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AALBORG UNIVERSITY  
DENMARK

#### D.4.2. National report: Denmark - Report on organisational case studies

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*Publication date:*  
2011

*Document Version*  
Early version, also known as pre-print

[Link to publication from Aalborg University](#)

*Citation for published version (APA):*  
Flensburg Jensen, M. C., Jensen, P. H., & Friis, K. (2011). *D.4.2. National report: Denmark - Report on organisational case studies.*

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# ASP.A

## Activating Senior Potential in Ageing Europe

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### D.4.2. National report: DENMARK

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Report on organisational case studies

Confidential

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European Commission



Project funded under the Socio-economic  
Sciences and Humanities theme

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## **CASE 1: Health and well-being, exit policies and flexible working practices, KMD, Denmark**

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### **Executive summary**

KMD is a company that provides IT and consultancy services to the public and private sectors. About 1,000 people work in KMD Aalborg, 8 percent of the employees are above the age of 60 years and the average age is 44 years. KMD has a vested interest in retaining skilled and competent employees and is actively working on ensuring that all employees benefit from good, stimulating working conditions. Two years ago it was possible for employees above the age of 57 to get a special senior agreement. The senior employee was given the opportunity to reduce the working hours by 20 percent. The salary was reduced according to the working hours but the employee continued to receive the same amount in pension contributions as before. Further, the employee was guaranteed to be paid for the next four years no matter what happened. In return the employee would retire without further notice at the age of 62 years. Today, KMD does not offer this senior agreement because it was decided that it conflicted with the law against age discrimination. Instead KMD has introduced a 'life stage policy'. According to this, employees who have at least five years on seniority can reduce their working hours to 30 hours per week for five years. The salary is reduced according to the working hours but the employees continue to receive the same amount in pension contributions as before. This scheme is popular among seniors but also among younger employees who have small children.

### **1. Organisational background**

KMD is a company that provides IT and consultancy services to the public and private sectors. The core business consists of products for the local authority market. The company aims to include projects and outsourcing services for local and central government organisations, as well as for private sector companies. The services provided by KMD include systems management, as well as development and maintenance of IT systems for large corporations and government institutions.

About 1,000 people work in KMD Aalborg. Approximately, 63 percent of the employees are men and 37 percent are women. 8 percent of the employees are above the age of 60 years and the average age is 44 years.

Since 2007, at the time of the original measure, the composition of the staff has not changed much. KMD has not had any difficulties in recruiting new personnel and has not had any reduction in the workforce. However, in 2007 the staff turnover rate was 8,3 percent and today in 2009 it is even lower at 2,7 percent which is probably due to the financial crisis.

Social dialogue with the trade unions is cooperative and the unions are involved in initiatives relating to work issues and company policies.

## **2. Age management approach**

Because KMD is a knowledge-intensive business the company has a vested interest in retaining skilled and competent employees and is actively working on ensuring that all employees benefit from good, stimulating working conditions. Therefore, to ensure the greatest level of expertise KMD considers it as important to have a mixed workforce comprising both young and older employees. To ensure a healthy working environment KMD is committed to improving health and lifestyle for all the employees regardless of age.

As an example on this, the company has a fitness centre and the employees can use the centre free of charge. If wanted, employees can receive treatment and advice from a physiotherapist and occupational therapist. KMD has also hired a cook to make healthy food in the staff canteen.

Recently, KMD has carried through a seminar about healthy eating habits. 20 employees signed up for the seminars where two dieticians taught how to cook low-fat healthy meals.

KMD has also introduced a procedure for dialogue on sickness-related absenteeism. It works in such a way that when an employee takes sick leave for more than 14 days the employer will have a conversation with the employee about why he or she is sick and about what could be done to improve the situation. If the sick leave is work related they try to find out how to solve the problem at the work place. The intentions with these conversations are not to monitor the employees but to send out a clear message that the company wishes to retain skilled and competent employees. Since this procedure was introduced KMD has observed positive effects in terms of reducing the level of sickness-related absenteeism among staff.

## **3. The original measure**

In 2007, at the time of the original measure, KMD had a formal written down agreement for senior employees. The idea for such an agreement emerged nine years ago when the management sensed a taboo about ageing among the employees. Some of the older employees stated that they because of their age felt insecure and unconfident about their future career in KMD. Some of the older employees felt that their knowledge of IT was outdated and they were afraid to get fired. To overcome this age taboo the management wanted to send out a clear message that older employees in general were appreciated for their expertise, specialised knowledge and their know-how and that the management wanted them to stay in the company instead of retiring.

Once a year every employee had a personal development interview with the management and during these interviews they discussed topics such as working conditions, job satisfaction, requirements for further training, salary and relationship with co-workers. When the employee reached the age of 55 they also discussed the future career plan for the last years before retirement. They also discussed whether or not the employee wanted to have a special senior agreement from the age of 58. If so, the employee was given the opportunity to enter a scheme especially designed for older workers where they could reduce their working hours by 20

percent, which meant that they could take one day off per week. The salary was reduced according to the working hours but the employee continued to receive the same amount in pension contributions as before. Further, if the employee accepted the senior agreement, he or she was guaranteed they would be paid for the next four years no matter what happened. This meant, that even though KMD had to fire employees, older employees would receive their salary until the age of 62. In return the employee would retire without further notice at the age of 62 years. However, if the employee wanted to stay at work he or she could renegotiate the terms of further employment. Until 2007, 60 people had accepted such a senior agreement.

In 2007, KMD also offered special seminars for older employees about their future retirement. Representatives from the trade union and pension funds told about how to calculate the future financial circumstances during retirement. The participants were asked about how they wanted to spend their time during retirement and whether or not they could afford a certain living standard. Thereby, senior employees could find out how much money they could earn by postponing their retirement for a number of years.

If the senior employee wanted it the management was also open to changing the content of work if the job was mentally or physically demanding. As an example, they could be assigned other work tasks that were less strenuous or be transferred to other departments.

#### **4. Development of the initial measure and current practice**

In 2007, as described above, it was possible for older workers in KMD to get a special senior agreement from the age of 58 if he or she was willing to retire at the age of 62. KMD has been compelled to change this senior policy in 2008 because it according to the law against age discrimination KMD was illegal for a company to have a certain age where an employee had to retire. Therefore KMD has abolished the senior policy and instead introduced a 'life stage policy'. According to this, employees who have at least five years on seniority can reduce their working hours to 30 hours per week for five years. The salary is reduced according to the working hours but the employees continue to receive the same amount in pension contributions as before. This scheme is popular among seniors but also among younger employees who have small children.

Also the employee is still once a year invited to a personal development interview with the management and during these interviews they discuss topics such as working conditions, job satisfaction, requirements for further training, salary and relationship with co-workers. When the employee reaches the end of the fifties they discuss the future career plan and in cooperation they find out whether or not it is necessary to change the content of the work. In some cases the employee can be assigned to other areas where the job is less strenuous.

Since 2007 KMD has not offered special seminars for older employees about their future retirement and they have no specific plans about future initiatives directed specifically at senior employees.

**Contact details:** [www.kmd.dk](http://www.kmd.dk)

## **CASE 2: Recruitment of senior employees, SILVAN, Denmark**

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### **Executive summary**

SILVAN, is a Danish chain of do-it-yourself stores and the company has about 1600 employees. The average age in the SILVAN stores is about 35 years. In total about 12 percent of the SILVAN employees are older than 50 years. In SILVAN senior employees are valued by the management because they are service minded and often have much experience with do-it-yourself projects. Further, customer analysis have shown that customers in general prefer to get advice and counselling from salespersons who are older than themselves. Therefore, SILVAN for a number of years has wanted to increase the number of employees above the age of 50. In 2006 and 2007 SILVAN initiated two major campaigns in order to recruit senior workers to the stores. The first campaign started in the summer of 2006 and the objective was to integrate or reintegrate, long-term unemployed seniors into the labour market by offering them a job in one of the SILVAN stores. The other campaign started in the beginning of 2007 and the objective of this campaign was to recruit seniors in general. The campaigns were considered as successful because they attracted many senior employees to the company. Today, SILVAN has decided to launch a new senior recruitment campaign in the spring 2010. The details about the campaign are not clear yet but in many ways it will be similar to the campaign in 2007 with recruitment of seniors in general and not just unemployed.

### **1. Organisational background**

SILVAN is a Danish chain of do-it-yourself stores and is owned by the English Wolseley group and part of the DT Group. In total 40 stores are located in Denmark and the company has about 1600 employees. The SILVAN stores sell construction and home products for do-it-yourself projects. The stores are divided into seven sale areas: home, electricity & lighting, garden, paint, hardware, wood and leisure time, plus a check-out counter. In SILVAN every employee has a speciality in one of the product areas in which they have a special knowledge and expertise.

SILVAN has a relatively high turn-over rate as in the retail trade in general. Until the beginning of the global economic crisis SILVAN found it difficult to recruit new personnel, but now it is easier and the company has even been compelled to lay off 400 employees since 2007.

The average age in the SILVAN stores is about 35 years. In total about 12 percent of the SILVAN employees are older than 50 years. Approximately 70 percent of the employees are men and 30 percent women.

Social dialogue with the trade unions is cooperative and the unions are involved in initiatives regarding work issues and policies.

## **2. Age management approach**

In SILVAN senior employees are valued by the management because they are service minded and often have much experience with do-it-yourself projects. Further, customer analysis have shown that customers in general prefer to get advice and counselling from salespersons who are older than themselves. The typical SILVAN customer is between 35 and 55 years of age and therefore the management finds it very important to recruit people above the age of 50 to work in the stores and make sure that senior employees are motivated to stay at work instead of retiring early. During recent years the objective has been to double the number of employees above the age of 50.

To retain senior employees, every year each employee participate in a personal development interview with the management. During these interviews they discuss topics such as further training opportunities for the employee, relationships with co-workers and the working environment in general. When the employee reaches the end of the fifties the employee and the employer discuss the future career plan and how and when the employee wants to retire. If the employee wants it, it is possible to get other work tasks or reduced working hours and this can be arranged during the interview. However, the management makes it clear that it does not treat employees differently just on the basis of age. The career plans are made individually where the skills and qualifications of the employee as well as the constraints are considered profoundly according to changes in the job.

## **3. The original measure**

In 2006 and 2007 SILVAN initiated two major campaigns in order to recruit senior workers to the stores. The first campaign started in the summer of 2006 and the objective was to integrate or reintegrate, long-term unemployed seniors into the labour market by offering them a job in one of the SILVAN stores. Managements from the SILVAN stores screened 75 profiles of unemployed seniors who were registered in the unemployment system. The unemployed seniors were contacted and in total 16 people above the age of 50 signed up to participate in a training course in SILVAN. The purpose with the courses was to offer them future employment in SILVAN. During a six-week period, the participants took part of a training course about how to provide good customer service and they learned how to use the products in the stores. This introduction was more thorough than usual because many of the participants had been outside the labour market for many years. The participants also received practical training in one of the SILVAN stores from a personal coach. The coach's job was to help with the educational training and tell about the routines in the local department store. The campaign was considered a great success. In 2007, 11 out of the 16 participants got employment on regular conditions in one of the SILVAN stores.

