



## **“Employers’ practices for Active Ageing”**

**Final synthesis paper of the European Employers’ organisations project on age management policies in enterprises in Europe**

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**This paper is presented as an “expert report”. It represents the views of the individuals involved in its preparation and does not purport to represent the views, either individually or collectively, the organisations that were responsible for its commissioning, nor the European Commission.**

## Foreword

This paper was prepared as part of a project entitled “Age management policies in enterprises in Europe” run by the European cross-industry employers’ organisations BUSINESSEUROPE<sup>1</sup>, CEEP<sup>2</sup> and UEAPME<sup>3</sup> with financial support of the European Commission.

The project took place within the context of the “European Year for Active Ageing and Solidarity between the Generations” (2012) and served to underline the important role played by employers’ organisations and individual employers in making active age management in the workplace a reality.

The goals of the project were to:

- Develop a better understanding of how employers can encourage older workers to remain in the labour market and to ensure flexible retirement processes to assist in dealing with the challenges of an ageing population and workforce;
- Map promising practices among private and public employers (including SMEs) across all Member States, underpinned with a strong understanding of the policy framework within which they operate;
- To develop recommendations on how the issue of active ageing should be addressed at the European level and what further actions might be taken by employers separately, or jointly with the trade union to better tackle the impact of demographic change on the labour market.

The Steering Committee for this project consisted of Maxime Cerutti, Guillaume Cravero and Rebekah Smith for BUSINESSEUROPE, Liliane Voložinskis and Helen Hoffmann for UEAPME and Andreas Persson for CEEP. The report authors, Tina Weber and Marco Barton of ICF GHK, would like to thank members of the Steering Committee as well as representatives of the case study companies for their time and valuable inputs into the drafting of this report.

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<sup>1</sup> The Confederation of European Business: [www.businessseurope.eu](http://www.businessseurope.eu)

<sup>2</sup> The European Centre of Employers and Enterprises providing Public services (CEEP): [www.ceep.eu](http://www.ceep.eu)

<sup>3</sup> European Association of Craft, Small and Medium-sized Enterprises: [www.ueapme.com](http://www.ueapme.com)

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## 10 Key Messages

1. National policy frameworks have an important impact on the policies and practices enterprises develop to support active ageing. They should support work ability throughout working life. Employment protection legislation and systems of wage formation must also be designed to equally support the recruitment and retention of older workers.
2. Determination of labour costs on the basis of seniority can be a disincentive for employers to hire older workers, by disconnecting the total cost of labour from productivity levels. Compulsory wage indexation systems amplify this effect.
3. Flexible working practices have a role to play to facilitate active ageing. They can create 'win-win' situations for both employers and employees, while taking into account the complexity of managing work organisation, and help employers to take account of variations in production cycles.
4. Tools and processes, including a regular review process to assess the age composition of the current workforce and future skill needs can contribute to devising effective strategies to address the impact of demographic change at the level of the enterprise.
5. Wherever necessary and efficient, relevant training can support employers to remain competitive and employees to stay adaptable to changing market needs. Support should be made available in particular to SMEs to assess their future skill requirements and to allow the effective and efficient delivery of training.
6. Different methods are available to support the effective transmission of skills from experienced to younger workers, including joint learning/training, mentoring and coaching. Planning ahead for successful knowledge transfer is key.
7. Succession planning can be a concern for SMEs and in particular micro businesses. External assistance can be required to identify a suitable purchaser and to mediate relationships between current and future business owners.
8. Flexible retirement schemes can provide assistance in offering a smooth transition from work into retirement or from employment into self-employment. Tax thresholds need to be set in such a way to allow individuals to combine employment or self-employment with the receipt of a pension, even after retirement age if they so wish. This supports job creation and growth opportunities.
9. Structures supporting workplaces adaptations to allow individuals to continue working help to effectively manage work ability. Cost- effective public health promotion and measures supporting lifestyle adaptations have a role to play in an individual's ability to continue working up to retirement age.
10. The European Union can play an important role by supporting national labour market reforms to create the necessary policy frameworks for enterprises to put in place effective age management policies. It can also play a role in formulating pertinent policy messages on the need to maintain the sustainability of pension systems and provide funding for measures to support effective age management policies.

## Executive Summary

The business case for active age management is clear and evidence shows that many employers are already taking or developing positive approaches to active age management. A holistic approach covering initiatives from awareness raising, age positive recruitment measures, workforce mapping and planning, maintaining work ability, supporting flexible working and intergenerational learning and succession planning can contribute to achieving the best outcomes. However, more remains to be done to raise awareness and to prevent employers from having to re-invent the wheel by providing information on successful practices, which can act as inspiration when developing or expanding their measures.

Despite an increasing awareness of the demographic challenges facing the European labour markets and societies, a number of myths and stereotypes still exist about older workers. Employers can work in tandem with employees, public authorities and the media to help to dispel these myths. Another important step towards developing an age positive and age aware approach is for individual organisations to understand their current situation in terms of the age pyramid of their undertaking and potential future workforce requirements. An increasing number of organisations are developing systems to help them capture the demographic and skills profile within their organisation and identify priority areas where steps need to be taken either to ensure the retention of existing skilled workers, to offer updated or conversion training or to recruit individuals with the necessary additional skills. Anticipating such skill pressures in time can mean that organisations have more options to address such challenges, avoid significant disruptions and remain competitive and better able to serve its clients. Succession planning is particularly critical in occupations where there are shortages, leadership positions and for SMEs (including owner managers).

A regular assessment of skills requirements is an important step towards maintaining work ability throughout the life cycle. Both the regular updating of competencies and health maintenance and promotion are a shared responsibility of employers, employees and indeed policy makers more generally. Two aspects need to be considered when addressing health and safety in the workplace and wider health promotion: the implementation of employers' (and employees') legal obligations to protect workers' health and safety in the workplace and additional voluntary commitments to health promotion. Each workplace is distinct in relation to the demands it places on a worker and individuals are variously equipped to deal with different stress factors. In line with European and national legislation, all employers are required to carry out regular risk assessments. Over recent years there has been increasing emphasis not only on physical but also on psycho-social risks, - the latter being very complex due for example to the difficulties in identifying the root causes in working but also private life. Raising awareness of the importance of risk assessment processes and the implementation of suitable preventive and remedial measures is important throughout the organisation. It is clear that some psychological stress factors or repetitive work processes can be difficult to eliminate and responses can be highly individual. These can potentially be alleviated through wider general health maintenance or the development of appropriate coping strategies.

Flexible working practices can facilitate active ageing. They can create 'win-win' situations for both employers and employees, while taking into account the complexity of managing work organisation, and help employers to take account of variations in production cycles. Such flexible working practice can include geographical, temporal and functional flexibility. The implementation of such measures can be particularly helpful in achieving a flexible transition from work into retirement.

It must be borne in mind that employer policies and practices to support active ageing are developed within their national policy framework. Particularly national pension, tax and benefit frameworks, as well as support for education, training and lifelong learning and health promotion have an important impact on the parameters within which companies develop their approaches and it should be ensured that these support maintain work ability throughout working life. Employment protection legislation and systems of wage formation must also be designed to support the retention and recruitment of older workers. Similarly, national and European funds as well as professional networks and associations can be helpful sources of support, particularly, but not only for SMEs.

The work programme of the European social partners foresees the organisation of a joint conference on this important issue in 2013 which will be the basis of discussion on whether any further, joint steps are required to raise awareness among employers and workers of the importance of active age management.

# 1 Context

## 1.1 Demographic change: What does it mean for employers?

***The good news and the challenging news: we are living longer, healthier lives, but low birth rates mean that fewer young people are entering the labour market. As a result, competition for young talent will increase and employers will need to find ways of retaining older, skilled and experienced workers, as migration is insufficient to counterbalance this trend. Increasing labour market participation among all groups is important to ensure the financial sustainability of public pension systems.***

Positive advances in quality of life and healthcare provision mean that older individuals in European societies are enjoying a longer and healthier old age. However, coupled with declining birth rates, this leads to a demographic ageing of the population. This constitutes a serious challenge to strong economic growth and public finances in the decades to come. For employers it means a reduction in the potential pool of workers and resulting possible labour and skill shortages which are set to impact productivity, competitiveness and the ability to provide essential services. At the same time, it can also present new economic opportunities for product and service delivery, particularly as, in general, pensioners are now more economically secure than they have been in the past. This is a phenomenon generally referred to as the 'silver economy'.

