

- The transition from a standardized and administrative management of careers, which is the same for all staff and based on the statute to a more individualized management, which is carried out by professionalized HRM offices;
- The promotion of more personalized career guidance
- The change from linear and continuous career paths to more zig zag careers with a higher level of task flexibility and better adapted to the competency profiles of older employees;
- The shift of paradigm from a status based public sector to a competency-based public sector;
- The creation of new job functions at end of career (e.g. coach, tutor, and mentor)

A more age diverse public sector staff with different needs, expectations, health status' will make it in future more difficult to apply standardized rules as regards to career management. As there exists no unique health status among older workers, who are not among themselves a homogenous group, the introduction of more personalized career guidance becomes important everywhere in Europe. Last but not least, a better use of age diversity will benefit the whole organisation and stimulate as well the motivation and productivity of employees.

In future, longer active work lives and a higher dependency upon a smaller workforce will make new creative solutions for career management and development (and more particularly for the period between 50 and 65) necessary. The investment in older employees' end of careers will be of growing importance in the same way as are investments in their training and skills' development – sometimes also for the sole reason that certain professions can not be exercised until the age of 65 or even above.

It is particularly the creation of new functions in the field of knowledge transfer such as mentor, coach or tutor, which supports better end careers as well as the development of age conscious career management by valorizing the experience and level of competencies acquired by older workers during their careers. Becoming a coach or mentor can develop into a source of motivation for public employees who have reached the top of their careers and who don't have other career development perspectives. Knowledge sharing is also more effective than most technological solutions, because people use to learn best through face-to-face learning.

Different knowledge 'preservation' mechanisms with an active involvement of older employees are used in public sectors. A practice oriented tool used in the federal Belgian civil service is the transfer of knowledge from old to young which has been adopted in different departments.

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<sup>96</sup> Eurogroup consulting, op.cit. p.23ff.



### **Case: Knowledge transfer between Seniors-Juniors in the Belgian civil service**

The Belgian Ministry of Civil Service has put in place a user-friendly method to transfer knowledge between seniors and juniors in a planned, structured and systematized way. The different steps are laid down in an easy readable manual which is accessible to all public employees on the homepage of the Ministry of the Civil Service. The knowledge transfer is characterized by three tools, whereas each of the three tools describes the role and tasks to be played by the three major actors: the senior, the junior and head of unit. The most crucial criteria for launching a knowledge transfer process is the identification of organizational fields of expertise as being of high relevance for the organization.

The methodology comprises the following steps:

- Identification of risky knowledge which might be 'lost' after the retirement of the senior
- Preparation of the project and sensibilization of the senior and the junior
- Definition of the portfolio of knowledge to be transferred
- Start of the knowledge transfer
- Evaluation of the process and its results

The process of knowledge sharing is organized in the following way: In a first step, the senior *describes his tasks and sub-tasks* (3-10 tasks) in a concrete and specific way. Thereby, he selects and prioritizes the most critical fields of knowledge which run the risk of being lost after the retirement of the senior and which are essential for the fulfilment of the mission of the service. The head of unit is associated to this task as well as to the subsequent tasks.

In a second step, the senior establishes with the support of the junior an *action plan* for a structured and coherent transfer of knowledge of those tasks which have been identified as being crucial for the continuation of the service. The action plan comprises a step-by-step implementation plan with a detailed planning, calendar and division of responsibilities as well as the decisions that have been adopted by the major actors. It constitutes the reference document for the senior, the junior and the head of unit.

The action plan distinguishes between four methods of knowledge transfer: 1. learning through observation; 2. learning through oral or written explanation; 3. learning through simulation (*mise en situation*). The junior executes the task or part of it which the senior has accomplished so far; 4. learning through analysis and through identification of successful strategies of solution-finding.

In a third step, the senior gathers all the relevant knowledge for his successor in a survival kit. This tool is especially important, if the junior is not yet in place before the senior leaves. It contains first of all the indispensable organizational knowledge to be transferred and the knowledge which is only kept by the senior. This knowledge is defined in agreement with the head of unit. The seniors are supported in this task by operating guidelines which have been developed by the Ministry of the Civil Service.