The other campaign started in the beginning of 2007 and the objective of this campaign was to recruit seniors in general. From the first campaign the management had realised that one of the obstacles for seniors to start a new job is that they often find it difficult to write and send in a formal application. To make this easier for the seniors SILVAN had printed some pamphlets



where it was stated that SILVAN wanted to hire experienced and mature people to work in one of the department stores. It was pointed out in these pamphlets that it was less important to have a formal education directed at the industry. As long as the person had the right values, was service minded and was interested in do-it-yourself projects SILVAN would like to talk about employment in SILVAN. To make the message clear, the front page of the pamphlet illustrated one of the senior workers in a SILVAN uniform holding a carpenter's rule. When senior customers visited a SILVAN store they could pick up such a pamphlet, fill in the coupon in the back and leave it at the customer service desk. Then the customer would receive a phone call from one of the senior workers and they could have a talk about the working environment in SILVAN. During this talk the potential employee could ask about things, which could be difficult to ask about during a normal job interview. Afterwards the person could contact the management and participate in a more formal job interview about employment in SILVAN.

#### **4. Development of the initial measure and current practice?**

In 2009 the campaigns carried through in 2007 are still considered a great success. It is not known exactly how many seniors started working in SILVAN as a result of the campaigns but it is the impression that both young and old employees value the fact that the company employ many seniors. The newly recruited senior employees are considered to give reliable and service-minded customer advice, have low levels of sick leave, match the customer segment and are flexible according to working hours because they do not have small children.

Therefore, the management in SILVAN has decided to launch a new senior recruitment campaign in the spring 2010. The details about the campaign are not clear yet but in many ways it will be similar to the second campaign in 2007 with recruitment of seniors in general and not just unemployed. As a new input it is considered to invite the potential applicants to participate in an introduction meeting with current senior employees, representatives from the management and consultants from the pension fund. The representatives from the pension funds can inform about the rules according to working while still receiving early retirement benefits. Also as a new idea it is considered to advertise about the recruitment campaign in two of the most popular job seeking portals on the Internet.

**Contact details: [www.silvan.dk](http://www.silvan.dk)**

## **CASE 3: Flexible work practices, Aalborg Portland, Denmark**

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### **Executive summary**

Aalborg Portland is a company that develops, produces, distributes and markets white and grey cements and ready-mixed concrete. In 2007, 657 people worked in the company but because of the financial crisis the company have been forced to fire a lot of employees and today only 403 people work in the company. Aalborg Portland values senior employees because they have a unique knowledge about the production and the company has been known for the good practices according to older employees. In 2007, Aalborg Portland tried to retain the older workers in the company by making flexible and receptive career plans for the older employees. The company also had special 'successor programmes' where the senior employee was paid to train a successor. The aim of these programmes was mainly to secure expertise in important and strategic areas.

During the round of layoffs in 2009 employees were offered a special redundancy pay if they voluntarily offered to stop working. This resulted in the fact that many of the older employees volunteered to retire and receive the redundancy pay. The scheme was very generous and some of the older employees were offered an extra salary for 13 months after retirement. The company still offers older employees good working conditions however not as flexible and receptive as before the financial crisis hit the company.

### **1. Organisational background**

Aalborg Portland is a company that develops, produces, distributes and markets white and grey cements and ready-mixed concrete. Aalborg Portland is the largest producer and exporter of white cement in the world. The Aalborg Portland Group is owned by the Italian cement group named Cementir S.p.a.

In 2007, 657 people worked in the company in Aalborg. About 4 percent of those were apprentices or trainees. In 2007, 37 percent of the workforce were white-collar workers and about half was blue-collar workers. 10 percent of the employees were managers. Only few of the employees were women. In 2007, the staff turnover rate was relatively low and most of the employees had worked in the company for many years. The average age in the company was 48 years and the average seniority was 13 years. 11 employees have had their 40 years anniversary and about one third of the employees have worked for the company for at least 25 years.

Because of the global financial crisis Aalborg Portland has been forced to fire many employees in 2009 and today only about 403 people work in Aalborg Portland. About 4 percent are apprentices or trainees, 51 percent are white-collar workers and 37 percent are blue-collar workers. 7 percent of the employees are managers. Today, the average age in the company is 47 years and the average seniority is 12 years.

Social dialogue with the trade unions is cooperative, and the unions are involved in initiatives regarding work issues and policies.

## 2. Age management approach

Aalborg Portland values senior employees because they have a unique knowledge about the production in the company. However, Aalborg Portland does not have a formal written down policy in relation to older employees. In fact, the company have tried to establish such a policy but the older workers made it clear to the management that they **did not want to be redeployed on light duties just because of their age**. They told the management that they found such an age policy discriminating and that they did not want to work under other conditions than their younger co-workers. Therefore, the company decided that age should not be considered as a distinguishing feature and it was agreed upon that the senior practices should be made individually. In other words the company tried to establish a **personnel policy where people are judged on their talents, skills and experience rather on age**. According to this, the company's motto is that they 'treat everybody the same by treating them differently'.

In general, Aalborg Portland has not found it difficult to recruit new personnel. However, until the global financial crisis hit Denmark the labour shortage in the country raised concerns in the company because about one third of the employees would probably retire during the next decade. Therefore Aalborg Portland took active steps to ensure that all employees had motivating and favourable working conditions and at the same time establishing an environment for the creation of new competencies through skills development and new employment initiatives.

Aalborg Portland has at long history of **good practices in relation to age management** including initiatives related to health, training and flexible working practices and job rotation. These initiatives were also established to ensure that more employees would postpone their retirement age.

The company has tried to create a healthier working environment by motivating the employees to adopt a healthier lifestyle with regard to smoking, dietary habits and exercise. Among other things Aalborg Portland has a fitness centre and all the employees and their families can use the facilities including the badminton courts. The employees can also make use of a fitness instructor and a physiotherapist.

In January 2006 all employees were invited to an introductory meeting with a weight-loss consultant and during this a weekly class was started where the consultant provided individual advice and guidance to the employees who wanted to loose weight. Furthermore, the canteen in the company started to offer a variety of low-calorie meals and lowered the price on these meals. Also, as part of this ongoing focus on healthy food, fresh fruit is available free-of-charge once a week for the employees.

Furthermore, employees have been offered individual counselling to quit smoking and all substitution products are reimbursed for those who are trying to give up smoking.

Aalborg Portland wants to retain skilled workers. Therefore, the company has introduced a procedure involving dialogue on sickness-related work absence in cooperation with the trade union. The aim of this procedure is to ensure that contact is taken with employees who take frequent or lengthy sick leave in order to retain them in the company and help them with problems. The objective of this initiative is not to monitor the employees but to help them to return to work. The company has observed positive effects in relation to reducing sickness related absenteeism among employees.

### **3. The original measure**

In 2007, the Danish Ministry of Employment reworded Aalborg Portland as one of the best companies in Denmark according to senior practices. The reason for this was that the company had many initiatives to make a senior friendly working environment.

For instance, Aalborg Portland had tried to make flexible and receptive career plans for the older employees. Some of the senior workers was offered part-time employment while still receiving the same wage as full-time employees. Others had been given the opportunity to be transferred to a less strenuous position in the company. Some was offered financial bonuses for staying at work instead of retiring early. Furthermore, senior employees had been offered different kinds of training or education just as well as their younger co-workers. The training gave the older workers the opportunity to keep up to date with new methods and technologies.

Many of the older employees possess unique skills acquired through many years in the company. The company wanted those skills to be passed onto the younger generations before the older generations retired. As a result of this special 'successor programmes' were introduced. The aim of these programmes was mainly to secure expertise in important and strategic areas. In practice, the programmes were organised in such a way that the senior worker before retiring was asked to take part in the training of a younger co-worker. By these successor programmes the company secured that knowledge transfer from the older to the younger generations was a natural part of everyday life. Both the older and the younger generations benefited from these programmes; the older by feeling more appreciated and valued and the younger by increasing the knowledge about the productions. Sometimes the older worker was given a bonus for the training of the younger employee.

In order to retain the older worker in employment every employee above the age of 50 was invited to join a special seminar where the objective is to improve knowledge about the retirement system and the financial conditions during retirement. The speakers at the seminars were psychologists, doctors and consultants from the pension funds. The participants were helped to calculate exactly how much money they would have available during retirement and how much more they would have by postponing retirement. Also, former employees who have already retired were invited to tell about their experiences about leaving the labour market. The

seminars received positive feedback from the participants and it seemed that more employees afterwards planned their retirement instead of just retiring at the age of 60 without any consideration.

All of these practices were **gender neutral**, which means that men and women were treated equally according to the flexible arrangements.

#### **4. Development of the initial measure and current practice**

A lot of things have happened in Aalborg Portland since 2007. Due to the financial crisis Aalborg Portland has been compelled to fire a lot of employees. When Aalborg Portland realised that it had to reduce the staff, it offered a special redundancy pay for employees who voluntarily offered to stop working in the company. This resulted in the fact that many of the older employees volunteered to retire and receive the redundancy pay. Many of the older workers had six months redundancy pay based on the seniority in the company. If he or she was a full-time permanent employee the redundancy pay would include three months extra and last but not least he or she would receive a special six months extra redundancy pay because the employee volunteered to retire. All things considered the employee could get up to 13 months of salary during retirement.

During the round of layoffs employees were also offered to take part in special job counselling seminars that lasted for five days. During these seminars the employees were guided in how to write a job application and how to prepare for a job interview. The intention with these seminars was to help the employee to find a new job. Seniors who did not want to find a new job but instead wanted to retire was offered to take part in a special five day seminar about the third age where the introductory speakers tried to prepare the employees on retirement.

In spite of these lay offs Aalborg Portland still has good practices according to senior workers. Aalborg Portland still has those special 'successor programmes' to secure expertise in important and strategic areas. If the older employee have special skills that is important for the company he or she is offered one to three months extra salary if the employee promises to train a successor for the job before retiring.

The company also still tries to create a healthy working environment by motivating the employees to adopt a healthier lifestyle with regard to smoking, dietary habits and exercise.

The company also tries to be receptive if the senior employee has special wishes for changes in the working environment but it is not as easy as before the financial crisis to fulfil the wishes about flexible and receptive career plans for the older employees.

**Contact details:** [www.aalborgportland.dk](http://www.aalborgportland.dk)

## **CASE 4: Competence Development and Flexibility, Care Home Lioba, Denmark**

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### **Executive summary**

Lioba is a publicly financed care home located in the Municipality of Frederiksberg. The care home is rather little and new. It was founded in 2001 and has 29 residents. The care home employs 27 employees and 50 % of the employees are older than 50 years of age. Most of the employees have been there since the foundations of the care home, or the years around that. The retention of such a high percentage of senior employees, within a very physical demanding occupation, resulted in a reception of the Danish senior practice price in 2008. However, the age management approach at Lioba is not visible in any down written (senior) policies. The reason for the retention success is explained by the practices at the care home and the small size of the care home. The small size makes it easier to obtain knowledge about residents, colleagues and relatives. It also allows the manager to be more visible in the everyday life. As well, both the union representative and the manager are senior employees and they encourage and motivate the seniors to stay longer. In more general terms, the practices which benefits the senior employees at Lioba are; Options of flexible work arrangement and awareness about individual needs e.g. total acceptance of breaks and a part-time positions wishes, sickness absenteeism talks, senior days, health promotion and competence development. However, these practices are not only addressed to seniors but all the employees – except for the senior day.

### **1. Organisational background**

Lioba is a publicly financed care home located in the Municipality of Frederiksberg. The care home was founded in 2001 and provides 24-hours care and service to the 29 elderly residents. The total annual budget is DKK 12.5 million.