Although these trends are well known in principle, it is worth reiterating some of the underlying data to illustrate not only the magnitude of the challenge, but also the existing diversity shaping the extent and timescale with which different EU Member States are and are / will be affected by such developments.

Figure A.1.1 in the Annex shows the projected development of old age dependency ratios up to 2050. According to demographic projections by Eurostat, the population of working age is set to decrease by 50 million by 2060. As early as 2030, the number of young people (15-24) entering the labour market will have dipped by 16%. The groups set to increase most significantly in size are individuals largely supported by pensions, health and social care systems. The group of over 80 year olds will increase by around 55%; with the figure for the 65-79 age group rising by approximately 35%. The age group closest to (current) retirement age in most countries (55-64) will also see its numbers swell by 15.5%.

Although fertility rates are projected to rise in most Member States in the coming decades, it will be at a modest rate and much slower than projected increases in life expectancy.

Today, migration already plays a predominant role in population growth. While inward net migration is expected to continue in the coming decades, it is likely to do so at a decelerating rate and – despite the efforts of governments, social partners and other stakeholders to support economic migration. However, this is likely to be insufficient to replace the declining working age population. The result of these trends, according to the European Commission's report on *Europe's demographic future*, will be a steep increase in the share of older people in the population: the median age in the EU is expected to increase from 39 to 49 years between 2004 and 2050, with a dramatic increase in the number of people above 80. As a result, the number of workers retiring each year is anticipated to increase sharply and eventually exceed the number of new labour market entrants. While this trend is common throughout the OECD, the challenge is particularly serious for Europe, impacting on the competitiveness of the EU in a more globalised marketplace.

Although the ageing process will affect all Member States, it will not do so in a uniform way and at a uniform rate, with the variations reflected in particular differences in projected fertility rates as well as the development in median age by Member State. For example, that while German society has been ageing for some time, the median age in countries such as Poland and Portugal was relatively low in 1960, but will be almost on a par with Germany by 2060.

Ageing on this scale will place substantial pressure on public finances and economic growth, although it can obviously also create business opportunities (e.g. for care services). Unless there are significant policy changes in the funding and regulation of pensions (such as adjustment of pension payments or contributions) and care provision, as well as a significant rise in labour force participation, coping with such a rapidly growing ageing population will require substantial increases in spending on public pensions and on long term-care as a proportion of GDP). It will also necessitate rises in public health expenditure, given that per capita spending on health tends to be higher for older people. For public service employers and private care providers this often means combined pressures of having to deliver more services for shrinking budgets in the context of growing skill and labour shortages.

## 1.2 Impact of changes in the national policy framework

***The national policy framework is key to the success or failure of employer practices for active ageing: many recent policy changes have been helpful in providing legislative and financial incentives to work longer, but government measures to provide a supportive framework for employability, adaptability and health promotion remain insufficient. Seniority based wage systems and strict Employment Protection Legislation (EPL) can also constitute obstacles to the retention and re-employment of older workers.***

Awareness of the need to increase the labour market participation of older people has been growing among policy-makers and social partners for a number of years and a range of measures have been taken to encourage the extension of working lives. Subsequent sections provide a brief summary of the most important policy trends.

### *Reform of retirement and pension systems*

National governments are implementing a range of reforms to improve participation of older workers in the labour market and at the same time protect the sustainability of public finances. The following key steps have been taken in many countries towards achieving these goals:

- By increasing the retirement age and hence the age at which pensions can be drawn and thereby providing a “negative” incentive to continue working.
- By increasing pension benefits according to additional years worked, providing a “positive” incentive to continue working.
- Adapting pension (and in some cases taxation) systems to facilitate continued work after retirement including early retirement.
- Reduced access to early retirement schemes will remove incentives to exit the workforce early.

All these measures are, in principle, helpful to support employers’ efforts to retain older workers. Some question marks remain over whether financial incentives to continue working are sufficient and whether all avenues to early retirement have been closed effectively. Certain pension provisions (such as final salary schemes) and tax regimes can also act as disincentives to different or more flexible ways of working prior to retirement.

### *Reforms to unemployment benefit systems and disability pensions and benefits*

Although access to the use of unemployment benefit systems to support early labour market exit has been curtailed, in some countries unemployment benefit (and wider welfare benefit) rules can still be considered to effectively act as a disincentive to older workers seeking to take up new employment after a certain age. Thus, for example, some countries (despite recent reforms) still provide for enhanced benefit entitlement for older workers, ease retirements to “actively seek work” to secure receipt of benefits or other provisions which could effectively discourage labour market re-integration. For example, in Belgium an age supplement is still paid to unemployment benefit for individuals aged over 55. Although the availability to work requirements was increased to 60 as a result of a recent reform, it remains below the statutory retirement age. Similarly, in Hungary, despite recent reforms, those 5 years below statutory retirement age can claim pre-retirement unemployment benefit if they have a sufficient record of social security contributions. In Luxembourg and Slovenia,

older jobseekers are entitled to an extended period of unemployment benefit payment. While a reform in Germany, dating back to 2007, removed a rule exempting those aged 58 or over from actively seeking work, a subsequent change required those over 58 who had been unemployed for more than a year and could not be offered a job during this time to sign off the unemployment register. The duration and level of unemployment benefit payments can therefore postpone, if not entirely prevent efforts to seek employment once an older worker becomes unemployed.

Although unemployment benefit systems have largely contributed to cushion the social and economic impact of the crisis, including in support of short-term working arrangements, on the whole access to unemployment benefit for older workers have tend to become more restrictive in an effort to encourage longer labour force participation. However, while such reforms have been put into effect, many countries have seen the number of claimants for disability pension increase. These systems have thus effectively acted as buffers, not only reducing unemployment among older workers but also trapping individuals in disability pension who might be able to work. In order to address this issue, a number of member states (notably the UK and the Netherlands) have tightened eligibility criteria for disability pensions and sought to effectively “activate” the system by focussing on what workers on such benefits are still able to do rather than what they are not able to do. The success of such reforms is partly dependent on support for rehabilitation and workplace adjustment, as well as effective collaboration with the medical profession, who are generally responsible for attesting inability to work.

On the whole, particular attention needs to be paid to potential benefit traps, particularly for low skilled workers and measures to reduce labour costs and/or tax incentives need to be taken to ensure that work is an economically attractive option for low income earners.

#### *Employment protection legislation and wage formation*

Strong employment protection legislation and heavily seniority based pay systems are also considered by many employers to act as disincentives to the recruitment (and to some extent the retention) of older workers<sup>4</sup> (see Figure A.1.2 in the Annex for a comparison between strictness of EPL ratings and labour market participation rates among older workers). From an employers' perspective, more flexibility in permanent contracts could contribute to stimulating recruitment on this basis. In this respect, reductions in employers' non-wage costs can provide incentives to recruitment.

#### *Lifelong learning, education, training and skills*

The importance of adult learning for sustainable employability and mobility is widely acknowledged across the EU. However, it requires still a greater level of recognition and smart spending of existing resources than it receives at present. At the moment, adult participation in lifelong learning varies widely, with the EU average standing at 9.1 % in 2010. Countries with the highest participation rates in this area (above 20%) tend to be the countries with the most competitive economies (e.g. Denmark, Finland, Sweden, UK). Although all Member States are required to develop action plans on lifelong learning, thus far the impact on participation rates, particularly among older and lower skilled workers has been minimal (see Figure A.1.3 in the Annex).

Some countries offer financial supports to companies for the training of particular target groups, including older workers (e.g. Netherlands, Poland and Portugal), partly in an effort to increase employability and extend careers, although it is more commonplace to seek to encourage the lifelong development of capacities across the board. In such programmes the challenge is to match employer needs with requirements often enshrined in such programmes for training to be “generic” to support employability more widely. It also depends on the availability of affordable high quality training provisions which can be tailored to the requirements of each individual and each workplace. For SMEs in particular it can be difficult to source relevant training (due to a lack of economies of scale) and some countries tried to

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<sup>4</sup> For more information see Summary Report of the Peer Review “Activation of the elderly” held in The Hague, 2010; [http://www.mutual-learning-employment.net/uploads/ModuleXtender/PeerReviews/81/Netherlands\\_Peer\\_Review\\_full\\_summary\\_final.pdf](http://www.mutual-learning-employment.net/uploads/ModuleXtender/PeerReviews/81/Netherlands_Peer_Review_full_summary_final.pdf)

address this through SME training networks or centres (Austria, Denmark, Ireland). Furthermore many small companies favour “on the job” learning more appropriate to their reality (limited staff number and tailored made programmes content).