The growing significance of knowledge transfer in the European public sectors is also underlined by an extensive methodological guide on knowledge transfer, which has been published by the French Ministry of Civil Service.<sup>97</sup>

Other tools which aim to better share knowledge and encourage learning of younger and older employees are intergenerational learning and mentorship.

**-Intergenerational exchange (IE)** - Intergenerational exchange follows the idea that the creation of age heterogen teams can benefit task implementation: While younger employees bring in new ideas and new knowledge (e.g. high-tech knowledge), older employees contribute through their experience and process knowledge to solution-finding, the second aspect being of slightly higher importance. In such a training platform, trainers and trainees should aim to learn from each other in an equal way.

Intergenerational exchange can be a useful tool in public sector organizations with a high amount of older employees in order to prevent knowledge loss after their retirements. IE should not only start a few months before retirement.

In the context of an ageing workforce, the Belgian Ministry of Civil Service has just started a project in the field of intergenerational cooperation and charged a research institute to particularly study characteristics which affect a good functioning of intergenerational cooperation by way of example of three public sector organizations (*santé publique, sécurité de la chaîne alimentaire et environnementale et les archives nationales*).

**-Mentorship** - As compared to intergenerational knowledge exchange, the mentor model aims at a predetermined knowledge transfer which takes place from old to young. The mentor, a public employee with leadership experience prepares the younger employee for specific functions, while the goal of this exercise is qualification improvement through the transfer of professional competencies through a continuous support, which can be time bound or also extend to a longer period.

At the end, the mentee should possess more know-how, more clarity of his professional goals and opportunities and be introduced to relevant networks. Mentoring programmes often show positive effects for management functions.

The practice of knowledge management through knowledge sharing between young and old so far shows that the success of this tool is linked to certain cultural pre-conditions.<sup>98</sup> Some public organizations are simply apathic about sharing knowledge or they are characterized in general by a culture of intransparent and insufficient communication. The most disturbing factor to an effective knowledge exchange is a competitive organizational culture which favours knowledge hoarding and where the possession of information is one of the most important power sources. Furtheron, an effective knowledge-oriented culture requires the development of all employees' skills such as in the fields of communication, sharing knowledge, codification and documentation. Past experience shows that it is not always easy to implement knowledge management tools and that an important pre-condition is an

<sup>97</sup> Ministère de la Fonction publique, La transmission des savoirs, guide méthodologique, Paris 2007.

<sup>98</sup> CEN/ISSS Knowledge Management Workshop, Europäischer Leitfaden zur erfolgreichen Praxis im Wissensmanagement, Brüssel, Frühjahr 2004, p.7.

environment which is characterized by a learning culture, procedural fairness, functioning ethical rules, and objectivity and correct and respectful interpersonal relationships.

Along these lines, the European guide to good practice in knowledge management distinguishes between knowledge aware cultures and cultures with a low awareness of knowledge.<sup>99</sup>

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<sup>99</sup> Ebd, p.8.

## 5. Examples of HRM approaches which aim to cope with demographic change and an ageing workforce in the public sector

### Finland

The Finnish National Programme on Ageing Workers, which was implemented from 1998 to 2002 was one of the first holistic HRM initiatives in the field of age management in Europe. It was targeted both at private and public sector workers.<sup>100</sup> The objective of the programme was to extend working lives by improving working conditions and people's qualifications and in a more general way by sensitizing both public and private organizations to introduce '*age conscious personnel policies*'. Activities and tools developed within this programme aimed to improve the workability, the mental and physical well-being at work as well as the health status.<sup>101</sup> The organisations, actors and projects covered by the programme were workers, employers, job market organisations, training and experimental projects and legislation. The key target group was the over 45 years old, employed and unemployed persons whose position the programme aimed to strengthen.

One important aspect of the programme was health promotion which was dealt with by the state employer as a key element to strengthen functional ability of an ageing workforce and to raise the employment rate. Further goals were to prevent discrimination based on age, to improve the atmosphere in the working environment and to decrease the number of employees who have to retire on grounds of disability because of mental health problems. Last but not least, the programme accompanied transitions from unemployment to work.