Currently, the care home employs 27 employees. Including social- and health assistants and helpers, cleaning and cooking staff, and a nurse. All are women except for one man. 13 of the 27 employees are older than 50 years of age. The sickness absenteeism is low when long-term sickness leave is subtracted. The staff turnover is also very low. Most of the employees were employed during the foundation period of the care home. 13 of the employee's work part time. The part time work is not age related, but rather related to the character of the job. It is primarily those who work in the evenings who are part-time employees, since the evening-shift is a part-time position. The recruitment potential has changed during the past two years. Thus, since the financial crises it has been very easy to recruit employees.

The care home perceives itself as a 'little' care home (in terms of residents) compared to the rest of the care homes in the Municipality of Frederiksberg. This is a challenge because it is expensive to run a little care home. During the weekends and the nights, the employees only take care of the 29 residents, where the same number of employees at other care homes can manage the care of 50 residents. The care home has had some budget problems the past years, however, after a rationalisation process the budget looks good again. One reason for the

improvements is, that the care home has managed to limit their usage of temporary workers. Another is, that it is now possible to empty the resident's rooms faster than earlier, when they die. This means, that a new resident can move in faster.

The collaboration between the union representative and the manager is good. They have very few disagreements and in crucial matters they always agree e.g. when it comes to firing employees. The manager always makes sure to involve the representative in important decisions. As well, both the manager and the union representative are seniors (55+), and this is perceived as an advantage.

## **2. Age management approach**

The age management approach at Lioba is visible in the practices rather than explicitly formulated policies. Thus, Lioba does not have a down written senior policy. Instead, new employees are introduced to the general policies and practices when they arrive. Nevertheless, Lioba received the Danish senior practice price in 2008. The main reason for giving Lioba the price was, that Lioba manages to retain a very high percentage of senior employees in an occupation, which is very physical demanding.

The manager and the union representative explain the successful retentions of the senior employees primarily as a consequence of the organisational context. Lioba is attractive to seniors, because it is a relatively little care home. That is, all the employees know the residents and the relatives – and the other way around. Further, as a consequence of the limited size, the manager is visible in the everyday work at the care home. This is important in a senior perspective, because the manager is good at motivating the seniors to stay longer (she is a senior herself). As well, most of the senior employees have been there from the foundation of Lioba - and therefore, they have a special ownership feeling concerning the place.

The way the manager motivates the seniors to stay is summarised in the following bullets:

- She makes sure that the tasks are exiting and developing – and accept when seniors say 'no' to competence development
- She well-come all wishes concerning part-time positions
- She focus on the human values as a manager

One specific senior practice is the obligatory government financed 'senior days' for social- and health workers. The senior day is a paid day off. At the age of 58 the employee will receive 4 senior days, at the age of 59 – 5 days, and at the age of 60 - 6 senior days are given<sup>1</sup>.

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<sup>1</sup> At 60 years of age all employees in the public sector have a right to receive 2 senior days, At 61 years of age the employees gets 3 days and employees above 62 years of age will receive 4 days.

These days are very popular among the employees and most of the seniors choose to take the day off instead of getting an alternative economic supplement to their salary.

At the same time the manager stresses that it is important to show concern for and develop all age groups at Lioba. Otherwise it would create envy and a hostile environment.

### **3. Current practices and how it has evolved**

The current practices at Lioba originate in the central personnel policy for the Municipality of Frederiksberg. The core values in this policy are:

- Respect and recognition
- Clear goals and challenges
- Collaboration and joint responsibility
- Development and change
- Work environment and contributing influence

At Lioba, these core values have resulted in a practice that has spatiality as its focal point. Thus, at Lioba there are few formal and down-written policies and measures, since most of the personnel policy is handled from situation to situations and from individual to individual. That is, there are few pre-made solutions.

The core elements in the more or less informal practices can be summarized as follows:

- Flexible work arrangement and awareness about individual needs
- Sickness absenteeism talks
- Health promotion
- Competence development

At Lioba openness is part of the culture. The manager is an active leader who is observant and involved when it comes to the well-being of the employees. It is important to her, that the employees informs both her and the colleagues, when they have a bad day, either as a consequence of the work or their private life. This is important, because it makes it possible to avoid critical situations, which could harm both the residents and co-workers. E.g. if a employee has problems at home she might have an attitude which signals that she is 'mad' at the residents or at her colleagues – and it is important to clear up this misunderstanding for all parties.

A way to tackle these situations is legitimating that employees take a break at the office or in the massage chair, if the workload allows it. This break will help the employee to regain some new energy.



Another way to handle the well-being of the employees is that any employee can ask for a part-time position. The manager's impression is, that other managers might perceive part-time as bad for the work flow and environment, because it might affect the co-workers in a negative way. However, in her opinion, it will only benefit the work environment to allow the employees to work part-time, because it will generate more satisfied employees. E.g. a mother with many young or sick children or a senior who has a retired husband can benefit a lot from a part-time position.

However, if the problems continue for a while or the manager discovers that an employee looks burned-out or have a lot of sickness absenteeism; she will talk to the employee<sup>2</sup>. It is voluntary whether or not the employee wants the union representative to participate in the meetings. If the absence can be explained by a psychical symptom i.e. pneumonia, it will not be carried out. However, if it is a serious sickness or if the manager is uncertain about the reason for the absence, it is held.

The aim of the talks is to change the situation by offering or encouraging the employee to work part-time, contact a doctor, psychologist or the municipal. Some employees are very happy for these conversations, however some refuse to participate. In some cases, the employee also has been offered a rotation within the organisation or a transfer to another care home in order to ease their problem.

A helpful tool in these conversations is 'Flack Health Care'. 'Flack Health Care' is a free 24-hours service offered to all employees in the Municipality of Frederiksberg. It is possible to get e.g. psychological help and legal advises and to use the service in order to solve both work related issues e.g. stress and private related issues e.g. divorce and accidents. The manager often refers to this service, since – as she formulates it herself: ' although I have a solicitude gene – I am not a psychologist'.

Also, Lioba has some health promoting initiatives. E.g. free bottle water, free fruit, a massage chair and good work tools e.g. lifts. In fact, especially senior employees are resistant towards the use of the work tools, which is explained as a consequence of traditional ways of doing things. However, it will lead to direct firing if the tools, which are supposed to provide a good physical work environment, are not used. Especially the fruit is very popular.

Finally, competence development is an important part of the practices. One advantage of being a little care home is that a lot of researchers want to do research and do projects at the care home. These projects makes a continuously competence development possible e.g. the care home has recently been part of a mentor program. Beside the projects, the employees are allowed to take seminars, which can improve their skills in the daily work with the residents e.g. treatment of wounds. Further, the perception among the employees is, that the focus on

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<sup>2</sup> In fact, Lioba has a formal 'sickness absenteeism talk' that is supposed to take place when an employee has been absent 10 days within 6 month or in three times during a 3 month period.

competence – and competence development allow them to use their competence and skills in their daily work. The yearly obligatory employee development talk will also allow them to discuss competence development issues.

A key learning points, which could be useful for other organisation in order to retain (senior) employees would be, that it is crucial for the manager to be aware of his/hers employees – do the employees look tired?, exhorted?, unsatisfied? And if so – act. Be active in order to help the employees with a solution – both to private and work related problems. Problems at home can be caused by work-related problems – and the other way around. Therefore a holistic problem-solving approach is crucial. However, the manager is not the only key to problem-solving. A good and concerning culture among the colleagues is essential too. Finally, satisfied residents will result in satisfied employees.

In the future, Lioba expect to retain their practices and policies. However, in the year of 2015 or 2016 the lease of the care home will expire. This means, that Lioba has to move to a new and bigger care home. The moving is part of a larger modernisation plan in the Municipality of Frederiksberg. As well, in the near future the care homes in the municipal are going to be specialised in regard to the residents' problems. This reorientation is expected to facilitate the competence development at the care home as well.

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## **CASE 5: Senior Conference and Policy, Enemaerke & Petersen A/S, Denmark**

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### **Executive summary**

Enemaerke & Petersen is a contracting company that employs around 500 people. 355 of the employees are work- and tradesmen and 145 of the employees are white-collar workers. About 80 of the 500 employees are above 50 years of age. The general approach to age management has changed over time. 5 years ago the company decided to implement a senior policy. The aim was to make visible the appreciation and recognition of senior employees in order to increase the retention potential. The core element in the policy is a yearly senior conference, a senior club, a health check and a senior career development talk. Especially, the senior conference is a success. It gives the senior the time and space to consider and discuss their situations with equals. The company has estimated that about 10-20 % of the seniors have decided to stay longer in the company, than they would without the senior policy.

### **1. Organisational background**

Enemaerke & Petersen is a contracting company. The company provides new build, renovation and building maintenance. Most of the service is carried out as own production and with the company's own work- and tradesmen.

Around 500 people are employed in Enemaerke & Petersen. The staff can be divided into two broad categories. 355 of the employees are work- and tradesmen i.e. carpenters, bricklayers etc. and 145 of the employees are white-collar workers i.e. office workers, it-personnel, HR-personnel, work-environment consultants etc. About 80 of the 500 employees are above 50 years of age. The annual turnover is DKK 1 billion.

Men dominate the gender distribution in the company. 40 women work as white-collar workers, however, only 4 women are employed as tradesmen assistants. 5 of the employees work part-time. The staff turnover in the company is perceived to be relatively low among the white-collar works, but relatively high when it comes to the work- and tradesmen. This pattern is due to the fact that the work- and tradesmen work on a piecework arrangement, which is negotiated for each building project (a few are however paid hourly). The company has never suffered from recruitment problems. The practice of recruitment is typically based on networking, former collaboration and mouth-to-mouth methods.

The key organisational challenge is perceived to be the new strategic action plan made for the company. The aim is to double up the size of the company before the year of 2020, and so far the means to obtain this goal has been to hire three new employees, who are supposed to purchase new business opportunities. However, in the moment, this plan seem to be a huge challenge, since the company is under a economic pressure caused by of the financial crises and the cold and snowy wither this year. In fact, as a consequence of these circumstances, the company is about to sack an unnumbered number of employees. Nevertheless, the ambitious strategic action plan is perceived as a positive future prospective among the employees.

The company has a good relationship and collaboration with the trade unions.

## 2. Age management approach

Today, among co-workers and managers, the general approach to senior employees is that they are valuable to the company and appreciated. However, this approach is relative new. A few years ago the attitude among the co-workers was that senior employees were weaker and relaxed too much during the day. This perception could result in scarp or sarcastic remarks. However, five years ago the management decided to focus on implementing age management in order to change the culture in the company.

The rationales for changing the approach to age management were:

- 1) Caused by a realisation of the demographic change at the labour market. That is, a realisation of the ageing workforce.
- 2) Caused by the fact, that the company would like to visualise, that senior employee is valuable, because they have a lot of competence and knowledge, and that retention of the seniors therefore is crucial to the company.
- 3) Caused by an analysis made in 2002, which documented some of the problems

The age management approach adapted in the company is age-cohort. And the policies and practices that support the approach are:

- *A yearly senior conference.* All employees above 55 are invited. The conference runs over a period of two days. The conference makes it possible for the seniors to reflect on and discuss the possibilities and barriers in their future senior life. In order to facilitate these reflections and discussions experts are invited to thematise relevant topics. Among others, a consultant will inform the employees about the company's senior policy, a physiotherapist is invited to talk about the importance of health, exercise and diet, a social worker will introduce the seniors to the pension and early retirement systems, and a part-time employee will tell about his experiences with the reduction of working hours. In order to facilitate the social aspects of the conference, all employees are invited to eat dinner and spend the night at a hotel close to the headquarter of the company, were the conference takes place during the day. The conference days are free and compensated with DKK 1800 to each employee.
- *A senior club.* All pensioned employees are invited to participate in the yearly summer and Christmas party.
- *A health check.* Employees turned 45 and 50 are offered a health check. After the age of 55 the health check will be offered every year. The aim is to outline the health of the employee in order to make necessary improvements in their lifestyle visible for the employee.
- *A senior career development talk.* All employees are offered a senior talk each year after they have turned 55.