#### *Safe and healthy working conditions*

Data from the European Working Conditions Survey 2010 suggests that employment rates of older workers and their perceived ability to stay working up to the age of retirement are sensitive to indicators of adaptation in the workplace, including strong health and safety provisions. In addition to existing requirements for employers to carry out risk assessment and to address any physical or psycho-social health risks, some Member States (e.g. Finland, France, Ireland, Portugal, UK) have also acted to develop comprehensive systems to support such health and safety strategies. However, such policies, as well as supports for workplace adaptations remain under-developed. The same is true for public supports to adapt workplaces to meet the requirements of workers with diminished work ability.

#### *Subsidies to recruit older workers*

One of the most common ways to assist the re-employment of older workers, particularly low skilled workers with less marketable labour market skills is the payment of (usually temporary) subsidies. Subsidies allow employers to recruit workers which might otherwise not be selected for employment and this ability to prove themselves in the workplace environment leads to many individuals obtaining permanent positions beyond the lifetime of the subsidy. As well as such financial supports to reduce the cost of employment, assistance is sometimes available to cover training costs.

#### *Anti-discrimination rules and other relevant legislative provisions*

As well as the anti-age discrimination rules enshrined in EU Equal Treatment legislation, other regulations exist in a number of countries which can support the development of measures to extend working lives. These include, for example requirements to prepare action plans for active ageing and rights to request flexible working (e.g. France, UK).

### **1.3 Labour market participation among older workers**

***Recent labour market data show that policy measures to extend working lives have begun to show some results. Employment rates among workers aged 55-64 increased by an average of 10 percentage points between 2000 and 2010. What is particularly encouraging is that the impact of the economic crisis on older workers has been more limited than for other age groups. While this can partly be attributed to EPL provisions and seniority based systems, it is nonetheless notable when compared to previous economic downturns. The increase in the labour market participation of older women has been particularly significant. However, important differences remain between the participation rates of older workers between EU countries. This provides significant potential for mutual learning.***

Figure A.1.4 in the Annex shows the development in EU average employment rates by age and gender between 2000 and 2010. This demonstrates a more or less continuous improvement in the employment rates among workers aged 55-64. What is also notable is that the impact of the crisis on the labour market participation of older workers has been much less significant than the serious impact which has been felt on young workers in particular. In this context it is important to note that the perception that older workers must vacate jobs for younger people to gain a foothold on the labour market (the so called “lump of labour fallacy”) has been discredited, as there is no evidence of a finite number of jobs.

As Figure A.1.5 in the Annex clearly demonstrates, significant differences remain between EU Member States, with employment rates among older workers being particularly low (below 40%) in Malta, Poland, Hungary, Slovenia, Italy, Belgium, Luxembourg and France. There is insufficient evidence for a clear correlation with factors such as high seniority based wages or strictness of EPL.

## 1.4 Importance of considering employee motivations and individual characteristics

***The specific nature and success or failure of employer active ageing policies needs to take into account the motivations and individual characteristics of older workers themselves. Sectoral and occupational differences, health and financial status as well as other family/private commitments are of particular relevance here.***

Wider economic and policy conditions are not the only considerations affecting the success of active age management policy. Whether older workers themselves are willing and able to extend their working lives depends on many interconnected factors which are important to bear in mind when designing measures. These include:

- Their sector and occupation (including working conditions)
- Skill level, education level
- Health status
- Family commitments
- Financial position
- Expectations about retirement

Some sectors and occupations are inherently more physically or psychologically demanding and some older workers may simply not be able to continue in such jobs up to retirement age (irrespective of improvements in working conditions). Their ability to work longer is therefore conditioned by any possibilities to reconvert their skills and/or shift to a different position with their current employer or indeed to seek alternative employment meeting their current capabilities. Furthermore, in some fast moving sectors and occupations, skills obsolescence is more of an issue and unless training is continually updated, staying on at work becomes more difficult. It is also still the case that many older workers are concentrated in some of Europe's declining industries which not only makes redundancy more of a threat, but also means that skills can be harder to redeploy<sup>5</sup>.

In addition, there are many highly individual factors affecting each older worker's capabilities and motivations. Health status is an important factor potentially restricting capacity to work. Similarly, family commitments in regard to looking after very elderly or disabled relatives or grandchildren also impact on decisions whether or not to stay on at work (full-time). As Europe's societies are ageing and life expectancy is increasing, it is becoming more common for workers aged (approximately) between 50-70 years of age to have responsibilities for looking after very elderly parents. Greater female labour market participation means that carers are often required for grandchildren.

Furthermore an individual's financial position will have an important impact on retirement decision and many workers still chose to retire (early) if they are able to do so in order to pursue other activities. The desire to retire early was partly conditioned by the large scale recourse to such schemes in the 1970s and early 80s when such measures were used by many governments and companies with the support of social partners in efforts to reduce youth unemployment. In certain sectors and occupations this has led to an "expectation" of early retirement, which can psychologically be difficult to overcome.

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<sup>5</sup> Dirk Hofäcker, Older workers in a globalising world (2010)

## 2 Employers' views and practices

### 2.1 Business case for active age management

Addressing the impact of demographic change is one of the key priorities for employers' organisations in the European Union. In a survey<sup>6</sup> carried out for this project, the majority of organisations ranked the development of active age management as either "very important" or "somewhat important". Half of respondents argued that more than 50% of their members had implemented suitable measures to support active workforce management. This paints an encouraging picture, which is underpinned by various existing publications and databases highlighting good practice approaches in active age management.

Demographic change and its likely impact on the available pool of talent is in itself a pressing motivation for businesses to seek to implement active age management policies. However, beyond this there are also other good businesses reasons for ensuring an age balanced workforce.

Overall, organisations with more age balanced teams experience lower human resource (HR) management costs as they do not have to deal in the same way with expenditures related to overly seniority based teams, or the cost of higher levels of staff turnover which often exists in companies with a younger workforce. Furthermore, experience from HR practice has shown that more evenly age balanced teams can be more productive as they are able to draw from a range of different skills and experiences. In public facing businesses, the ability to more accurately reflect the client profile can also lead to competitive advantages (particularly where potentially negative societal stereotypes about older workers have been overcome). This holds true for different aspects of diversity. Lifecycle based as well as targeted active age management assists in ensuring adaptability and productivity throughout the life cycle, can help to reduce the cost of sickness related absences and supports active knowledge transfer and succession management.

Good practice in active age management also contributes to an employers' ability to present themselves as an "employer of choice", which in turn assists in their recruitment efforts. As public policy is increasingly shifting towards efforts to deal with demographic challenges, it also enables employers to be in step with such public policy changes. It can also allow employer to benefit from relevant policy supports (for example for the recruitment and training of older workers). Finally, the implementation of active age management can also help to reduce the cost of potential non-conformity with the emerging policy or legislative provisions.

### 2.2 Workforce mapping and planning

In addition to dealing with stereotypes and negative perceptions about older workers, it is important that employers understand their current situation and potential future workforce requirements. While this may sound obvious, it is by no means given that organisations, have a clear picture of the age pyramid within their organisation, the skills and experience present within the organisation and how this maps against future demands and changing requirements. Good practice clearly illustrates the importance of sound information in this area. In the absence of such data, situations can arise where certain departments within an organisation come up against a "cliff edge" of a critical mass of individuals retiring or leaving the company, taking with them business critical knowledge and skills which have not been systematically passed on and which are not replicated among other members of their unit or division.

An increasing number of organisations are investing in systems and processes to help them capture the demographic and skills profile within their organisation. This can be facilitated to regular performance reviews which many employers already have in place and therefore does not necessarily require significant additional financial investment. Where desired,

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<sup>6</sup> This constituted of a telephone survey of around 20 member organisations of BUSINESSEUROPE, CEEP and UEAPME.

software systems are available which facilitate such processes, and could be suitable for larger organisations. Such mapping processes can, for example, help to identify priority areas (units, occupations or geographical locations) where steps need to be taken either to ensure the retention of existing skilled workers, to offer updated or conversion training or to recruit individuals with the necessary additional skills. Anticipating such skill pressures in time can mean that organisations have more options to address such challenges and avoid significant disruptions.