The interesting aspect of the Finnish health promotion approach is that it is not only restricted to occupational health and safety at work, but that it takes on a wider significance by including as well the prevention, monitoring and evaluation of mental, psycho-social (e.g. stress, depression, harassment) and social aspects of bad health. The legitimacy of this approach is confirmed by research which shows that it is first of all the working atmosphere and leadership behaviour which have the strongest influence on public employees' health and work satisfaction.<sup>102</sup>

Further specific aspects of the Finnish programme aim at measures in the field of wellbeing training and consulting and occupational wellness. Very often, these projects aim to identify good practices and functioning methods across the different public sector organizations in order to improve the overall situation and to learn from each other.<sup>103</sup>

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<sup>100</sup> Ministry of Social Affairs and Health, Programme on ageing workers 1998-2002, Helsinki 1998; R. Arnkil (et al), The National Programme on Ageing Workers, Evaluation, Helsinki 2002; Ministry of Social Affairs and Health, The many faces of the national programme on ageing workers, The concluding report on the programme, Helsinki 2002.

<sup>101</sup> Ministry of Social Affairs and Health, The many faces of the national programme on ageing workers, op.cit. p. 127ff.

<sup>102</sup> This result is illustrated by a survey of 2 800 employees of the German federal administration. See in this context the German *Gesundheitsförderungsbericht 2009*, p.5.

<sup>103</sup> Ministry of Social Affairs and Health, The many faces of the national programme on ageing workers, op.cit. p. 113ff.

One of the original characteristics of the Finnish health management is illustrated by the holistic approach being characterized by policy interventions in diverse fields such as work and the working environment (ergonomics, work hygiene and occupational safety), work organization (management, operating procedures and interaction) employees' health and resources and their skills and expertise.<sup>104</sup>

With regard to retirement behaviour, the Finnish experience has shown that if the employer has developed a policy to strengthen workability of its employees during their whole work life, they are less inclined to retire early, and they also better adapt to professional change in worklife.

A major instrument to promote workability of Finnish public employees is the workability index<sup>105</sup> which assesses workability against work demands and personal resources (health and functional capacity, education and skills, attitudes, values, motivation and job satisfaction).<sup>106</sup>

Finally, a last important aspect of the Finnish programme for ageing workers included a more age sensitive HRM with flexible working time practices, lifelong learning strategies, and support for continuous training of older workers until retirement, part-time pensions, job-alternation leave and part-time supplements.

The evaluation of the programme showed some positive effects of the programme: A key success was that the employment rate of older employees went up after the programme finished and that the average age of retirement was increasing. A clear majority (59%) of the respondents<sup>107</sup> from the national authorities, municipalities and companies to the evaluation questionnaire were of the opinion that the general attitude towards ageing employees had changed for the better since 1998. As a major result, there were more respondents saying that there had been a change for the better (38%) than saying that there had been a change for the worse (14%). About half concluded that there was no change.<sup>108</sup>

Among the most negative results was the conclusion that discrimination against the over 50s was generally perceived as a problem during recruitments and that the situation has not changed during and after the programme.<sup>109</sup>

Further outcomes of the programme include an increase of the offer in education and training opportunities for older employees, while the training approach became more varied and age based. Also, the more flexible retirement schemes became more popular. Older people made use of it with a positive effect on employment. Further, workplace health promotion has become part of the organizational culture since then, while the attitudes towards ageing employees have become more positive according to the evaluation of the programme. This was not at all the case before the programme, when the performance of ageing employees was seen in a rather negative light in Finnish workplaces: thus two of five respondents over the age of 45 felt in a survey that ageist attitudes existed in their workplace. The attitudes were

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<sup>104</sup> Ebd, p. 131ff.

<sup>105</sup> [www.meteroworkability.com.au](http://www.meteroworkability.com.au) (last update: 04 May 2011)

<sup>106</sup> See in this context under chapter 4.2.

<sup>107</sup> The evaluation questionnaire was sent to a total of 320 experts: 173 experts replied, which means a response rate of 54%.

<sup>108</sup> Ministry of Social Affairs and Health, The National Programme on Ageing Workers, Evaluation, op.cit. p.14, p.25-26.