Especially, the senior conference is perceived to be a huge success. Last year 52 out of 102 seniors participated. The conference is evaluated each year. The evaluation shows, that the

availability to talk with equals and have the time and space to consider the future prospective seems to be appreciated. The conference legitimizes to talk about the senior life. Also, it is highly appreciated among the employees that the administrative and economical directors participate in the conference – their presence is perceived as symbol of recognition. The program of the conference is slightly changing each year – and this year the conference will also comprise the possibility to do a health check. However, there are some concerns about how the economic pressure of the company will affect the success of the conference this year. Previously, all the employees' wishes concerning their senior life have been granted and this might not be possible in 2010.

Overall, the senior policy has contributed to change the culture in the company. Today, there are no age specific taboos in the company, and it is no longer a defeat to admit the limitations a senior life can generate for the employees e.g. physical limitations. This perception is supported by a yearly employee well-ware survey, which shows that the employee satisfaction in the company is very high. Age-mixed teams might also have contributed to the new culture, since they have made it visible that different ages contribute with different competences and resources. Another output of the senior policy is that, an estimation of 10-20 % of the seniors has decided to stay longer in the company.

As a consequence of their senior policies, Enemaerke & Petersen received the Danish Senior Practice Prize in 2009. And the company expect to keep the senior policy.

One key learning point is that it is important to involve the employees in the creation of the senior policies and measures. At Enemaerke & Petersen, both the seniors and representatives from other age groups have collaborated to develop the senior policy and this collaboration is perceived as the foundation for the good results. Another crucial learning point is, that it is important to create individual adjusted arrangements for the seniors, who have very diverse needs and wishes. A pre-determined package solution is not recommendable.

### **3. Current practices and how they have evolved**

The above-mentioned senior practices are part of the general practices at Enemaerke & Petersen. Beside the senior practices the following practices are central to the company:

- *Flexible working hours and task opportunities.* It is possible to change from a piecework-pay arrangement to a work hour-pay arrangement in the company. This change typically involves employment in the company's own 'repair shop'. At the repair shop, the tasks is characterised as less time-pressured and as involving less physical strain. This opportunity, is available for all employees, but is perceived to count for some of the successful retention results of the seniors, since they have used the opportunity a lot.
- *Competence development.* Seminars are provided to employees if a given building project requires specific competences
- *Many activities and perks.* Among other activities the company can offer a summerparty for the employees and their families with entertainment (music, competitions etc.), a Christmas lunch, a Zoo-arrangement, closing-time-meetings, breakfast each Friday and art exhibitions.

- *A road-show.* The administrative and production directors visit all the construction and building sites in the moment. The aim is to create a better cohesion between the work- and tradesmen and the administration. This is perceived to be important in an industry where the distance between the workers and the tradesmen are huge. At the visits, the directors talk about the administrative work, the policies, the current result and situation of the company and the aim of the company etc. As well, they encourage the employees to contribute with new ideas and to give examples of where improvements in the practice of the company could be made.
- *A fruit arrangement.* Fruit is available for both white-collar workers and tradesmen.
- *A fitness arrangement.* The company has made some arrangement with different fitness centres – about a reduction in the price. However, the company has not added any money them self.

These practices and policies are perceived to create a special culture and atmosphere in the company that retain the employees.

In the future, the company would like to make an official health policy, since the medias talk about health policies all the time. They already feel they have some of the elements to a health policy, but would like to make it more official and more comprehensive. E.g. one element could be to offer health check to all the employees above 35 years of age in the future.

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## **CASE 6: Life Stage Policy, Municipality of Fanoe, Denmark**

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### **Executive summary**

The Municipality of Fanoe is the second smallest municipal in Denmark. The municipal provides public service to the 3,223 inhabitants of Fanoe. 301 people work in the municipal and 44.2 percent of the employees are above the age of 50 years. In the future, Fanoe faces a problem with an increasing number of elderly people. This is a problem, because the island already experience recruitment problems, which are expected to increase in the future. Therefore, Fanoe has a special interest in the recruiting and retention of employees in general. As a consequence, Fanoe has developed a Life Stage Policy, which has resulted in the obtainment of the 'Danish senior praxis price'. The life stage policy allows the employees to e.g. self-paid leave of absence, career development, job rotation, space and time for grief and recovery and a grandparent day. This policy is not fixed but have to be developed in a flexible way according to the individual needs of the employees. No evaluation has been made so far, but the perception is that the policy has been successful – especially the grandparent days. One pitfall of the policy is that the employees might lack knowledge about the policy. Another is that it has been difficult to some municipal managers to change from a collective and uniform perspective on the employees and their needs to a more diverse and flexible perspective.

### **1. Organisational background**

Fanoe is a 5,576-acre island and municipal. The municipality has 3,223 inhabitants and is the second smallest in Denmark. The municipal provides public service to the inhabitants of the islands. The municipal is divided into 6 departments: School; Social, Children & Culture; Economics; Health; Technology & Environment and Personnel & Citizen service. Each department have a leader and the municipal director is the administrative head of the municipal. The municipal is accountable to the city council and their budget has to be endorsed in the economic council. Beside that, the departments' possibilities to influencing the policies are considered to be high.

301 people work in the Municipality of Fanoe. Compared to a couple of years ago this number has been slightly increasing. 21.6 percent of the employees are men and 78.4 percent are women. 44.2 percent of the employees are above the age of 50 years. About, 1 out of 3 work part-time. The turnover (measured in salary expenses) is DKK 70 million.

Staff shortage is one of the municipals main concerns. Especially, the health and social employee group (the so-called sosu-group) is affected and has a relatively high staff turnover rate, but also the 'specialist' functions are difficult to occupy. The labour supply problems are perceived to be both a national and a local problem. In Denmark, a lack of qualified health and social workers is a general problem and in the future the problem is expected to grow. The so-called 'small' year groups of newly educated employees are going to replace the larger year groups of the current employees. Additional, the area also suffers from a general lack of interest in the health and social education and occupation. This national problem makes an island with

few inhabitants and a demographic characterised by an increasing number of old people – and a decreasing number of young people even more exposed in the long run. However, the financial crises seem to have affected the labour supply in a positive way. The municipality has recently experienced a larger demand, but a lack of qualified employees is still a problem. Another main concern is the economic budget of the municipal.

The social dialogue with the trade unions is cooperative and the unions are involved in initiatives regarding work issues and policies. However, the unions can become a barrier for new creative and flexible initiatives, since it can be time consuming that every initiative have to be negotiated, although the employees finds the initiatives good. The negotiations are necessary because some of the collective agreements on e.g. salary and time are perceived to be rather rigid.

## **2. Current practice and how it has evolved**

The current measures and policies are numerous. In fact, right now the Municipality of Fanø has so many outdated and rigid measures, that the manager of the personnel division has initiated a process with the purpose of getting an overview of all the existing (and forgotten) measures. The idea is to limit the number of the measures and to make the important ones more visible and secure their observance.

Nevertheless, at the moment, specifically one measure gets a special attention. It is the life stage policy. This policy was initiated in 2008 and has been implemented for 1 year and 4 month. The reason for implementing this policy was recruiting and retention purposes. The target group of the initiative was originally senior employees, but a survey among all the employees, meant to detect the reason for possible work environment problems, changed the aim and focus of the policy.

The survey was developed in cooperation with The Danish Institute of Service Development (ISD) and financed by an application to The Danish Ministry of Employment, which at the time had a special economic pool for senior work improvements. The survey showed, that 50 percent of the employees intended to quit within a period of 5 years. 75 percent of this group were under 40 years old, while only 17 percent of the group were between 41-50 years old. In other words, these numbers showed that the loyalty of the seniors were larger than the younger group of employees. Further, the survey showed, that 70 percent of the employees intended to do their employment exit between the ages of 60-62 (the normal exit age in Denmark is 65). Among this group, 70 percent of the employees between 56-60 argued that a senior policy could postpone their time of exit.

As a consequence, the rationale for the committee occupied with the development of the policy i.e. the director of the municipal, the manager of the personnel and a trade union representative (a nurse) became, that it was important to make a policy that could make it more attractive for all ages to work in the municipal. The unions endorsed the policy and in the implementing phase a meeting was made first to involve the leaders and second to inform all the employees about the new policy.



The life circle policy consists of several initiatives and the central idea was to create a more individual and flexible focus on each employee and their needs. To do that the workgroup tried to divide the employees into life-circle situations, and from this perspective they looked at the employees potential needs e.g. the needs of the senior employees and employees in crisis.

Among the resulting initiatives are:

- Self-paid leave of absence
- A paid grandparent day
- Possibility to do a limited internship
- A paid visit at other municipals or companies (competence development)
- A urgent-emergency plan
- Job rotation in the organisation
- Flexible working hours

However, it is crucial that these initiatives are not perceived as rigid rules. Instead individual circumstances and needs must be discussed in each case. There is no collective key.

The life stage policy is financed by the ordinary municipal budget i.e. no additional money from the municipal has been given to the project. The idea is that savings on e.g. sick days can finance the project. However, so far no evaluations or cost-benefit analysis has been made.

The overall impression is however, that the policy is a success. The policy and the municipals reception of the Danish Senior Practice Prize in 2009 have resulted in media coverage and a positive publicity of the municipal. Especially, the grandparent day has been frequently used. Also the urgent-emergency-plan has been used with positive responses. This plan is used when an employee experience a tragic event as divorce or death in the closest family. E.g. one employees mother died, and she was given one-two weeks to grief and regain her energy. The rationale is that the space for regaining energy (without feeling guilty) both in the short and long run is more worth to the organisation, than the work a person in such a situation is perceived to provide. One employee has used the internship possibility to go to Greenland in a period of four weeks, and two other employees have used the possibility of self-paid absence to go out sailing with their men for a couple of weeks. Only a very limited number have used the possibility to visit other organizations and no one have used the job-rotation possibility. The head of the personnel division is concerned that the limited use of this initiative and some of the others initiatives is due to the fact that some leaders might resist using the policy and that employees might lack information's about the broad spectra of the opportunities the life circle policy allow.

One interesting aspect of the policy is how it has challenged the managers of the municipal. To some managers the increased individual and flexible focus has been difficult to manage, because it requires more involvement and dialog with the employees, than to refer to collective agreements. This suggests, that the creation of a life stage policy challenge traditional role- and culture pattern, because uniform policy patterns are replaced.

### **3. Age management approach**

The focus on senior policy is not new to the municipal and a good senior policy has always been central to the municipal. Senior employees are perceived as a resource because of their knowledge and experience. Therefore the health and well-being of senior employees has of a high priority. However, the municipal stresses that also seniors are very diverse and have different capabilities and needs.

As a supplement to the life circle policy the municipal recently had a measure targeted to seniors above the age of 56. The aim was to focus on the health and wellbeing of senior employees by offering e.g. massage, physiotherapy and exercise. An external senior pool of money from K2O financed the budget. The opportunity has been frequently used and the measure is perceived as a success.