Although in smaller organisations it is easier to gain a picture of the existing age pyramid and the consequences of potential departures, it is nonetheless important to combine this with skills profiling and anticipation. This is where business support from external organisations, notably professional organisations plays an important role.

Workplace requirements are constantly changing in the face of changes in the marketplace and different requirements for public service delivery. There is some evidence of employers systematically combining business planning cycles with findings from such workforce “audits” to anticipate future labour and skills requirements not currently present in the workforce. This can be used to help design HR management practice and internal training delivery as well as external recruitment. As far as requirements which potentially cannot be met by the existing workforce are concerned, employers can use links with external partners such as employment services or training and skills advisory bodies to build a picture of local and regional labour markets and available training provisions. Knowledge of the local skills pool should then be used to inform recruitment strategies.

These will have to be tailored at the organisational level as some employers will find it easier to attract staff even from outside their direct catchment area, either because of their size or reputation. Experience shows that employers with a good reputation for their human resource management practice (being age positive or being an equal opportunities employer) find it easier to draw from a wider pool of recruits. Such attributes are set to become more relevant as the available workforce diminishes due to demographic change.

Efforts to map and anticipate workforce developments also have consequences for the development of functioning flexibilities, training and succession planning, which are explored in more detail below.

## The importance of mapping where you are and where you are going

### Case example: BVG, public transport sector, Germany

At **BVG**, workforce mapping and planning is considered to be a critical part of managing demographic change and ensuring succession planning. Each year, every department in the company prepares a map of the age and competence profile of their team. This knowledge is then combined with the process of personal development planning and training design to ensure the company can look forward to future skills requirements and ensure that no labour, skills or competence gaps emerge. Work is carried out with local schools, colleges and universities to encourage young people to take an interest in apprenticeship training with the company. Awareness of individual's career and personal plans also allows for effective succession planning and limits the loss of corporate knowledge. Similarly, knowledge of internal demographic developments is combined with an analysis of the demographic profile of the region and wider catchment area to enhance not only skills but also future service planning.

## 2.3 Being age positive

Various studies and surveys have shown that a number of negative attitudes prevail about older workers, including by company clients. Among the most commonly expressed are perceptions that older workers are less adaptable to change and less willing to learn new skills and adapt to new processes. Similarly, there is a commonly held belief that older workers are more likely to suffer from ill health and be absent from the workplace. Clearly, in countries characterised by strong seniority based pay and rewards systems and widespread occupational pension provision, employers also express concerns about the cost of employing older workers.

Although statistics bear out the fact that the current generation of older workers is likely to have fewer formal qualifications and is less likely to participate in workplace training, these trends are changing as levels of education improve overall. In addition, such figures do not necessarily paint a full picture. They ignore the considerable workplace experience acquired, including by older workers without formal educational or vocational qualifications. The former is generally of significantly greater importance to employers.

It is also worth addressing some of the misconceptions about workplace absences among older workers. Statistics generally show that older workers indeed have fewer (short term) absences from work, although when absent, this tends to be for longer. Overall, staff surveys tend to prove that older workers show a greater commitment and engagement with their workplace and can exceed the performance of younger workers in relation to problem solving and leadership qualities.

The above mentioned attitudes are closely intertwined with wider perceptions of older workers in society, often linked to the portrayal of older people in the media. In some countries, social partner organisations play a wider role in efforts to help to reshape wider attitudes, supporting research to counter received perceptions and spreading good practice to encourage an age positive approach and encourage the implementation of active age management among their members. Partnerships between governments, social partners and relevant NGOs are essential to raise awareness, as well as spreading information about good practices in active age management. Age positive attitudes also need to be disseminated at organisational level. It is therefore important to gain high level commitment for such approaches and to see them cascaded down throughout the organisation. The level of individual line managers, who have day to day responsibility for performance management and who are the guardians of non-discriminatory attitudes within a team should be at the forefront. Training programmes have been used by many employers to raise awareness of the importance of being age positive; the business benefits of having age diverse teams and the potential issues arising in the management of such teams.

In the context of the debate on active ageing, it is interesting to note that according to a recent Eurobarometer survey (2011), 70% of respondents believe that they would be capable of carrying out their current work until the age of 60-64, and one third stated that they would like to continue working after they reach the legal retirement age. This suggests that there is some significant scope for the adoption of measures encouraging 'active ageing'.

## **2.4 Age positive recruitment**

European Equal Treatment legislation requires employers to use non-discriminatory recruitment practices. However, beyond the need to meet such legal requirements, good practice in recruitment means that employers can ensure that they have access to the widest possible pool of talent. As mentioned above, in order to achieve age positive recruitment processes, it is vital to first overcome existing stereotypes about older workers at all levels of the organisation.

Some enterprises use special training for their recruitment professionals (or line managers, who are also often involved in recruitment processes) to address any remaining negative stereotypes to ensure that recruitment is free from discrimination. The particular benefits of recruiting older workers or indeed creating age diverse teams should be particularly emphasised in this regard.

Recruitment literature should be "equal treatment proofed" to ensure it is free from potentially discriminatory language or requirements (in line with national legislation). This may mean, for example, in designing job specifications, to rely less heavily on the requirement of formal qualifications but instead to consider the skills and personal competences required for the job which can be delivered by someone with appropriate experience irrespective of whether they have acquired a formal qualification. Proof of capacity could be obtained through testing or trial periods instead. Other techniques to avoid potential discrimination in recruitment include the avoidance of requesting information date of birth or the provision of images on application forms (or such information can be provided on a separate form which can be

detached for the rest of the application). Consideration can also be given to job design and the offer of flexible work options which may be more attractive to a wider pool of potential recruits, including older workers.

Some employers, who are particularly keen to attract experienced workers or who wish to balance the age profile of their workforce can consider using targeted recruitment campaigns. This can be done when jobs are advertised and has also led some organisations to enter into specific partnerships with public or private employment services to target and select older workers.

Recruitment professionals should also be aware of specific public support programmes to recruit older workers (e.g. subsidy programmes) in order to be able to make the most of such supports. Steps should also be taken to overcome job seeker stereotypes about certain employers and sectors.

Recognised national certificates or awards which can boost an employers' profile as an "employer of choice" can also assist in allowing employers to draw from a wider pool of talent.

The importance of providing opportunities to employment for disadvantaged groups in the labour market has been clearly highlighted by the European cross-industry social partners in the 2010 autonomous framework agreement on "inclusive labour markets".

### Valuing age – recruitment initiatives aimed at older workers

#### Case example: DAIKIN Europe, Manufacture of heating, ventilation and air conditioning equipment, Belgium

In recognition of the specific skills and competences of older workers, **DAIKIN Europe** have, for some time, been targeting recruitment campaigns at older workers. Initially, such workers (often individuals who have been unemployed for a long time) are offered seasonal contracts to cover the busy summer period. Subsequently, a significant number of them are retained. For those individuals for whom a permanent position is not available within DAIKIN, the company has an agreement with another local employer also recruiting seasonal workers to make it possible for these individuals to shift temporarily and subsequently potentially return to DAIKIN. Training is offered to all recruits which, together with gaining work experience, also increases the employability in the longer term.

In addition to offer such opportunities for unemployed workers, Daikin also focuses on employability. A study is under way to assess which workstations are particularly heavy and how these might be modified to ease the physical burden of work processes. Half yearly performance discussions between staff and line managers ensure that the need to update training and future career aspirations are discussed regularly and necessary steps taken to ensure ongoing adaptability and employability. Plans are also in place to assist individuals to be absent from the workplace for a longer period of time for reasons of ill health, to ensure that they can become re-integrated. Furthermore, in autumn 2012, the company plan to implement a series of workshops for managers and staff to assess what measures will be required to enable and motivate people to work longer (at least up to retirement age).

### Supporting the recruitment of older workers through co-operation and awareness raising

#### Case example: UNIZO, Federation of Self-Employed and SMEs, Belgium

**UNIZO**, the Belgian Federation of Self-Employed and Small and Medium-sized Enterprises, works in partnership with the Flemish Public Employment Service (VDAB) and other actors to facilitate the hiring of older workers in SMEs (it also supports the recruitment of disabled individuals and workers of non-EU origin). In addition, UNIZO provides a free service for SMEs concerning the recruitment of older workers, the creation of diversity plans and awareness-raising.