<sup>109</sup> Ebd., p. 17.

based on negative characteristics such as a deteriorating learning capacity and in general the lack of respect for older employees.<sup>110</sup>

Since 2001, age management is particularly applied in the public sector (no age management: local government: 69%; state sector: 66%; private sector: 81%).<sup>111</sup> This is closely related to the fact, that there was a specific need for age management in public sector organisations in the sense that more employees from public organisations than from private organisations considered the ageing workforce as a problem and management challenge at the beginning of the programme.

## France

The public sector has as compared to the private sector a certain delay concerning the introduction of measures favouring longer active employment. In France, the first action plan was targeted at the private sector, while some ideas are now taken over by the public sector. In 2005 a national interprofessional agreement between employers' and employees' organizations about the employment of seniors has been adopted while it has been implemented by a national action plan (2006-2010).<sup>112</sup>

It is only since recently<sup>113</sup> that discussions about demographic change and an ageing workforce are dealt with in the public sector, where in 2009 32% of the workforce was above 50 (20% in the private sector).<sup>114</sup> Until this date, no major reflections had been made in order to increase the employment rate of older employees or to improve the management of senior public employees. This situation was rather unsatisfactory for a majority of personnel officers: in 2009, 61% of responsible HR officers of the three civil services were of the opinion that age management was insufficient in the French public service.<sup>115</sup> In the same way, the survey from Eurogroup Consulting, which has been quoted several times in this survey, came to the conclusion that the management of senior public employees was only insufficiently taken into consideration in the current HRM strategies.

It was only a few years after these analyses had been made that action was taken and an extensive report about age management was addressed to the French Prime Minister.<sup>116</sup> This report comprises the most important facts and figures about the ageing problem in the French civil service as well as reflections and suggestions regarding the future French strategy in the field of age management in the public service. The key idea of the French strategy is not to develop a separate HRM approach for the older workforce, but to adapt HRM and working conditions to the needs of all staff and to bring them in a better balance with private life and thus to encourage longer active employment.<sup>117</sup>

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<sup>110</sup> Ebd., p.14.

<sup>111</sup> Ministry of Social Affairs and Health, The many faces of the national programme on ageing workers, op.cit. p. 135, p.137.

<sup>112</sup> Accord national interprofessionnel du 13 octobre 2005 relatif à l'emploi des seniors.

<sup>113</sup> A. d'Autume (et.all), Les seniors et l'emploi en France, La Documentation française, Paris 2005 and [travail-emploi.gouv.fr/emploi-des-seniors,599/1242,1242/](http://travail-emploi.gouv.fr/emploi-des-seniors,599/1242,1242/) last checked: 17.07.2012.

<sup>114</sup> See in this context, the intervention of Eric Woerth, Ministre du Budget, des comptes publics, de la fonction publique et de la réforme de l'État du 22 septembre 2009.

<sup>115</sup> Public Management Institute (IGPDE), Perspectives gestions publiques, Nr.33, 2010, p. 2.

<sup>116</sup> P.Brindeau, La gestion des âges de la vie dans la fonction publique: Pour une administration moderne et efficace, Rapport au Premier Ministre, Janvier 2012.

<sup>117</sup> Public Management Institute (IGPDE), 2010, op.cit. p.2.

At the end of the Brindeau report<sup>118</sup>, the following measures are identified as being the most important for introducing an HRM, which better takes into account age based needs during the whole professional life:

- Filling the gap as regards statistics and scientific analysis in the field of age management in the public sector;
- Improving the access to work relevant training activities and promoting smooth professional transitions to new functions and particularly at end career;
- Improving career guidance of public employees during their whole professional life and better supporting them in their career management by introducing a mid-career appraisal led by an expert in the field of career mobility;
- Diversifying professional careers by preventing public employees to reach the top of their career at the age of 50;
- Preventing professional disability through a better recognition and valorization and making more use of work psychologists;
- Improving the organisation of knowledge and competencies;
- Promoting a culture of intergenerational learning and management.