As well, in order to limit the physical strain of the employees a good physical work environment at the different workplaces is perceived as crucial by the municipal. Therefore ergonomics, job design and accident prevention are in focus in the everyday work.

None of the other policies of the municipal is perceived as a barrier to the senior policy – as long as the measures do not expand the budget.

### **4. Concluding reflections and future perspectives**

The future prospect of the municipal policy is to evaluate the life circle policy and improve it. First of all, the municipal find it crucial to spread the information about the policy among the employees in a better way e.g. by developing an intranet.

The future perspective is that the municipal will have to constantly brand and develop their policy in order to limit the problems of staff shortage.

In the long run the municipal expect that it will be necessary to recruit staff from Germany, and their preparations to do so has already started e.g. the municipal has participated in two German and one Austrian conference about recruitment.

One key learning point that could be useful for other organisations that want to implement a life stage policy is how useful it can be to make a survey before initiating a project. The survey has been specifically useful in targeting the problems and the wishes of the employees and to point out the target group of the policy.

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## **CASE 7: Life Stage and Senior Policy, Aalborg Hospital, Denmark**

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### **Executive summary**

Aalborg Hospital is a publicly-financed healthcare institution. Among the hospital's departments is the occupational and physiotherapy ward, where occupational therapists assess and treat physical conditions. 128 people work in the ward and most of the employees are physiotherapists and occupational therapist. The average age of the department is unknown, but employees under 50 are the majority group. The original measures and policies in the ward have traditionally been divided into different areas. E.g. a comprehensive senior policy was implemented in 2006. However, in 2008 one new life stage policy replaced all the wards policies. The county initiated the Life stage policy and the policy is related to the overall county goals and wishes, that concerns the creation of attractive public workplaces in Northern Jutland. The policy puts a holistic attention to the needs of the employees in different stages of their lives e.g. employees with children and seniors. Nevertheless, in the ward employees are not perceived in accordance with their age. In fact senior employees use the senior arrangement to a very limited extent and age related burnout is considered to be a myth. Seniors have the same obligations and responsibility as everybody else. At the ward, specifically people with long- and short-term diseases are perceived as the group, who needs attention. From an overall perspective the life stage policy is a success. However, an unintended impact of the resulting individuality and flexibility is that some of the employees regard the new opportunities as a right – and not as a possibility. This perception can be a barrier for both the collegial collaboration and the service.

### **1. Organisational background**

Aalborg Hospital is a publicly-financed healthcare institution. The hospital comprises almost all types of medical specialisations, and the treatment is considered to be of an international standard. Among the hospital's departments is the occupational and physiotherapy ward, where occupational therapists assess and treat physical conditions using specific, purposeful activity to prevent disability and promote independent function in all aspects of the patients daily life. The physiotherapists help and treat patients with physical problems caused by illness, accident or ageing. Their treatment methods help prevent, rehabilitate or treat any movement disorders. They focus on the parts of the human body, which are involved in movement: muscles, tendons, joints, the nervous system, the circulatory system and respiration. If a general practitioner refers the patient to Aalborg Hospital for occupational therapy or physiotherapy, the treatment is subsidised.

Around 128 people work in the hospital's occupational and physiotherapy department. 62% of the employees are physiotherapists, 27% are occupational therapists and the remaining 11% are doctors, auxiliary nurses, medical clerks or administrative personnel. In terms of the gender distribution, only 10 of the 128 employees are men. The average age of the department is unknown, but only a few employees are aged over 60 years. Employees under 50 are the majority group. Until now, the ward's management has not experienced any problems in recruiting new staff. The staff turnover rate is relatively high and about half of the employees

work on the ward on a temporary basis. This pattern is primarily explained by a high number of childbirth and parental leave and most of the part-time employees are between 25-40 years of age. Another explanation of the high staff turnover rate might be that the ward is very development-oriented and encourage employees to do competence development, since this kind of environment might motivate employees to look for new challenges at other workplaces.

The key organisational challenges are the economy and the increased amount of administrative work. Recently, a lot of reorganisation has been made between the municipal and county of Northern Jutland. The reorganisation has changed the portfolio of the ward. Today, the hospital only takes care of the most urgent and critical group of people with physical problems. Further, a relatively new governmental requirement concerning accreditation, patient development plans and documentation has drastically increased the consumed time on administrative work. Especially, because the legislation and computer systems needed to facilitate the administration has been ambiguous and insufficiently made. This has resulted in a lot of time-consuming and wasted work. Despite these changes the resource allocation has not been increased and is not expected to do so in the future.

The collaboration and dialogue between the trade unions and the employer is good. They largely agree on work issues and policies and have constructive discussions.

## **2. The original measures**

The original measures and policies in the ward have traditionally been divided into different areas.

For instance, in 2006 a good practice policy was made regarding the senior workforce, which outlined the rights of seniors. A senior worker on the department, who wanted to secure better working arrangements for future workers in this age group, initiated this practice. The initiative resulted in an establishment of a committee, which included a number of young and senior employees from the ward and other hospital departments, - since it was considered important that all employees could influence such policy decisions. In addition, an adviser from the Aalborg Hospital payroll and personnel department participated in the committee meetings. The policy aimed to make it easier for older workers to remain actively employed in the department, while gradually preparing for the time following their retirement. Every employee over 52 years of age would be able to apply for a special work arrangement. At the beginning of 2006, the ageing policy was implemented and comprised the following provisions:

- Older workers can agree with management to opt out of shift work
- Employees over 59 years of age have the opportunity to work part-time hours, while continuing to receive the same amount in pension contributions from the workplace
- Older workers can ask for a special job appraisal interview with management to discuss their future career plan
- Older workers are not obliged to do on-call duties
- Older workers are granted the same possibilities as younger employees to attend training courses and further education programmes.

### **3. Development of the initial measure and current practice**

In 2008 however, the original measures and the rest of the policies in the ward were replaced by one new life stage policy. The life stage policy is a top down initiated measure, which was made at county level. Therefore the origin of the policy is related to the overall county goals and wishes concerning the public workplaces. The aim of the life stage policy is to offer attractive workplaces in Northern Jutland, that build on a holistic perspective concerning the needs of the employees in different stages of their lives. E.g. the policies are targeted and described in accordance to the following employee groups: employees with children, seniors, employees with relatives with serious diseases or other urgent problems, part-time employees, and full-time employees. The policy comprises a focus on the opportunities to have flexible working conditions in accordance to their life stage e.g. freedom to do caretaking of a seriously ill child.

The life stage policy is very broadly formulated and the department managers are supposed to use the policy as a guideline and to develop them in accordance with the local conditions. Until now, the policy is perceived as a success in the occupational and physiotherapy ward. The policy work as a valuable guideline– and it is possible to use it in a very creatively and individually oriented way. The practice is that the employees talk to the managers about their specific wishes e.g. reduced working hours, and that the manager consider whether or not – and how and when it is possible to accommodate the request. This way, it is specified that the creativity and individuality are limited by the service responsibility of the ward. However, an unintended negative impact of the policy has been that some employees regard the new opportunities as a right – and not as a possibility. This perception can be a barrier for both the collegial collaboration and the service. For instance, the policy encourages employees to join their children when they start in school. However, if a team consist of many parents whom all feel they have the right to join their child, it will influence the service and the remaining employees in a negative way. As well, young employees without a family might feel overseen, because the policy will not specifically benefit them. For example they might feel that it is unfair that people with children always have first priority, when it comes to the planning of vacation, since their vacation has to match the vacation of the children.

This way, it is highlighted that the new influence and involvement of the employees requires that the employees maintain their feeling of responsibility towards the collective and the aim and service of the ward. In other words, a life stage policy requires that the managers work on the culture and attitudes in the department and use conflict management in the daily work.

Since the implementation of the life stage policy, only small modifications in terms of reformulations have been made and the ward expects the policy to remain.

## 4. Age management approach

The life stage policy consists of a senior measure. This measure aims at supporting the employability of senior employees. The policy is very broadly formulated and less concrete than the old senior policy of the ward. However, it comprises the following opportunities:

- Senior dialog (at latest at the age of 75)
- Changed job functions and working hours
- Reduced working hours
- Generation shift agreement for leaders above 54 years of age

As well, a locally agreement supplement this policy, since it encourage to a positive attitude towards seniors and their expertise and knowledge.

In practice, however, the manager of the ward (who is a senior herself) has the impression that only a very limited number of senior employees use the opportunities in the policy. In her perception senior employees are not interested in specific senior policies, since there is no difference in the needs or competences between young and senior employees. Instead of age, it is diseases - primarily depression and physiological diseases e.g. cancer among the employees, which requires specific policies, and in her perception it is a myth that senior employees are more burned out psychologically and physically than young people. As well, no specific collation between competence and age is perceived to exist. Therefore a local and more commonly used policy is the conical or long-term disease arrangement.

As a consequence, senior employees are perceived the same way as everybody else and they are expected to have the same kind of assignment, obligations and development requirements as young people. Furthermore, it is up to the seniors themselves to contact the manager if they need a senior arrangement. This attitude suggests that the perspective on senior employees has changed since 2006 (according to the above described policy and process).

Another existing policy, which support and facilitate the employability of senior as well as younger workers is the health policy of the hospital. The hospital has set up a 'welfare team', with the aim of improving the physical and mental conditions of the working environment preventing absenteeism or exclusion from the labour market due to sickness, and avoiding occupational injuries of the employees. If an employee suffers from a work-related disability, they are offered counselling and guidance in relation to work ergonomics and body consciousness. Furthermore, the employees are granted reduced membership fees at a fitness centre close to the hospital. In accordance with Danish legislation, a company's health service is required to develop preventive and health-promoting activities for its employees. As well, since 2002, Aalborg Hospital has had a contract with the county of Northern Jutland for the purposes of strengthening and developing health-promoting and preventive measures at the hospital. Therefore, the county has given Aalborg Hospital funding to employ a full-time health coordinator and establish a Health Information Centre; the centre provides information to employees, as well as patients, on specific health-related issues, such as smoking, diet, obesity, fitness, leisure-time accidents and alcohol.

## **5. Concluding reflections and future perspectives**

The hospital's occupational and physiotherapy department does not have any plans to further develop its ageing policy. On the contrary, the perception is that seniors who need more favourable conditions than the life stage policy can provide – must try to reconsider whether a retirement or a new occupation would be more appropriate. Especially, because the character of the work at the hospital i.e. work concerning people with the most acute and critical group with physical problems, requires this attitude.

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## **CASE 8: Competence Development Project, Kofoed School, Denmark**

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### **Executive summary**

Kofoeds Skole (Kofoed School) is an independent institution. The purpose of the school is to provide workshop activities and education to homeless and marginalised people, with typically social and psychological difficulties, in order to improve their skills. The school has 5-600 students and 190 employees. The average age of the employees is 48 years of age, and more than 50 % of the workforce is 50+. As a consequence of the high percentage of senior employees, the school initiated a career development project in 2003. The short-term aim was to keep staff from early retirement, and the long-term purpose was to set new standard for careers within the institution. However, the success of the project was limited. Many of the 'young' seniors were sceptical about the senior label, because they did not feel like 'seniors'. As a result, the new 'senior' opportunities have been used to a limited extent. As well, today the retention of the seniors does not seem to be difficult. On the contrary, right now the problem seems to be that the seniors do not retire. The reasons for the retention of seniors are perceived to be the high level of autonomy the job allows and the fact that a lot of the employees are fireballs i.e. the job is part of their identity. Therefore, a new senior club is about to be made. The aim is to make the transition from seniority to retirement easier. Other HR practices that retain the (senior) employees are; Gymnastic, Qi Gong and chorus once a week, an exercise room, massage, senior days and 2 kind of senior arrangements. Especially, the gymnastic, massage and senior days are popular.