## 2.5 Flexible working

A number of factors have triggered the increasing trend towards more flexible working practices. These include overall changes in production cycles and in the way services are delivered which relate to greater globalised competition and the shortening and greater tailoring of production, but also changing societal factors requiring services to be offered more flexibly and at different times. The latter has also contributed to greater demand from employees for flexible working in order to balance work and family life.

Employers introducing flexible working practices usually experience higher rates of staff satisfaction and retention, which tend to be associated with higher rates of productivity and competitiveness. Despite the growing weight of evidence of the positive impact of flexible working, when introducing such measures, it is still important to bear in mind that such processes must be well managed, discussed and must find the support of all levels of management as well as employees, as they can otherwise lead to operational difficulties or uneven application. The case for flexible working should therefore be based on both business and human resource arguments. Although flexible working can be beneficial to employers and individuals throughout the life cycle, the discussion below clearly focuses on the advantages of flexible working for an older workforce.

Employers have different options when introducing flexibility in the workplace. These relate primarily to

- When work is done (temporal flexibility)
- Where it is done (geographical flexibility)
- How and by whom it is done (functional flexibility)

### *Temporal flexibility*

Many different options are available for managing working time flexibly which means there are usually options available to suit the requirements of each workplace. They range of flexible start and end times (while maintaining core hours); flexible shift patterns; compressed hours; the right to request (and not to be reasonably refused) to work part-time hours and so on. Such temporal flexibility is usually the best way to help to retain older workers who either want to reduce their commitment to work as they find it more difficult to maintain full-time schedules and/or who want to combine working with other pursuits or caring responsibilities.

While it is helpful for policies to be available at company level indicating the possibility for flexible working (and its different forms), precise working arrangements are best negotiated between the individual employee and their manager as this can best ensure the needs of both business and the individual older worker are accommodated. It is clear that flexible working requests can be easier to accommodate in larger organisations than in SMEs and micro-businesses, - which have less internal flexibility and therefore need more external flexibility - but in each case it is important to accommodate such requests with the requirements of the rest of the team to avoid operational difficulties as well as potential resentments.

One specific form of temporal flexibility is partial or phased retirement. As mentioned above, such schemes have been supported by government in some countries (e.g. Belgium, Finland, France, Netherlands among others) and are designed to allow workers to reduce their labour force commitment gradually while preventing them from leaving work altogether. Phased retirement options should be discussed with older workers as part of their regular performance reviews to assess whether they can provide a viable option to prevent wholesale exit. The success or otherwise of such schemes often depends on other extraneous rules and factors, including, for example, the pension system, as older workers may be reluctant to reduce their hours if it affects the pension benefits they receive upon retirement. It is therefore important that all options are clearly discussed and explained to avoid any potential anxieties.

Another form of temporal flexibility is supported (in a limited number of countries) by the practice of working time accounts available to vary working hours throughout the life cycle. Such schemes can, for example, enable men and women to work longer hours early in their

working lives to build their career; step back during the time of family formation; return to work longer hours when children go to school or leave home and then gradually reduce working hours towards the age of retirement. Albeit innovative, the use of such schemes is currently not very widespread and could be argued to reduce mobility as they could tie individuals to specific employers.

#### *Geographical flexibility*

New technology provides the opportunity to deliver services from different locations. Home working, mobile working and teleworking from remote sites can assist in workforce retention by making work processes more satisfying, cutting down travel time and allowing for working from different sites. The business case for teleworking needs to be considered for each task and may not be suitable for every individual, but on the whole it has been shown that telework can increase productivity in two major ways. Firstly, teleworkers may be able to work or be based closer to their customers thus cutting down unnecessary travel time. Secondly, accommodation costs can be reduced if teleworkers share desk facilities when working on site. Other benefits include social and environmental benefits. In 2002, the European social partners UNICE, UEAPME, ETUC and CEEP reached a framework agreement on teleworking which sets down guidelines for the use of this form of employment.

#### *Flexibility in how/by whom the work is done*

As has been discussed above, some older workers may no longer be able or willing to continue in their previous occupation as they reach retirement age. This is often the case for physically or psychologically demanding work. In such cases early exit may be unavoidable unless an organisation is able to adapt the workplace or work processes in such a way to allow the individual worker to be able to continue their task. Flexible working can be the solution here, or employers may consider how work processes can be restructured or re-distributed within teams. This often requires more in-depth and longer term planning and should thus be part of an overall HR strategy which allows the anticipation of work tasks when such reconversions may happen.

However, functional flexibility is not only a consideration of individual engaged in heavy manual work. For managerial staff, a number of organisations have developed ways in which such employees can reduce, for example, their commitment in relation to line managing other staff, and allowing them to concentrate, alternatively, on project and task management. This can be a positive way of fully utilising their skills and experience, while at the same time offering managerial opportunities to younger staff.

### **Dual jobs allow for extended working lives**

#### **Case example: BOGESTRA, public transport sector, Germany**

At **BOGESTRA**, health management is integrated into wider organisational management to ensure that working conditions and processes are designed to minimise health and safety risks. The key priorities are prevention, early detection and reintegration. As part of this process, strong emphasis is placed on the ongoing improvement of workplace design. This includes, for example, the involvement of drivers in the design of new transport vehicles to ensure that drivers' seats offer the greatest possible comfort and flexibility.

In recognition of the fact that certain jobs are difficult for individuals to perform over a working lifetime and up to retirement age, BOGESTRA has developed the concept of "dual jobs" which allow individual employees to combine their job with other tasks in maintenance or administration if – for health reasons – they are unable to perform their primary job on a full time basis. One example is established recognised training (apprenticeship) for drivers (*Fachkraft im Fahrbetrieb*) who receive training to drive buses and trains/trams as well as skills for working in vehicle maintenance and general administration. The challenge for the company is to create work pattern which enable the regular rotation between these areas of work.

In another initiative, driving staff are encouraged to opt for fixed "healthy" shift patterns.

Research has shown that forward rolling shifts, which include two consecutive rest days lead to reduced stress factors which can affect health.

Together with ongoing ergonomic and health and safety improvements in all workplaces, this approach can allow some individuals to extend their working lives up to retirement age, where they might previously have been forced to retire early for health reasons.

The company also offers health promotion initiatives such as Nordic walking, yoga, Qi-gong and other sports, as well as seminars on healthy eating, stopping smoking and the importance of preparing for healthy ageing.

## Adapting workplaces to suit individual needs

### Case example: ŠKODA, vehicle manufacture, Czech Republic

As part of its commitment to its workforce under its Corporate Social Responsibility initiatives, **Škoda** guarantees all workers who have been with the company for more than 30 years that, in a case where they are no longer able to fully perform their job through health restrictions, their workplace will either be adapted to meet their needs or (wherever possible) they will be moved to another job inside the company. For a certain number of individuals, so called “protected workplaces” are available which offer an adjusted working environment to meet their needs. Together with the company’s wider commitment to improve health and safety and health promotion, these measures are designed to allow employees to extend their working lives up to retirement.

Other measures include a fourteen-day recondition/curative stay at selected and preventative rehabilitation programmes, in order to lower risks of absenteeism and ensure seniors maintain a good standard of health.

## 2.6 Maintaining work ability

Among the most effective ways of enabling the extension of working lives and supporting internal and external flexibility for workers is through policies which maintain employability and adaptability. This has three interlinked key facets:

- Maintaining high levels of motivation
- Safeguarding health and safety at the workplace
- Ensuring productivity and adaptability by updating skills throughout an individual’s working career.

Particularly the latter two form the critical elements in the concept of maintaining “work ability”. Work ability is a holistic system which combines different tools and approaches to relating to maintaining employees in good health and regularly updating their training throughout their working life. It looks not only at the responsibilities of employers, but also at those of employees themselves in maintaining the highest possible level of productivity in the workforce throughout working life and as a result to encourage active ageing.

It is increasingly being recognised by employers, as well as in policy terms, that approaches which target workers above a certain age (e.g. 55+) for training or health promotion measures, while they are valuable themselves, are primarily meaningful and more successful if combined with a lifecycle approach to maintaining skills and wellbeing. Interventions to rehabilitate individuals in work environments which affect their physical or psychological health (e.g. stress or bullying) or to train individuals who have not been used to formally acquiring new knowledge for a significant period of time are not only more costly, but also potentially less successful than ongoing support which can help to prevent the loss of work ability. Supporting employees in being able to continue in a job for longer has obvious benefits in terms of staff productivity and retention.