At the core of the French discussion is the question of how to maintain in future the employability of public employees during longer careers than in the past. A key point of this strategy is to invest in career management and the development of mobility. An important step forward has been achieved by the adoption of a law in 2009, which abolished important mobility obstacles and laid down an individual right for mobility.<sup>119</sup>

During recent years, different instruments have been adopted, which facilitate professional mobility and the development of more varied and longer career paths.<sup>120</sup> The use of these instruments is encouraged on the one hand by a greater autonomy of public employees for individual career planning and career management as well as by a better recognition of professional experience. With these measures in place, careers in the French civil service will be fundamentally different in the next decade: linear, ascendant and continuous career management will more and more be replaced by ‘zig-zag careers’ or second or even third careers with the aim of compensating skill shortages and losses.<sup>121</sup>

All these HRM changes illustrate a trend towards a more managerial culture being characterized by more individualized careers and competency based professions (*métiers*).

Another important measure in the French context, which contributes to better cope with the effects of demographic change, is the introduction of an HRM instrument, which supports a more forward planning policy of personnel, functions and competencies. The objective of this instrument, the *Gestion prévisionnelle des emplois et des compétences* (GPEC), is to prevent skill and competency gaps in an environment of rapid economic, technological and demographic change through a more forward planning management of personnel.

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<sup>118</sup> P.Brindeau, 2012, op.cit. p. 55-70.

<sup>119</sup> See loi n°2009-972 du 3 août 2009 relative à la mobilité et aux parcours professionnels dans la fonction publique as well as under 4.3.3.

<sup>120</sup> See under 4.3.3.

<sup>121</sup> Eurogroup consulting, op.cit. p.23ff.

**Case: The forward planning HRM approach (*Gestion prévisionnelle des emplois et des compétences*) of the French central public administration**

France has put in place an effective HRM planning instrument, which aims to maintain HR and organizational capacities in a smaller and greyer public sector. Civil service authorities have introduced a rather elaborated structure, whose objective is to make sure that the pool of existing competencies in the administration matches the needs of the future public service and that skill shortages, which put at risk economic growth, are prevented. In the early 90s, the Government set-up an ambitious, government-wide unit, which is charged to analyse on a regular basis the current public sector employment situation in view of forecasting personnel needs.

The tasks of this unit include the forward-looking management of numbers, of competencies of posts and of careers. Of particular importance are the anticipation of retirements and the needs of recruitments while taking into account the governmental missions and growth objectives. The forward looking management of competencies aims to align the development of public employees' competencies with competency needs in the future. Finally, the objective of the prospective management of jobs is to be more reactive to the changing demands in civil services by an ageing population and to anticipate the changing policy priorities and needs of internal re-structuring.

Since 2006, the effectiveness of the GPEC has been improved through the launching of annual conferences on HRM planning, which target at all HRM offices of the public service. The objective of these conferences is to create a dialogue between the central HRM department and individual ministerial departments. The agenda of these conferences focuses on management priorities for the coming years and on future workforce needs. Working groups are established to identify good practices that could be transferred to other ministerial departments.

The GPEC is since 2006 strengthened by the interministerial repertory of existing professions in the civil service. The *Répertoire Interministériel des Métiers de l'État* (RIME) is a centrally defined catalogue of competencies, which is to be applied by all ministerial departments. A major aim of the RIME is to facilitate and increase cross-ministerial staff mobility. The OECD stressed that the strength of the RIME is that 'the RIME enables a clear picture of the public sector labour market and thus may be an important added value in a context of increasing competition for skills with the private sector'.<sup>122</sup>

The GPEC is not only an effective tool to forecast competency needs, but as well a useful instrument to better identify in advance recruitment needs in more flexible organizations. Such a procedure is also essential in view of better preparing the content of selection tests.

Besides the measures introduced by the French government to improve staff's long-term employability and to better anticipate future personnel needs, the state employer also promotes since recently the introduction of instruments which invest in a good health status of

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<sup>122</sup> OECD Reviews of HRM in Government, Belgium, Paris 2007, p.64.



public employees' until a high age. This is underlined by the adoption of an extensive agreement on health and security which applies to the state civil service, local authorities and hospitals and which has been signed in 2009 by the French state employer and the most important employees' organizations. This has never been the case before under such a form.<sup>123</sup>

Major cornerstones of the agreement are the following: Reform of the monitoring bodies and reinforcement of the health advice, inspection and monitoring systems in general; development of a preventive culture with regard to professional risks; introduction of qualitative and quantitative objectives, criteria, measurable indicators and a calendar for the implementation of the actions laid down in this agreement. Major topics include the prevention of psycho-social risks, of musculo-squeletteic troubles and of mutagen, cancerogen and toxic risks.