### **1. Organisational background**

Kofoeds Skole (Kofoed School) is an independent institution. The funding of the school comes from various public and private sources and the schools own production and service delivery. The annual budget of the school is 70 million. The Ministry of Social Welfare is the main financial contributor and it supervises the schools activities. The school was founded in 1928 as a charitable institution, attempting to keep young unemployed men out of social and personal misery. Its main purpose today is much the same i.e. to help homeless and marginalised people with social and psychological difficulties; however, the activities include a wider-ranging mix of services, production and education for both sexes. The core values at the school concerns helping people to cope while respecting individual need and situation. The school has around 5-600 students and 50 % are people with another origin than Danish.

In total, the school employs 190 people. 60-70 of the employees get wage subsidy from the state and are only temporarily employed (up to one year). The distribution of men and women are equal. The average age of the employees is 48, and more than 50% of the workforce is 50+. The employees possess a variety of skills and trades, including academics, social educationalists, teachers, social counsellors and skilled workers, plus an administrative staff of clerks, IT personnel, kitchen personnel and heads of departments.



The staff turnover rate has traditionally been low, since the main tendency is for the employee to stay until pensionable age. Until one year ago the school had recruitment freeze. However, as a consequence of the financial crisis the number of students is increasing. Thus, the recruitment freeze has ended and even fewer employees leave the place, because of uncertainty. The sickness absenteeism is relatively high.

A key organisational challenge is that the educational background of the employees is changing. Previously, the typical employee was a 'passionate employee' who did the job out of primarily ideological reasons. Today, the new young employees are highly educated people and have other perceptions of the job. These differences can create tension among the staff and it is a challenge to create a sense of community. As well, it is a challenge that the organisation needs to prepare a generation shift, since the heads of the departments primarily are seniors and will have to retire in the near future. Further an increasing demand for documentation has changed the work conditions. Today, it is important that the employees are able to use computers and write in order to document their job. However, the services of the school e.g. the workshops have not formerly required those kind of skills. Therefore, e.g. dyslexic employees struggle a lot with the new requirements. Also, according to the personnel consultant, a consequence of the higher documentation demands is more and more stress symptoms among the employees. Symptoms, that is visible in the sickness absenteeism records.

Social dialogue is maintained with the 14 trade unions involved. The collaboration is organised through local representatives and an elected common representative. Despite a crisis 30 years ago, which resulted in strikes, the relationship is perceived as good and well functioning today.

## **2. Age management approach**

At Kofoed School very few employees under 30 years of age are employed, and the school does not hesitate to employ senior employees e.g. they just employed a person aged 68 years. The rationale for employing senior personnel is primarily the needs of the students. The students often have problems e.g. psychological disorders or drug problems that are perceived to require experienced employees.

The reason why the workplace is attractive to senior employees is perceived to be the amount of autonomy and freedom in the job. The hierarchy in the organisation is flat i.e. if any one has a good idea to do a workshop, it is very easy to realise that idea. This spirit creates job satisfaction for a lot of the senior employees and several of the employees are fireballs, who more or less live for the job. However, these work conditions make it more confusing and unclear to figure out the hierarchy and decision competence in the system and especially young people struggle with these conditions. As well, the high number of elderly senior employees also creates role models, who encourage other seniors to stay longer.

Traditionally, the approach to personnel policy at Kofoed School has been that no personnel groups should be favourites over other personnel groups. However, this approach changed in 2003. In 2003 the personnel consultants realised that the percentage of senior employees was a

challenge for the school, which had to be handled in some way or the other. Therefore, the school initiated an age management project, which had seniors as its target group. However, as we will unfold in the following sections the success of the project was limited. Many of the senior's aged 50-55 years did not consider themselves as 'seniors' and was not collaborative in the beginning. Also, the older employees (60+) expressed more or less that they would stay as long as possible. None of the senior employees wished to have 'special arrangements'. Future, because of the high amount of the seniors the benefits of the seniors could not be too beneficial – since this would be considered as unfair for the rest of the employees. Finally, the high awareness in the society on age management resulted in some legal rights to all senior employees, which replaced some of the ideas at the school e.g. senior days.

Today, the policies that underpin and support good age management are:

- Gymnastic, Qi Gong and chorus once a week
- Exercise room
- Massage (the school will subsidize half of the expenses)
- Availability of borrowing a holiday home in Sorø
- Senior days or bonus (2 at the age of 60, 3 at the age of 61 and 4 at the age of 62+)
- Senior arrangement 1: part-time (min. 15 hours) with full coverage of pension (requires at least 10 years of employment at the school).
- Senior arrangement 2: retreat arrangement – were the employees get a lower position in the organisation with coverage of the salary gap (the coverage is not pensionable).
- Career development topics at the employee development talks.

The gymnastic and the massage are very popular activities. The senior days are popular too. Half of the employees choose to convert the days to extra salary and half of the employees used the paid day off. The pattern is, that it is the most burned out employees in the most physical demanding jobs, whom use the senior days as 'days off' and this pattern is perceived as ideal. One employee has used 'Senior arrangement 1', and none of the employees 'Senior arrangement 2'. However, a couple of the employees above 61 years of age work 31 instead of 37 hours per week. As well, one senior employee got 1 month of self paid leave of absence. Although self paid leave of absence is not part of the personnel policy. The rationale for allowing the absence and part time employments can be perceived as a result of the higher awareness on senior employees i.e. as a consequence of the senior project. The general approach is – 'if somebody ask for an arrangement, they will get it'.

Below, we will first unfold the senior project and in the following section, we will look at the future prospects of age management practices in the organisation.

### **3. The original measure**

At our last visit Kofoed School was doing a career development project, which had senior employees as its main target group. The project was initiated in 2003 and the aim of the project was to bring new life to the career of employees aged 50+ years. The short-term purpose was to

keep staff from retiring early. The long-term purpose was to set a new standard for career development within the institution.

The initiation of the project arose from the need to keep valued staff resources in-house, while also recruiting new and young people. The high percentage of seniors in the school's workforce - particularly among the managers and heads of departments - raised concerns about how to manage the organisation over the next 10 years and beyond. A loss of 50% of the staff would be disastrous, thus methods of keeping people longer in the organisation needed to be examined. Yet it was considered unwise, if not impossible, to simply keep people in their positions for an extra two or three years. First, a considerable sum of money would be required and this was not feasible due to various collective agreements with trade unions and the finances of the institution itself. Secondly, there was no guarantee of efficiency during those extra years. The worst-case scenario would be if a manager would hold on to his/hers job, either for the money or for the sake of the institution, because this was perceived to create a bad atmosphere in the organisation. An incentive of another kind was therefore needed.

The opportunity came in 2003 with a Government scheme for the funding of projects aimed at older employees in the public sector. The HR department of Kofoeds Skole drew up a project for the revival of careers and work satisfaction of employees exceeding the age of 55 on a voluntary basis. Keywords in the project description were:

- \* developing competencies;
- \* appropriate frames for the enhancement of motivation;
- \* improvement of skills;
- \* opportunities of choice;
- \* career options 10 years ahead for people in their 40s;
- \* career and retirement options 10 years ahead for people in their 50s;
- \* solutions based on mutual benefit rather than pure economic incentives.

To meet these ends, the project was centred on a special voluntary personal development review with older employees, aimed at answering the following questions: 'How can we employ your resources in the best way?' and 'How do you share your knowledge with others?' The results from these interviews were to be analysed for resources and energy, and the possibilities of employing these productively within the organisation. The underlying rationale of the project was 'that everybody has energy, but this energy can be lost if nothing is done to keep it up and use it'. By participating, people would have a better working life for the good of themselves, their colleagues and the institution. It would be a matter of 'give and take', hence the project was entitled 'Life in working life — any time'.

After receiving a state grant to cover the costs of external assistance, evaluation and administration, the institution hired an independent personnel consultant to carry out the interviews with the employees. Out of the 52 people, aged 50+, 43 actively participated in the project. Of these, 26 later reported great satisfaction with the initiative and evaluated the procedure highly.

The material from the interviews was processed and analysed, and the results disseminated to all staff members through meetings and discussions. Finally, a report was sent to management. This report was later incorporated into the future guidelines for good practice of personnel management.

Under the heading 'quality assurance', it is to be observed that no employee – in general and especially during the last 10 years of employment – should enter a state of habitual work practice. In this matter, it is crucial to notice that retirement influences performance, even several years ahead of the actual time of leaving. Furthermore, the guidelines point out that 'appreciative leadership' will contribute to the general purpose of the quality assurance scheme.

As mentioned, the success of the project has been limited. The project has resulted in new procedures for personal development talks and the taboo of talking about senior issues is smaller today. However, the early resistance among the seniors, to be approached as 'seniors' has been a barrier to the success of the project. Consequently, very few have used the project to develop themselves and their career prospects. The main result was that none of the employees wished any special arrangements for seniors. This approach was not influenced by the younger workers attitude – since most of the young employees had a positive attitude towards the project.

#### **4. Development of the initial measure and current practice**

The current central HR-practices are not age specific. They have all the employees as the target group. The perspective is that employees differs more according to personality than age.

Today, the school has followed the societal reorientation from solution of senior retention problems to solving sickness absenteeism problems. As mention the sickness absenteeism at the school is relatively high. However, it is high compared to administrative workers whom the school is compared to in absence benchmarking. Yet, if the absence is compared to other occupations that work with humans e.g. employees at hospitals and long-term sickness leave is taken into account, the absence is not anomalous. Nevertheless, a huge amount of resources and focus is put into reducing the absence through prevention. E.g. the school has sickness absence talks with the employees. Further, the school has recently got a subscription to a psychology centre in order to deal with traumatic or violent episodes at work immediately. Although this subscription is expensive the benefits are worth the costs. Finally, more and more money are used on supervision, since supervision is very popular and the demand for supervision is growing. There is a voluntary supervision for the workplace one time each month. As well, the department have their own supervision. Primarily, the supervision is used to discuss work related issues as episodes with the students etc.

The organisational context is still the same, however, the HR-department has realised that retention of the senior employees is not a problem, more on the contrary. Today, the main problem concerning seniors seems to be that some seniors retain their job although they are

burned out. It is difficult to talk about, since seniority is still a taboo. As a consequence, some deny using the senior arrangements although both they and the organisation would benefit, if they did. This is due to the financial problems the arrangements can result in, as well as identity related problems. The identity problem is related to the fact that many of the employees find it hard to retire. In order to comply with this identity problem a new incentive is about to be made; a senior club. The senior club is for both the employed and retired persons (formerly employed at the school) above 60 years of age. The aim is to narrow the gap between the work- and pension life – and make the transition easier. The senior club can subsidise for the lack of social interaction and the club members might also be able to do some voluntary work at the school, if they wish to. The HR departments fully support this initiative. The hope is, that it will make it easier for the seniors to retire.

As well, in order to support a generation shift, the workplace will look at ways to make the organisation of the workplace more attractive to younger workers e.g. by making the decision procedures more visible. Further, they consider having more focus on creating a 'junior policy' or 'family policy' in the future. This change of approach is also a consequence of the fact, that the seniors is perceived to be a very powerful group, who possess all the leadership positions in the organisation. Therefore, the group does not need any positively discriminating practices.