### *Health and safety at the workplace and health promotion*

Two aspects need to be considered when addressing health and safety in the workplace and wider health promotion: the implementation of employers’ (and employees’) legal obligations

to protect workers' health and safety in the workplace and additional voluntary commitments to health promotion. Both aspects are discussed in this section.

Each workplace is distinct in relation to the demands it places on a worker and individuals are variously equipped to deal with different stress factors. In line with European and national legislation, all employers are required to carry out regular risk assessments. Over recent years there has been increasing emphasis not only on physical but also on psychosocial risks, which both need to be taken into account. Raising awareness of the importance of these processes and the implementation of suitable preventive and remedial measures is important throughout the organisation. This is particularly true for managers and workers themselves. Wherever possible, challenges associated with repetitive, strenuous or other workplace settings likely to have the potential to cause longer term ill effects should thus be addressed through appropriate preventative measures and adjustments. Some jobs are physically demanding and whether or not individuals are able to stay on at work will depend on the extent to which employers can help to reduce such burdens through workplace or work process adjustment.

However, particularly psychological stress factors or repetitive work processes can be difficult to eliminate and in the case of psychological issues, sensitive to deal with. These can potentially be alleviated through wider general health maintenance or the development of appropriate coping strategies. Employers' responsibility to maintain workers' health and safety does not extend beyond the workplace, however, an increasing number of organisations are taking more general measures to support employee health and wellbeing.

Such measures can include regular health checks for certain types of individuals; healthy living seminars providing advice on nutrition and wellbeing; stress management workshops; subsidised gym memberships; the offer of healthy meal options in staff canteens; or the organisation of various sports activities/clubs for staff members. There is also an aspect of individual responsibility, as health is also determined by actions outside the workplace. Public authorities also play a role here.

#### *Training provision*

The past decades have seen a speeding up of change in the requirements of work and work processes and both employers and workers themselves have a responsibility to continuously update their skills. Globalisation, technological change and customer demand for increasingly diversified and individualised services have meant that workers need to be prepared and enabled to adjust to changing requirements whether inside or outside their jobs. In an environment where more and more individuals move between different jobs and develop their activities throughout their working life, and employability and adaptability rather than employment security in the same job are the watchwords, the responsibility for the regular updating of skills and competencies is shared between employees, employers and public authorities.

It is the responsibility of government to provide well functioning general education system at primary and secondary level and to support high quality tertiary and vocational education and training which meets the requirements of modern workplaces. In relation to the latter strong collaboration with the business community is particularly vital. Furthermore, the state supports individuals to return to employment after a spell out of the labour market. In some countries (e.g. Austria, Estonia, Germany, Lithuania among others), public policy measures are taken to support in work training, either during periods of economic downturn (e.g. to support training measures during short-time working, to best utilise such periods to increase the skills base of the workforce), or for particular target groups, including older workers or young workers who need to be re- or up-skilled.

At organisational level, the demands of the changing competitive environment and customer requirements mean that it makes sense for employers to invest in the regular updating of the skills of their workforce. As mentioned above, this can usefully be part of a comprehensive process of workforce planning and skills anticipation and measures to combat any misapprehensions among managers or older workers themselves about their ability to learn new skills. Combined with these macro-level processes, at the level of each individual employee, regular performance reviews are widely used discuss training and other

requirements to allow individuals to continue to meet the demands of their job. Specific training for line managers is important to help their staff identify these requirements in an environment in which their contribution is valued and can be continuously enhanced. Such performance reviews have an important value for employees in all age groups and can help to prevent skills obsolescence before it occurs (or indeed to address it if this has taken place).

In terms of training being offered, different methods of delivery can be considered which appeal to different age groups. On the job training plays a decisive role in upgrading and adapting the skills of older workers regardless of company size.

For older workers, regular appraisal can also be used to discuss their plans for retirement and measures which could be taken to encourage them to stay in work longer. Different options to enable the extension of working lives can be discussed, which can include flexible working, further training, a reorientation of tasks and other possibilities.

Either through regular appraisals or in ad hoc discussions with older workers, they can also be encouraged to act as mentors, tutors or trainers for younger colleagues. This is often seen as a good way of valuing their specific skills and can also be combined with methods for inter-generational learning.

### **Working healthier – working better**

#### **Case example: HOPPEN Innenausbau, joinery, building and electrical installation services, Germany**

Through a process of radically rethinking work processes and workstation design, at **Hoppen Innenausbau**, a small company providing joinery, building and electrical installation services, it was possible not only to improve and rationalise work flow in its joinery workshop, but at the same time to improve the ergonomics of flexible and adjustable workstations to reduce not only physical but also psychological strain. The project involved external advisors working initially with staff to consider current process and employee concerns. Solutions were developed and subsequently agreed and implemented together with management. The project was able to benefit from funding from the European Union and the provision of advice by the professional association. Another innovative aspect of Hoppen's practice is the role of CREATIVE PARTNERS, which is a co-operation of medium-sized joinery companies throughout Germany. Members in creative partners meet regularly to share experiences and provide constructive criticism on each others' practices.

### **Health and safety and health promotion as twin strategies to enhance productivity**

#### **Case example: ESB, energy sector, Ireland**

As well as offering regular health and safety assessments as required by regulation, **ESB** also provides preventative and health promotion measures. These are instituted to address the key causes of sickness related absence (influenza, back pain, heart disease and stress). As a result, all employees (and their families) are entitled highly to subsidised annual influenza injections, heart health assessments and preventative bowel cancer screening. Similarly the company has a variety of training courses (for example on stress management) and fitness offers, such as subsidised gym membership and internal sports activities and teams.

## Regular skills updating as an important part of ensuring productivity and workforce engagement

### Case example: Kräuterhaus Sonnentor, food and drinks sector, Austria

Annual personal development reviews are part of regular practice at **Kräuterhaus Sonnentor, an SME providing organic agricultural products for the national and international market**. Regular contact between management and employees to assess personal aspirations and skills requirements ensures that individuals can regularly consider their training requirements, as well as their career aspirations. It also allows the employer to be prepared and ensure knowledge transfer ahead of the retirement of any valued staff member.

## 2.7 Inter-generational engagement and succession planning

The added value of inter-generational teams has already been outlined above. As well as benefitting from the different skills and experience available in age diverse team, it is important that the existence of such teams potentially allows for the better transfer of organisational knowledge from older to younger workers, thus preventing the loss of such knowledge and expertise as individuals retire.

However, even where teams are age diverse, such processes do not necessarily take place organically. In some organisations such organisational learning is facilitated through the creation of knowledge banks which systematically ensure that business critical knowledge is captured and then passed on either through the systems or through dedicated training such as apprenticeship. The practice of using older workers as mentors and trainers to younger workers or indeed first time labour market entrants is also fairly well established in different organisations and countries. Such practices can help to break down barriers and misconceptions that different generations often have about one another.

Such inter-generational engagement is also particularly important in an environment where there are efforts to retain older workers, which can lead younger workers to fear that for them avenues to future progression may become more difficult to access. Such potential tensions should be explored and addressed to prevent them from clouding working relationships in age diverse teams.

Macro and micro level HR strategies should also be used to implement effective succession planning. This means that individuals likely to retire soon should be identified in good time to allow for potential successors to be identified, trained and be given the opportunity to shadow the retiring worker in the period leading up to their exit.

The specific challenges facing SMEs and micro-businesses when their owner/managers retire require the development of targeted support to allow the early identification and smooth transition into new ownership (either within or outside the family). As identified in research by DG Enterprise, this is one of the important challenges facing family businesses and often requires not only the identification of potential new owners, but also financial, support, training and a process of ensuring that knowledge about key contacts and processes is not lost.

## Improving service provision through inter-generational learning

### Case example: City of Aarhus, local government sector, Denmark

The **City of Aarhus** set up an “Innovation Programme” which deliberately combined individuals from different disciplines and different age groups to envision new ways of delivering services. The programme was structured in a condensed way over several days to discuss, develop, select, implement and evaluate new ideas in a mixed age team. The method was trialled to consider innovative ways to deliver social services, but can be applied across any business or service delivery themes.