The agreement includes in total an action plan with 15 activities which are organized around three pillars: 1. Bodies and operational actors in the fields of health and security at work; 2. Objectives and tools to prevent professional risks; 3. Accompanying measures to combat health risks.

## **Germany**

Germany<sup>124</sup> is as Finland among those EU Member States, which started rather early to react to the challenge of demographic change. Already in the early 1990s, the Federal Ministry of Education and Research (BMBF) started to fund research in the field of demographic change in the public and private sector and since then promoted the dissemination of a number of good practices.<sup>125</sup> Since then, policies which aim to combat the negative effects of an ageing population are a constant topic on the policy agenda of the public sector reform.

Overall, Germany has rather well succeeded to extend active working lives, as is illustrated by the continuously higher employment rate of older employees during the last years.

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<sup>123</sup> Ministère du budget, des comptes publics, de la fonction publique et de la Réforme de l'État, Accord sur la santé et la sécurité au travail dans la fonction publique, 2009.

<sup>124</sup> During the last decade, important reforms have been carried out at the federal, regional and local level, see in this context for instance: <http://demographie-netzwerk.de/start/aktuelles.html>.

<sup>125</sup> See under [http://www.demotrans.de/en/frames\\_index.html](http://www.demotrans.de/en/frames_index.html), last checked: 20.07.2012.

**Altersspezifische Erwerbstätigenquoten nach Geschlecht**  
(Deutschland, in Prozent)

Erwerbstätigenquote im Alter von ...

	55	56	57	58	59	60	61	62	63	64	55-59	60-64	55-64
<b>Männer</b>													
1996	77,4	71,2	65,3	54,6	47,0	38,1	31,4	26,9	16,4	13,3	63,7	26,3	48,0
2001	75,9	71,8	70,6	64,1	57,1	44,2	35,9	29,8	19,7	14,4	66,9	29,4	46,7
2006	76,8	75,5	72,4	69,5	64,6	52,6	48,0	41,5	30,6	22,5	72,1	37,9	56,1
2009	81,3	79,3	78,1	74,5	70,9	61,3	54,1	48,1	35,6	28,3	76,9	46,7	63,5
<b>Frauen</b>													
1996	52,9	47,0	43,1	35,4	29,0	15,9	12,0	8,9	7,3	5,9	41,8	10,4	28,1
2001	57,2	56,9	50,6	45,0	38,4	23,7	14,9	12,0	10,3	7,4	48,6	13,8	29,4
2006	65,2	59,2	57,4	51,2	47,9	35,6	28,1	23,8	15,6	12,0	56,6	21,9	40,3
2009	69,0	66,8	64,6	60,9	53,9	42,5	35,8	30,2	21,9	16,5	63,1	30,4	48,5

Quelle: Statistisches Bundesamt, Mikrozensus. Brüssig, Knuth und Wojtkowski 2008 und Berechnungen des Instituts der Deutschen Wirtschaft Köln.

This development is the result of a pro-active policy approach, whose priority has been the promotion of a more demography-sensitive personnel policy. As the most important policy documents show, an age-based HRM approach is nowadays strongly promoted in the public sector. Thus, in 2011, the German Governmental report on older people (*Altenbericht*) identifies a holistic and life cycle approach as being the best solution to cope with demographic change and an ageing workforce. The following measures are suggested in this context:

- Health protection and the promotion of a good health condition;
- Continuous promotion of skills and qualifications;
- The development of an ‘age-friendly’ work organization and the flexibilisation of working time;
- Life-long learning;
- The promotion of mobility;
- Life-cycle management and its integration into the social security systems;
- The promotion of motivational instruments (especially in fields like the quality of work, leadership and job security).<sup>126</sup>

Also in the current governmental programme<sup>127</sup>, important policy guidelines request ministerial departments to introduce a demography-sensitive personnel policy, - a concept, which has been developed by the Federal Agency for Work (*Bundesanstalt für Arbeit*). This concept is characterized by the fact that age based specificities are taken into consideration in recruitment, personnel guidance, personnel development, health management and communication. The policy goal is to maintain workability, to promote individual

<sup>126</sup> Unterrichtung durch die Bundesregierung, sechster Bericht zur Lage der älteren Generation in der Bundesrepublik Deutschland. Altersbilder in der Gesellschaft und Stellungnahme der Bundesregierung, Deutscher Bundestag, Drucksache 17/381517. Wahlperiode 17.11.2010, p.108.