Nevertheless, no drastically policies are going to be implemented in order to fasten the generation's shift further. The perception is, that the senior employees are supposed to leave in a naturally way.

### **Further information**

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## **CASE 9: Senior policy, Home care Fjordgaarden, Denmark**

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### **Executive summary**

The Municipality of Vordingborg is divided into 3 home care districts. One of these districts is called 'Fordgaarden'. Currently, the home care district employs about 79 staff. About 25% of the staff are 50+ and 23% are 58+. The organisational context has changed radically since our last visit in the district. As a consequence of a budget deficit, the district has been reduced from 100 to 79 employees. This reduction has changed a problem of staff shortage to a problem of staff surplus. It has been necessary to sack people and reorganise the organisation in order to provide the same service, but with fewer hands. These circumstances have put all origin local policies and measures on standby. Instead, the district has used and focused on the centrally offered measures and policies. Some of these central measures and policies facilitate the employability of senior employees. E.g. senior days (a fully compensated day off), a health promotion day and a senior seminar are offered. As well, a senior program exists. The program enables seniors to apply for money to massage or extra senior days.

Today, the budget in the municipal is balanced as a consequence of an engaged and flexible employee group. Now, Fjordgaard is able to think about other things than the economics. In the future, Fjordgaard expect to increase the local personnel measures, since the driving distance to the centrally offered measures can be a barrier for the usage.

### **1. Organisational background**

The Municipality of Vordingborg is divided into 3 home care districts. One of these districts is 'Fordgaarden'. Fordgaarden provides 24 hours of personal care and practical support to the needy citizens in the districts. The care and support is either provided in the home of the citizen or at the care home in the district. 33 citizens live at the care home and 12 of them suffer from dementia. The total annual budget is DKK 26 million, however the budget is regulated according to the visitation hours i.e. the estimated service hours needed by the citizens.

Currently, the home care district employs about 79 staff, all females, except for the warden at the care home, who is a male. About 25% of the staff are 50+ and 23% are 58+. 76% of the staff work part time. This pattern is explained by the fact, that most of the home care service takes place between 7 am and 1 pm i.e. this shiftwork primarily suit part-time employees. Only 9 unskilled workers are employed in the home care.

Since our last visit the staff turnover flow has changed. At our last visit the district employed 100 staff and suffered from problems with staff shortage. One of the problems was, that few employees stayed with the organisation until the official retirement age of 65. The early exit of senior employees resulted in two obvious problems for the organisation: the immediate need for new staff and the need for experienced colleagues to act as mentors to younger members. However, a budget deficit last year has forced the organisation to decrease the number of employees from 100 to 79. As a consequence, the organisation no longer suffers from

recruitment or retention problems. In fact, the financial crisis has increased the demand for work at the care home to a level the leader of the district has not seen for the last 10 years.

The key organisational challenge the last year has been to reorganise and sack people in order to deal with the financial budget deficit caused by overspending. As a result, the main challenge in 2009 has been to balance the budget and to fit a limited number of employees to the same number of citizens and amount of service. E.g. for the same group of citizens a team was reduced from 6 to 4 employees. Other challenges are the implementations of new systems and documentation requirements. It is very time consuming, however documentation is a good tool, in the interaction with both the citizens and the relatives, who are perceived to be more demanding nowadays. Finally, 2010 is a so called 'health year' in the Municipality of Vordingborg. This means that the districts are supposed to focus on health among its employees. Locally, this involve, that the organisation offer a healthy lunch opportunity and that healthy recipes are distributed among the employees.

The employees have managed the budget deficit in a surprisingly good manner. They have been very flexible e.g. some employees have quitted their job without the required preliminary warning. Others have adapted to the new working conditions and been good at dealing with the angry relatives of the citizens. The district leader gives a lot of the credit for this success to the good relationship and collaboration with the local representatives of the trade unions. However, the involvement of the employees in the process and changes has also been crucial for the success.

## **2. Age management approach**

There are both pro- and cons when it comes to the perceptions of seniors and age management. The seniors typically have the experience, but also a tendency to have the attitude: 'that thing should remain as they have been done traditionally'. Younger employees often come with new inspiration and inputs. Therefore, a diverse group of ages is perceived to provide the best 'cocktail a manager can get'. Seniors have the experience – younger employees come with new ideas.

This way, the opinion is, that age management must be done in a way that benefit all ages at the workplace. Especially, because the personality rather than the age is perceived to be crucial, when it comes to the attitudes of the employees. E.g. some seniors cannot wait to become pensioners. While other seniors love their job and wish to continue as long as possible. This approach to age management is not new.

Despite this approach, the Municipality of Vordingborg and the district of Fjordgaard still have some policies that directly or indirectly facilitate the employability of the senior employees. The aim of these policies is to retain senior employees at the workplace. The policies and practices are:

- 1) *The mandatory senior days* form the age of 60 (a right for all employees employed in the Danish municipals).

- 2) *The free choice program.* This program allows the seniors to choose between either pension, a monthly pay supplement or extra pension senior days<sup>3</sup> (counts for all social- and health workers in the Danish municipals).
- 3) *The three-part program.* Seniors in the Municipality of Vordingborg are able to apply for extra benefits. E.g. they can apply for free massage, to work fewer hours without a reduction in their retirement savings, to get extra senior days etc.
- 4) All employees in the municipality of Vordingborg are able to apply for *financial support* to fitness, a health insurance, a computer.
- 5) *A senior seminar - once a year*
- 6) *A health promotion day.* Here it is possible for the employees to get a health control. E.g. their blood pressure, the cholesterol etc.
- 7) *A first aid seminar*
- 8) *Crisis counselling* within 24 hours – both work and private related issues.
- 9) Critical incident *stress debriefing*
- 10) *A senior career development talk – each year*
- 11) *Flexible work hours*

These policies and practices are all centrally initiated. The lack of local arrangements is explained by the budget deficit – and it has been a relief for Fjordgaard to have the central policies during their critical period. The past year, the free choice program has been used to a relatively little extent, however one employee got 10 free hours of massage. While another got extra senior days. Therefore, the manager expects that more employees will apply for the benefits next year. The ones who applied are primarily those with either psychological or physical disabilities.

The district has two good examples of a successful flexible work arrangement. One concerned an employee with arthritis and another concerned an employee with shoulder problems. The two employees were able to do the work – however only for a limited period of time. Although these two employees had to quit the arrangements – they are perceived as a success. Therefore, in the future, the district would like to use these arrangements to a higher extent. However, it is highlighted that it is crucial that the employee can work at the same workload and do the same things as the rest of the employees – but for more limited time periods. Otherwise the other employees in the specific team are expected to suffer from the arrangement.

The budget deficit has been a good occasion to do the senior career development talks. E.g. the workplace has used the occasion to discuss whether fewer work hours or retirement would be appropriate for some of the employees. The problem is that some of the employees are warned out, but resist stopping because of financial issues.

In the future the district would like to make their own senior day and invite relatives or to make other retention initiatives. The local activity is perceived to be important, since the driving

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<sup>3</sup> At the age of 58 – 4 senior days with full salary are provided, at the age of 59 – 5 days are provided, and at the age of 60 - 6 senior days are provided



distance to the central opportunities can be a barrier for the employees. As well, an arrangement that will allow seniors to stop working and get financial compensation for a while is requested.

### **3. The original measure**

The general personnel policy of the home care district of Vordingborg originally comprised the following elements:

- \* cooperation based on trust, openness and dialogue;
- \* experience of possibilities of personal and professional development;
- \* community rooted in individually adjusted working conditions;
- \* working life characterised by equality and diversity.

Consequently, the efforts to retain senior staff were formerly based on the utilisation of these possibilities to the fullest extent, focusing on two main elements — flexible working hours and prevention of damage to health. The scheme applied to all staff, regardless of age (the rationale being that without a healthy and an enthusiastic staff all of the time, there will be no senior employees left to retain). Thus, the staff was offered individually adjusted working hours, on a daily, weekly or monthly basis. However, no extra funding was added for the schemes and the employees themselves financed all reductions of working time; only the flexibility was offered. In spite of this — and in spite of a general agreement on an arrangement consisting of part-time work, part-time pay, but full contribution to pension funds — the local agreement worked.

The health prevention programme was based on agreements and rules for occupational safety, overseen by a special task force consisting of occupational therapists and physiotherapists. All staff was advised to take care of themselves and to avoid situations that might endanger their health. Lifting clients was emphasised in particular. Formerly, it was considered a sign of weakness or laziness to ask for assistance in lifting a client under treatment. Today, it has been declared a dismissable offence to lift a client alone or to refuse assistance when called upon. No-one has yet been dismissed for this reason, but the rule does stress the importance of staff taking care of themselves and their colleagues in order to avoid early retirement due to physical and mental disabilities.

A specific initiative was taken in 2002, the former manager of the Vordingborg Municipal Home Care service observed that the average age of the staff was quite high, that many retirements could be expected within a short period and that consequently immediate action was needed. In addition, absence through sickness was quite high for some employees, indicating that older workers were suffering from too great a burden of physical work, a view that was supported by the safety representatives.

In light of this, the manager drew up a project aimed at retaining senior staff by creating or adjusting jobs that would give them gratification through working in an optimal way, thus resulting in 'happy' employees and also the retention of a skilled and able staff in the home care services. This was to be achieved by the following means:

- \* Creation of new jobs for senior employees, in agreement with management, employees and the seniors themselves. Adequate training and education facilities would be provided.

- \* Preparation of a catalogue of feasible positions within specified job categories as a means of inspiring the forthcoming interviews with senior employees.

- \* Making it acceptable for employees to choose a senior job career path by adjusting their work situation to the optimal effect of their capacity all through their working lives.

- \* Improving the communication skills of managers, thereby improving their ability to turn vital organisational changes into win-win situations for all.

To achieve these ends, a training project was set up with external assistance, paid for by the National Labour Market Authority under a special scheme of senior consultancy. Initially, managers attended a 2-day course at which all issues related to retaining senior employees were reviewed and possible solutions discussed. Immediately after this, all staff members aged 55+ were given a corresponding course, examining issues of senior careers, their own personal futures and opportunities within the municipal home care service.

The outcome of this project was somewhat different from that intended. The actual achievements were:

- \* a clarification of the framework and some ideas on the contents of a policy for senior employees;

- \* a plan for future appraisal interviews, including decisions of senior career development, retirement, etc;

- \* the decision that all employees aged 60+ should be offered senior seminars for the exchange of ideas and a gradual development of a catalogue for future reference.

#### **4. Development of the initial measure and current practices**

Unfortunately, the initial measures have been put on hold due to both the merging of four municipalities into the new Municipality of Vordingborg, and the following budget deficient in the district.

As a consequence, the (senior) employees have used the measured offered centrally in the Municipality of Vordingborg (see section two for a description).

Today, the home care has recovered from the budget deficit. That is, it is possible to think in other terms than economy e.g. on positive things as development and additional or supplementing staff. However, the employees have adapted to the new working conditions, and one team has e.g. turned down an offer that would increase the number of employees in the specific team.

The main problem right now is the high sickness absenteeism. In order to deal with this problem each team will get a fruit basket, when the sickness absenteeism is zero during a 30-day period

(long term sick-leave not taken into account). The absenteeism is not age related, since the seniors are some of the most stabile employees.