In addition, the City of Aarhus has developed an intergenerational mentorship programme. As part of this programme, selected mentor and mentee work together intensively for a 6 day period and then continue to co-operate on a more informal basis. The programme is used to transfer knowledge, skills and values in a two way process. It has been successful in helping to boost career progression, increasing job satisfaction and reducing sickness absence.

## Successful succession management to preserve micro-businesses

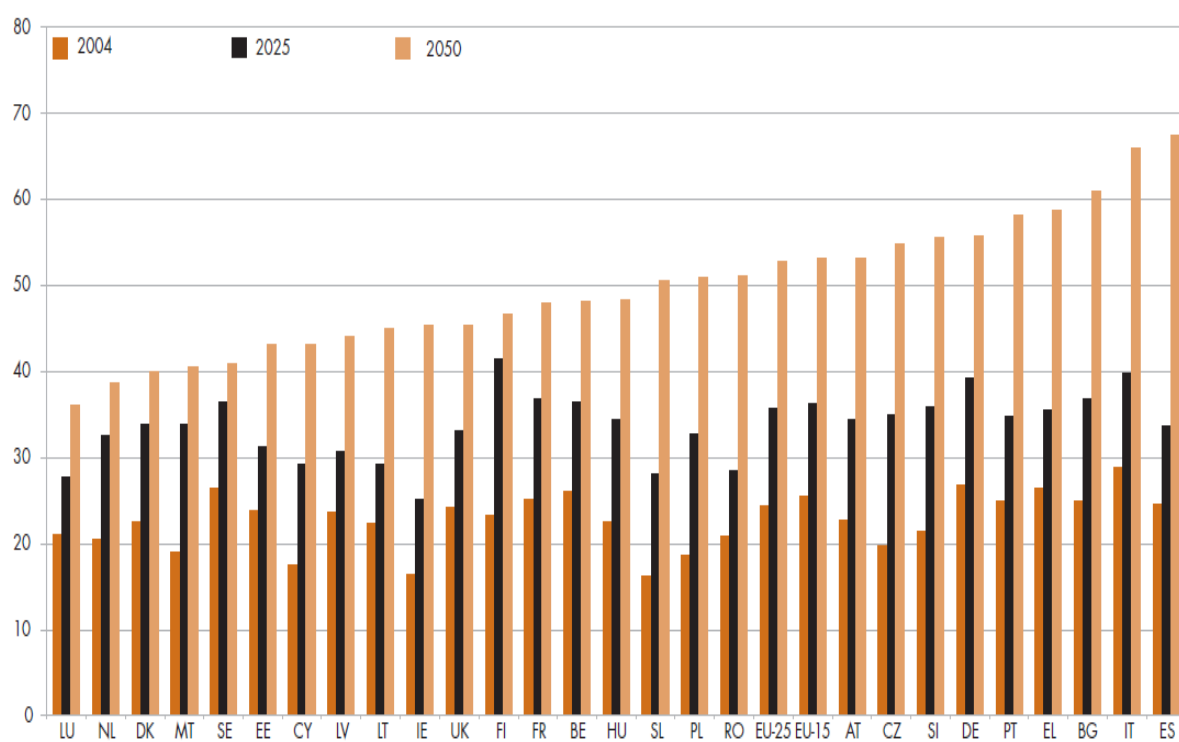
### Case example: ICRE BTP, small business support association, France

In France, **ICRE BTP** (a network of associations established to help in the business creation and succession planning in the construction and public works sector) has pioneered an approach to facilitate the process of transfer of existing companies to new owners in the case of the retirement of the business owner. It places a specific focus on the preparation of the candidates who want to take over a business and provides outreach support to identify and pre-select candidates for business takeovers. ICRE BTP plays an important role in facilitating exchange between parties in what is often a very emotionally charged process. The network also provides coaching support for the acquirer and helps (where necessary) to source the required funding.

The ICRE BTP is relatively new and its activities are in a development phase. The success rate of these new companies or acquired companies after three years is very high, at 92% overall (estimated at 98% for business takeovers only).

## ANNEX

**Figure A1.1 Projected development of old age dependency ratios (in %) in the Member States until 2050**



Source: European Commission (2007), *Europe's demographic future*

**Figure A1.2 Country ranking overall labour force participation older workers and EPL strictness rating for standard employment relationships**

| Country | Ranking for EPL strictness (1= strictest) <sup>7</sup> | Ranking labour force participation among older workers (1 = highest level participation) <sup>8</sup> |
|---------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| BE      | 18                                                     | 22                                                                                                    |
| BG      | n.a.                                                   | 15                                                                                                    |
| CZ      | 10                                                     | 13                                                                                                    |
| DK      | 19                                                     | 3                                                                                                     |
| DE      | 4                                                      | 2                                                                                                     |
| EE      | 9                                                      | 7                                                                                                     |
| IE      | 20                                                     | 9                                                                                                     |
| EL      | 13                                                     | 17                                                                                                    |
| ES      | 10                                                     | 14                                                                                                    |
| FR      | 8                                                      | 20                                                                                                    |
| IT      | 17                                                     | 23                                                                                                    |
| CY      | n.a.                                                   | 5                                                                                                     |
| LV      | n.a.                                                   | 12                                                                                                    |
| LT      | n.a.                                                   | 11                                                                                                    |
| LU      | 7                                                      | 21                                                                                                    |
| HU      | 16                                                     | 25                                                                                                    |
| MT      | n.a.                                                   | 27                                                                                                    |
| NL      | 6                                                      | 8                                                                                                     |
| AT      | 12                                                     | 16                                                                                                    |
| PL      | 15                                                     | 26                                                                                                    |
| PT      | 1                                                      | 10                                                                                                    |
| RO      | n.a.                                                   | 18                                                                                                    |
| SI      | 2                                                      | 24                                                                                                    |
| SK      | 11                                                     | 19                                                                                                    |
| FI      | 14                                                     | 6                                                                                                     |
| SE      | 5                                                      | 1                                                                                                     |
| UK      | 21                                                     | 4                                                                                                     |

Source: ICF GHK, 2012

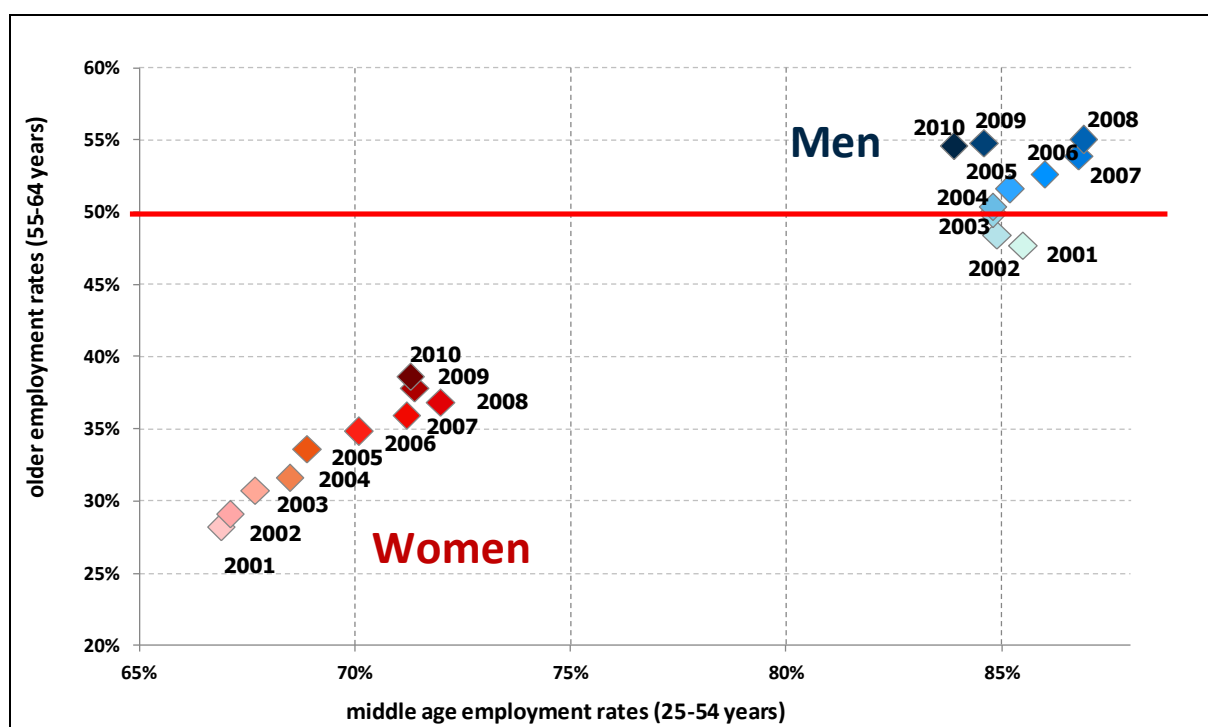
<sup>7</sup> Source: EU flexicurity indicators, Strictness of EPL for open ended contracts; own ranking