<sup>127</sup> Regierungsprogramm, Vernetzte und transparente Verwaltung, Ministry of the Interior, Berlin 2010.

employability and to improve the quality of working relationships between employees and employers with regard to working time, work life time and work organization as well as training and work assignments.

The age sensitive HRM policy of the government is characterized by a strategic approach which defines strategic objectives and consecutive steps with action plans for its realization. The most important steps are:

1. Development of and support of a personnel strategy which reflects and bundles the major challenges;
2. Development of a unique model of an analysis of the age structure (*Altersstrukturanalyse*) and of a demography monitor to support the decision making processes within the departments;
3. Support and elaboration of a life cycle oriented personnel policy to promote the employability as well as competitive and attractive working conditions;
4. Identification and suggestions for action plans in the field of legal requirements.

Particularly the age analysis structure is nowadays used in more and more public organisations in order to cope with the high numbers of retirements. It has proven to be an effective instrument for a more balanced demographic profile in the public sector and for the prevention of age gaps and skill shortages in a tighter labour market.

A priority of the demography-sensitive personnel policy, which is laid down in the governmental programme, is the creation of opportunities for life-long qualifications of public employees through work-related training courses and age based training methods.

In this same context, the training offer has also been diversified through the introduction of e-learning courses and alternating forms between work and training. The vision in the field of training is to promote a constant interlinkage between work and learning through the introduction of cross-ministerial working groups as well as self-steered, horizontal thematic working groups and multi-media based learning platforms.

The new training objectives of the public sector can be summarized as follows:

- Arranging a systematic interlinkage between work and learning;
- Improving training opportunities for part-time workers and teleworkers;
- Developing possibilities for participation of employees in self-controlled (online) learning groups, the so-called 'Communities of practice' such as is for instance the case with many European networks (e.g. EUPAN, ESFage);
- Reaching a higher attendance of training courses through a more effective marketing;
- Extending the offer of e-learning opportunities;
- Improving the image and the work-related benefits of training.

In the field of age based training methodologies, the German federal academy for the Civil Service (BAKOEV) offers specific courses for older employees by using a methodology based on experience, which takes better into account the specific needs of *seniors* in the

personal development programmes. Intergenerational exchange is as well promoted through training with mixed age groups. The training offer also includes courses on age sensitive issues for leaders.

Besides on training, the German demography-sensitive personnel policy builds-up on '*family friendly*' working conditions. Important elements of this policy are more flexible working hours and more and better opportunities for child or family care for employees with children or sick parents, more flexible retirement schemes, the introduction of job-rotation schemes and of possibilities for new job assignments for older workers. Its final aim is to achieve a better compatibility of private and professional life and thus to contribute to longer active working lives.

A good example of an HRM instrument, which promotes a life-cycle policy are long-term working time accounts which are valid for months, years or even a life-time. Employees are allocated a certain amount of required working time on an account, which is reduced throughout a working life. This concept allows employees to work less during the 'rush hour of life' (raising children, caring for parents etc.) and more during other periods or also to make use of phased retirement. Currently, the German Ministry of Work and Social Affairs and the Ministry of Family, Seniors Women and Youth are testing long-term 'time savings' in pilot projects.

The two basic ideas at the heart of the German age management approach are the following: to improve on the one hand HRM of older public employees and to introduce on the other hand a life cycle approach, which aims to promote workability and productivity during the whole life cycle. Particularly the second idea should be put into practice through an integrated HRM approach: such an approach is characterized by the fact that all its different elements such as working time, work organization, training, career management are aligned and integrated in a unique strategy, which aims to keep a greyer workforce longer fit at work.