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## **CASE 10: Retirement Benefit Plans, Post Danmark A/S, Denmark**

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### **Executive summary**

Post Danmark A/S comprises the Danish mail and post office system. The system was privatised in 1995, but the Danish government is still the majority shareholder. In 2008 it was merged with the Swedish postal system. Post Danmark A/S employees 20,000 persons. About 20 % of the employees are above 55 years of age. Since our last visit the staff has been reduced with 5000 employees – and the prospects are that more employees need to be fired. This is a result of a drastically reduced demand for the traditional postal services and a following rationalisation process. Traditionally, Post Danmark has not had a separate age management strategy. However, as a consequence of the privatisations the rights of the senior employees were negotiated. As a result, senior employees working in Post Danmark A/S were offered different beneficial arrangements. These arrangements differ according to the age of the senior's and the terms of their employment. E.g. the seniors are offered reduced working hours from the age of 55, with equally reduced pay but with sustained pension benefits and senior days (paid days off). Today, these arrangements still exist. However, as a consequence of the new organisational challenges a new measure has been implemented – a voluntary retirement benefit plan. This plan is seen as a tool to reduce the number of employees in a more 'natural' and 'gentle' way than firing people. The arrangement is perceived as a recognition of the senior's loyalty, since the agreement is costly and young people do not have any alternatives to being fired. Another consequence of the challenges has been that Post Danmark A/S has developed a new sickness absenteeism policy, which has reduced the absence with 26% within a two-year period.

### **1. Organisational background**

Post Danmark A/S (The Danish mail and post office system) was once a public institution owned and run by the state. In 1995, it was reorganised and split into specialised areas of activity, such as sorting, distribution and transport. The areas are independent, with separate management, administration and budgets, but are kept together by a corporate management, led by a board of directors and a managing director. Geographically, Post Danmark A/S is divided into 12 areas, each managed by a CEO. Post Danmark's annual revenue is approx. DKK 11.7 billion<sup>4</sup>.

In total, Post Danmark A/S employs 20,000 persons. The majority (62%) of the workforce are men and the workforce mainly consists of unskilled workers (76%), the remainder being made up of skilled workers (2%), administrative staff (14%) and others. All employees are covered by a collective agreement. Made up in 5-year intervals, the age distribution across the company is fairly even, except for the youngest and the oldest: 3% of total staff are aged under 20 and a similar percentage is aged over 60; the remaining eight age groups contain between 10% and 13% each. Around 4-5000 employees work in part-time positions.

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<sup>4</sup> Today, about 67 per cent of Post Danmark's annual revenue of approx. DKK 11,7 billion is generated by business areas which are in open and free competition with other undertakings.

Since our last visit the staff has been reduced with 5000 employees. The changing market for postal services and a rationalisation process in the organisation explains this reduction. People no longer write letters or pay by giro, but use e-mail and Internet banking. Consequently, the number of postal offices is continually getting reduced. E.g. the numbers of post offices have been reduced with 50% within a period of a small number of years. Therefore the organisation has to adapt to the new circumstances.

As a consequence, the key organisational challenge is perceived as a reorientation toward new markets and service provisions that can substitute the former products. Further, so far most of the reduction in the number of employees has happened naturally. However, a challenge is that this natural reduction strategy cannot continue, since the decreasing in the number of employees currently is too slowly, which is explained as a consequence of the financial crises (very few dares to leave the organisation). E.g. the staff turnover has been reduced from 40 to fewer than 20 % within the last two years. As well, a challenge has been a merger between the Danish and Swedish postal services that took place in 2008. The fusion seem to be completed now, but the benefit and synergy effect from the economics of scale has not yet been fully utilised. Finally, another challenge right now is to reduce the sickness absenteeism, which is around 5.3 %.

The relationship to the trade unions is described as good, and perceived as resting on reciprocal respect. E.g. the trade unions have praised the way the process of the new organisational circumstances has been tackled by the leaders. The disagreements between the different leaders are almost perceived as more evident than the disagreement between the trade unions and the leaders. Collaboration with the unions is perceived as a way to legitimize policies and thereby avoid conflicts with the employees.

## **2. Age management approach**

Post Danmark A/S has a general personnel policy that highlights values as openmindedness concerning age, ethnicity and gender, respect for the individual, corporate responsibility, an open and safe work environment etc. this policy is applicable for all employees.

The approach to seniors and senior management is that seniors are a group of employees, which is perceived as any other group. A specific senior policy is not something that the organisation wishes to have. The danger of age management is perceived to be that seniors will be seen as second-rate employees. However, in Post Danmark senior employees are not considered to be better or worse than other employee groups. Therefore, senior employees are not treated differently than other employees. However, there is a higher risk that senior employees stop their development – and in this case they will be excluded at the workplace, since continual development is a requirement in the organisation.

Nevertheless, Post Danmark A/S has some measures that benefit seniors in either an explicit or implicit way. These measures are seen as supplements to the general personnel policy. That is, they are not perceived as an independent age management policy.

E.g. as we will unfold in the next section, seniors (employees above 55+) have more flexible work arrangements possibilities than younger employees. They also have some senior days i.e. some paid days off. Although the details about these arrangements depend on which contract or collective agreement the employee work on – they are perceived to be more progressive than the arrangements in the public sector. As well, almost all local departments offer – or subsidy massage, physiotherapy or acupuncture to the employees, since being a postman involves a high physiological strain. As well, all contract employees are offered a health check each year – while employees hired on the collective agreement get a reduction if they wish to do one. Recently, as we also will explore later, Post Danmark A/S has offered a voluntary retirement benefit plan. This plan is perceived as a sort of recognition of the senior personnel and their loyalty. The seniors are offered what is seen as a favourable retirement benefit plan – whereas young people are sacked without any benefits.

### **3. The original measure**

The present private joint-stock company Post Danmark A/S originally was a state-owned public service (Royal Danish Mail). Postal workers were thus civil servants, lifelong employees, in principle, engaged with a right to a state pension. Mail delivery routes were allocated on the basis of seniority, which meant that older employees had the opportunity of picking the 'easier' routes. At the same time, this served as an unintended built-in possibility for older civil servants to keep their jobs until retirement, because the easier routes were less physically demanding and therefore helped protecting their health (e.g. their legs, feet and back). This, of course, presupposed that jobs and routes were stable in content and extent.

But all this changed with the reorganisation of Post Danmark in 1995. Being now in a competitive market, the mail company found it necessary to raise functional and economic efficiency through changes in manpower and technology. For the postal workers, this meant changes in delivery routes, mail delivery through teams (with variable staffing levels according to the volume of mail), with no special considerations given to the seniority of employees. Thus, there was a need to focus on the health of older postal workers and their retention by the company.

Therefore, in the late 1990s it was agreed by collective bargaining that postal workers could apply for reduced working hours from the age of 55, with equally reduced pay but with sustained pension benefits. At our last visit, about 5% of the 3,596 employees aged 55+ were employed on these terms. In later agreements, it was also decided that employees from their 60th year were entitled to 'seniority leave': this consists of 20 fully paid days per year, which can be taken as single days (e.g. one day per week) or all together (e.g. as a holiday). Two additional 'senior days' each year has been negotiated for employees aged 57-59. Overall, the senior programme at Post Danmark A/S consists of a sliding scale of possibilities, aimed at easing the burden of physical work for postal workers from the age of 55 onwards.

At our last visit it was estimated that the retirement age of postal workers had been postponed from 60 to 62, as a consequence of the policy. And the hope was that the age limit could be extended even further in the future.

However, today this perspective has changed, as we will explore in the next section.

#### **4. Development of the initial measure and current practice**

The above described, collectively bargained rights of senior personnel, still exist in Post Danmark A/S – and it is very ‘popular’ among the employees. Today about 4.5 % (around 140-150) of the employees has reduced working hours from the age of 55, with equally reduced pay, but with sustained pension benefits. However, as a result of the organisational challenges Post Danmark has changed its focus from retention of senior employees to possible ways of reducing the number of (senior) employees.

As a consequence, Post Danmark has made a favourable voluntary retirement benefit plan for senior personnel above 60 years of age<sup>5</sup> working as postmen or sale assistants. It is a leadership initiated plan – but it has been discussed with and pronounced in collaboration with the unions in order to avoid negative reactions to the plan. In a pamphlet distributed among the target group it says: *‘Also in 2010, we will have to reduce the number of employees in the company. Unfortunately, recruitment freeze and natural retirement is not enough to obtain the necessary cost savings on employees. Therefore, we will offer you a voluntary retirement plan a bit earlier than you might have expected yourself.’* Beside, this pamphlet 6 or 7 information meetings about the plan were made.

The idea is that the employee will receive either 2 more years of retirement benefits and/or 3-6 month of severance pay depending on the age of the employee. One extra year of pension costs Post Danmark DKK 50.000. That is, for each employee this arrangement can cost Post Danmark up to DKK 100.000 plus severance pay. Therefore, the plan is perceived as being an expensive solution. This year, 270 employees have replied for the voluntary retirement benefit plan – and 240 of these applications has been met. The relatively high number of applicants is described as ‘surprising’.

Instead of focusing on retention of employees, today Post Danmark focuses on getting the full benefit out of each employee. This approach is visible in their sickness absenteeism reduction plan, which was implemented in 2008. This plan has 3 core elements:

- *Sick absenteeism research and benchmarking.* A comparative research has been made between the different divisions of the organisation with the aim of creating an understanding of the sickness absenteeism patterns. As well, information sheets about the 7 most commonly reasons for absence and ways to cope with these reasons e.g. a traumatic experience in the family has been distributed in the organisation. This research

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<sup>5</sup> Another requirement is that employees need 12 years of seniority in order to receive the plan.

and information's material have been made in order to facilitate knowledge sharing among the divisions in order to limit the sickness absenteeism in the organisation. As well, a team has in 2008 visited all the divisions – and in 2009 all divisions with high absence -in order to discuss problems and solutions related to absence. Especially, the information material has resulted in positive feedback.

- *Sick absenteeism talks and leadership seminars.* The managers in each department have been educated to do the sickness absenteeism talks. These talks takes place either after the employees has been sick for a certain number of days or after a certain number of times within a certain period. The aim is not to explore the reason for the absence (since this is illegal), but to show care - in order to limit the absence. It has been underlined that it is crucial, that the manager is aware of the fact that the reason for absence can be both private and work related issues – and that the managers role is to strength the job satisfaction and motivation among the employees. E.g. by underlining that their performance is important for the production. As well, to day local sickness absenteeism coaches are educated in order to continue the benchmarking methods and keep the absence down.
- *Sick absenteeism competitions among employees.* The aim of this element is to focus on creating incentives for the people who are not absent. Each quarter the employees with no sickness absence (or 1-2 days of absence) can win money gift (up to DKK 100.000 tax free) and gift vouchers. In total, 338 prizes can be won each quarter.

The sickness absenteeism reductions plan seems to have been a great success. The plan has reduced the sickness absence with 26,8 % equalling a cost saving on DKK 120 million within a two-year period. The primarily explanation for this reductions is perceived to be the sickness absence talks or the more active leadership conduct approach. This way, the benefits of the plan outweigh the cost – both in economic and social terms.

In the future Post Danmark A/S expect to keep the rights of the seniors, since a change in a collective agreement is considered as more or less 'impossible'. However, as a consequence of the organisational challenges no improvements will be made.

Nevertheless, the merge with the Swedish postal system might result in a more developed health policy – since the Swedish system are fare more developed on that area.

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