<sup>8</sup> Source: Eurostat, Employment rate of workers aged 55-64; own ranking

**Figure A1.3 Participation in Lifelong learning (comparison total workers age 25-64 and workers aged 55-64, 2010), Eurostat data**

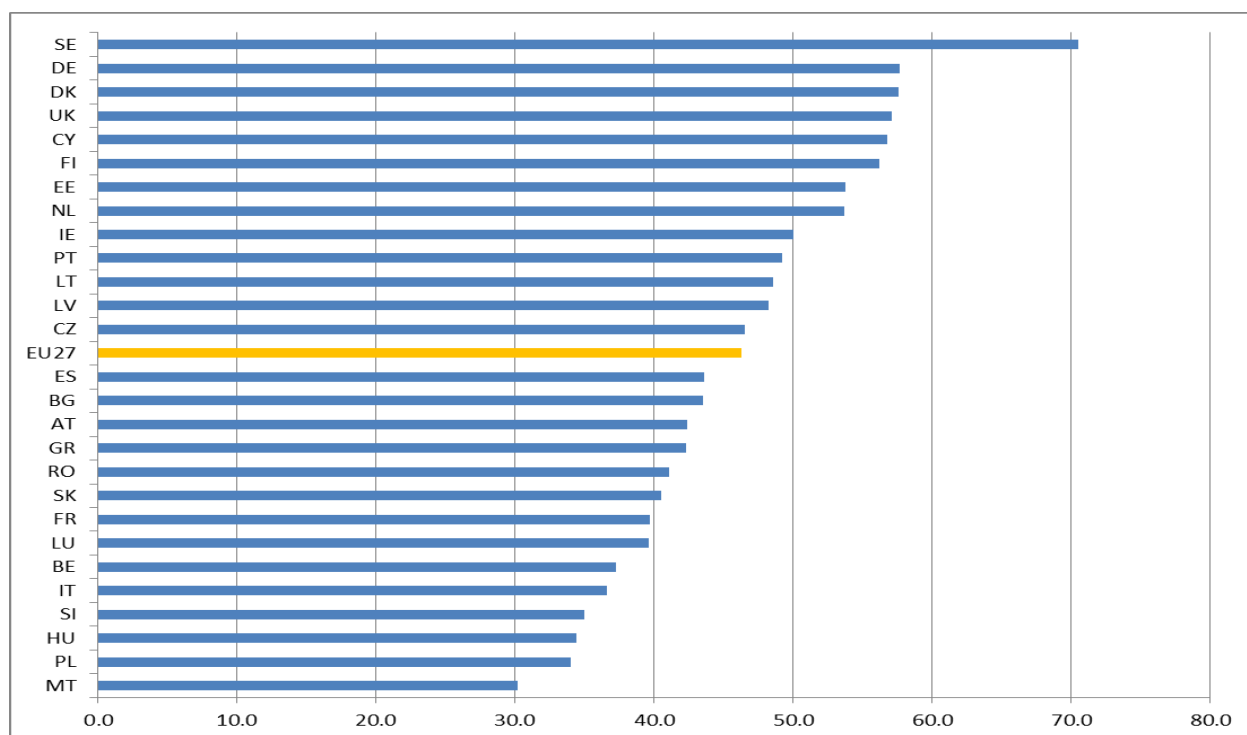
| Countries                     | Participation in LLL by workers aged 25-64, 2010 | Participation in LLL by workers aged 55-64, 2010 |
|-------------------------------|--------------------------------------------------|--------------------------------------------------|
| European Union (27 countries) | 9.1                                              | 4.6                                              |
| Belgium                       | 7.2                                              | 3.9                                              |
| Bulgaria                      | 1.2                                              | :                                                |
| Czech Republic                | 7.5                                              | 2.6                                              |
| Denmark                       | 32.5                                             | 24.9                                             |
| Germany                       | 7.7                                              | 3.0                                              |
| Estonia                       | 10.9                                             | 4.6                                              |
| Ireland                       | 6.7                                              | 3.3                                              |
| Greece                        | 3.0                                              | 0.5                                              |
| Spain                         | 10.8                                             | 5.0                                              |
| France                        | 5.0                                              | 1.9                                              |
| Italy                         | 6.2                                              | 2.5                                              |
| Cyprus                        | 7.7                                              | 3.6                                              |
| Latvia                        | 5.0                                              | :                                                |
| Lithuania                     | 4.0                                              | :                                                |
| Luxembourg                    | 13.4                                             | 6.1                                              |
| Hungary                       | 2.8                                              | 0.3                                              |
| Malta                         | 6.2                                              | 3.0                                              |
| Netherlands                   | 16.6                                             | 8.2                                              |
| Austria                       | 13.7                                             | 6.7                                              |
| Poland                        | 5.3                                              | 1.0                                              |
| Portugal                      | 5.8                                              | 1.2                                              |
| Romania                       | 1.3                                              | :                                                |
| Slovenia                      | 16.2                                             | 6.4                                              |
| Slovakia                      | 2.8                                              | 0.7                                              |
| Finland                       | 23.0                                             | 13.0                                             |
| Sweden                        | 24.5                                             | 16.6                                             |
| United Kingdom                | 19.4                                             | 13.0                                             |

**Figure A1.4 EU27 employment rates 2001 to 2010, by age group and gender**



Source: Eurostat, LFS, as presented in Knuth, M. (2012); Comparative Paper: PES and Older Workers; see <http://ec.europa.eu/social/main.jsp?langId=en&catId=105&newsId=1300&furtherNews=yes>

**Figure A1.5 Employment rate workers aged 55-64 by country (2010)**



Source: Eurostat; Presentation by Storrie, D (2012); Thematic Review Seminar; Mutual Learning Programme; Employment Policies to encourage active ageing; June 2012; see <http://www.mutual-learning-employment.net/thematic-review-seminars/>

## Contacts for case studies

|                                                                                                                 |                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Berliner Verkehrsbetriebe (BVG)<br>Sector: Public transport<br>Country: Germany                                 | <a href="http://www.bvg.de/index.php/en/index.html">www.bvg.de/index.php/en/index.html</a>       |
| BOGESTRA<br>Sector: Public transport<br>Country: Germany                                                        | <a href="http://www.bogestra.de/">www.bogestra.de/</a>                                           |
| City of Aarhus<br>Sector: Local government<br>Country: Denmark                                                  | <a href="http://www.aarhus.dk/omkommunen/english.aspx">www.aarhus.dk/omkommunen/english.aspx</a> |
| DAIKIN Europe<br>Sector: Manufacture of heating, ventilation and air conditioning equipment<br>Country: Belgium | <a href="http://www.daikin.eu/">www.daikin.eu/</a>                                               |
| Electricity Supply Board (ESB)<br>Sector: Energy<br>Country: Ireland                                            | <a href="http://www.esb.ie/">www.esb.ie/</a>                                                     |
| Hoppen Innenausbau<br>Sector: Building works, joinery and electrical installations<br>Country: Germany          | <a href="http://www.hoppen-innenausbau.de/">www.hoppen-innenausbau.de/</a>                       |
| ICRE-BTP<br>Sector: Small business support association<br>Country: France                                       | <a href="http://www.ICRE-BTP.fr">www.ICRE-BTP.fr</a>                                             |
| ŠKODA<br>Sector: Vehicle manufacture<br>Country: Czech Republic                                                 | <a href="http://www.skoda-auto.com/">www.skoda-auto.com/</a>                                     |
| Kräuterhaus Sonnentor<br>Sector: Food and drinks<br>Country: Austria                                            | <a href="http://www.sonnentor.at">www.sonnentor.at</a>                                           |