It is the German Federal Agency for Work, which has already implemented the demography-sensitive personnel policy over the label of diversity management. This program stretches from family-friendly working conditions up to purposeful age based policies within an integrated life cycle approach in the fields of training, career development, competency management and leadership. Its integrated approach is for instance well illustrated by the following activities, which all aim to prolonge the employment of older workers: the introduction of training on age sensitive management; the promotion of diversity management; the setting-up of a senior consultant's pool which aims to prevent skill shortages and the development of recruitment processes for the 50+. At the current stage, all these different elements of a more age conscious HRM are in the process of being implemented by ministerial departments.

## Conclusions

In future, European public sectors will be on the one hand confronted with a smaller and older workforce and on the other hand with a higher number of retirements due to the baby-boom generation reaching the age of retirement. These trends – which vary in different EU Member States - are strong incentives for state employers to review current HRM policies in order to keep an ageing workforce longer healthy, productive and motivated at work. Above all, employers need to prolong active working lives in order to cope with the particularly low employment levels of their older age cohorts.

The increase of the official retirement age is key in this respect; however, legislative measures alone are not enough to make sure that employees stay ‘workable’ and ‘fit for the job’ until a high age: a more holistic approach is needed, which is in its essence preventive and takes into consideration a variety of factors such as a more age conscious personnel policy, training and learning, the combat of age discrimination, health, job satisfaction, career management as well as working conditions in general. It should however not only aim at older employees, but at all employees according to their different needs.

The survey has shown that the employability of an ageing workforce not only depends on a regular and continuous participation in training activities, but as well on the prevention of knowledge and/or skills obsolescence. Training becomes even more important to older employees, since they are more prone to technical and economic skills obsolescence. Hence, their low number in training courses illustrates an important gap, which needs to be addressed in future by public sector employers. Older employees only remain productive and motivated, if they can benefit from learning and career development and if their work is valorized within the organisation. This is however not always the case. Moreover, generational differences need to be considered in learning aptitude and the receptivity of knowledge and new facts, while training techniques need to be adapted to these facts and to different age groups.

In the field of career management, priority areas for investment are the introduction of longer and more varied or ‘zig-zag’ career paths through a higher level of task flexibility or also possibilities for a change of job assignments and more age based job profiles. This will even be more important, if the employee has opted to extend his/her active employment beyond the official pension age.

Such flexible career paths particularly benefit an older workforce which is often faced with de-motivating career plateauing at middle age with no further possibilities for professional development.

A longer active employment of older employees and besides all more recruitments of senior employees can also be encouraged by stronger linking individual remuneration to the job profile and the competencies required from the jobholder and thus preventing an unhealthy competition with a younger and often less expensive workforce.

In an ageing society with a higher life expectancy, public and private employees need to stay longer ‘*fit for work*’ and ‘*up to the task*’: the survey has shown that a long-term and sustainable workability depends to a large extent upon the adoption of a preventive and holistic approach towards health and safety. A health policy designed along these lines is

based on the assumption that a great variety of elements impacts on health such as organizational management and culture, workplace design and job assignment, working conditions, leadership etc..The survey has shown that all these different elements matter and have an influence on employees' well-being, productivity, job satisfaction and motivation. They need to be examined carefully, while they all need to be addressed somehow in an integrated HR approach. A useful tool which considers the interlinkage between mental health in a broad sense, individual resources and work demands is the workability index. It has been extensively described in this survey and is easily transferable to different regional and national contexts.

Moreover the strengthening of individual and organisational knowledge and competencies through training and sensitization campaigns in the fields of work hygiene, ergonomics and stress prevention etc. also helps to build-up healthier and more 'health sensitive' public sector organisations.

The Finnish, French and German case studies in the last chapter have illustrated how age sensitive projects and programmes are implemented in practice. Besides the example of Finland, the age management initiatives in France and Germany are of recent date and don't yet allow a critical evaluation.

The three case studies are characterised by similar strategic objectives, and by different ways of implementation. However, all three countries show the advantages of holistic and preventive HRM approaches and display the significance of the topics dealt with by this survey for effectively facing the challenge of an ageing workforce in the European public sectors.