

How can European workplaces create longer, more fulfilling working lives?

Background

The increasing age of Europe's population and workforce has become a major policy focus, both in the UK and at European level, over the past few years. The fact that an ever-greater proportion of Europe's workers are classified as older workers creates a number of challenges in the area of employment and social policy. These include an increasing strain on pension systems, in particular in countries that operate 'pay-as-you-go' arrangements, where those in work fund the pensions of those who have retired.

From an employment point of view, one challenge – and opportunity – is how to optimise older workers' active participation in the labour market and extend their working lives. An ageing and slowly growing population means that European employers cannot rely on large numbers of young people entering the labour market and they will increasingly need to tap into the skills and talents of older workers to boost productivity. A European Commission report projects that those aged 65 and over will comprise a much larger share of the EU population by 2060 (from 17% to 30% of the population), while those aged 80 and over will rise from 5% to 12% (European Commission 2012). It also notes that a lack of opportunities to retire gradually, exclusion from training and negative perceptions of older people in the workplace represent the main obstacles preventing people aged 55 and over from working.

Employers need to develop an appropriate and attractive employment offering for older workers that addresses a wide range of workplace factors, not only to increase their labour market participation for economic reasons but to enable people to carry on leading fulfilling lives with an element of work if they wish.

The CIPD recently published research examining the policy frameworks and initiatives on offer to support older workers in five European countries:

the Czech Republic, Denmark, France, Germany and the UK (CIPD 2016). In order to carry out a comparative analysis, these countries were chosen for their different industrial relations, employment and social welfare systems (including pensions systems) in addition to their contrasting social and cultural norms, collective bargaining structures and social dialogue cultures.

The research examines the main policy and practice issues that national governments and employers need to consider, such as:

- health and well-being
- support with caring responsibilities
- working time
- managing retirement
- countering prejudice and fostering an age-diverse culture.

The findings enabled us to highlight examples of inspirational practice on the part of many employers in how they support the changing needs and aspirations of older workers, as well as develop some guiding principles that all employers, across geographical boundaries, can use to help them tap into the valuable skills, talent and experience of older workers.

National government frameworks to extend working life in brief

The national governments of all five countries in this study have been proactive to varying degrees in supporting older workers to remain in the labour market for longer. National policy measures include legislation, working groups to look at the issue of older workers (Czech Republic), initiatives to encourage employers to retain older workers and measures to curb early retirement and ease the transition into retirement. Some of the initiatives in place across the five countries may not be tailored directly to older workers but tend to be available to all workers. In other cases, there are measures specifically targeted at older workers: in Denmark, for example, the initiative 'Better

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Work Life for Older Workers' gives companies guidance on how to put into place a series of meetings, mapping exercises and clarification activities aimed at retaining employees aged 55 and over.

Other approaches include 'Initiative 50 plus' (www.perspektive50plus.de), created in Germany in 2006. The initiative was developed in parallel with legislative measures to gradually increase the retirement age, and summarised existing and new measures to improve employment opportunities for older people. In France, the Government has adopted a legislative approach to encourage the labour market participation of older workers. Measures introduced over the past decade focus on issues such as pensions and retirement, with a restriction on early retirement in the public sector.

In the UK, meanwhile, over the past two decades there have been a number of reforms, such as abolishing the default retirement age, gradually raising the statutory pension age and extending the right to request flexible working to all staff. In 2014 the Coalition Government launched its 'Fuller Working Lives Initiative', setting out a framework for action to bring about change to enhance older people's well-being and an adequate retirement income, and the current government is progressing this action plan.

Social partner involvement

Many European countries have a strong tradition of social partnership – that is, groups such as government and employer and employee bodies, such as trade unions, working co-operatively to develop and implement employment policies at a national and sectoral level. The extent to which the social partners are involved in measures to support older workers depends on the overall role and engagement of the social partners in policy-making in the individual countries. In Germany, social partners play an active role in policies to support older workers via input into tripartite forums (involving government and employer and employee representative bodies) and the conclusion of agreements at sectoral and company level. In contrast, in the Czech Republic examples of social partner involvement in this issue at sectoral level are rare, although there is an example in the textiles sector.

In France, the Government adopted legislation in December 2008 obliging the social partners to conclude company agreements on the employment of older workers. This means that the issue is now on the agenda for company-level negotiations, although there is some discussion as to how meaningful these discussions are in reality. In the UK (where there is not such a strong tradition of social partnership at a national level), trade unions and employers are still involved in a range of policy initiatives aimed at supporting older workers, albeit in a more limited capacity than in some other countries, with many measures developed and implemented at a workplace level.

Supporting older workers with care responsibilities

With life expectancy rising, many older workers have ageing parents, relatives or spouses who need some degree of care, and responsibility for organising, or even carrying out, this care is increasingly falling on these workers as the population ages. Eurofound points out that, according to its third European Quality of Life Survey (EQLS), 8% of men and 9% of women aged 18–64 in employment care for an elderly or disabled relative at least once or twice a week (Eurofound 2015). Among workers aged 50–64, the proportion rises to 18% of men and 22% of women providing care at least once a week. According to Eurocarers, *'80% of care across the EU is provided informally by spouses, relatives and friends – usually unpaid'* and the economic value of unpaid informal care (as a percentage of the overall cost of formal long-term care provision) ranges from 50% to 90% across the EU (Eurocarers 2014).

This issue is slowly gaining profile among policy-makers and employers, and there is growing recognition at an EU level, and in all five European countries that form the basis of this study, that more action is needed on the part of governments and employers to help workers in this position. With the exception of Denmark, where there is good state care provision, support for workers with eldercare responsibilities is in its infancy.

Providing help for older workers with care responsibilities should be a priority for employers. However, while a growing number of employers recognise that more support is

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needed in this area, many do not know what kind of provision will effectively support workers whose care responsibilities can be unpredictable and fluctuate considerably. Providing working carers with flexibility in their working hours would help many to balance their caring and work duties. Often, small changes can make all the difference to helping working carers to reconcile work and care.

It is clear from our study that organisations will need to think more imaginatively, and consult their employees who have caring responsibilities, about the kind of support that could be provided within the needs of the business. While formal policies are important, supportive colleagues and line managers are also a central influence on the level of support received by working carers. Other approaches could include developing a dedicated policy outlining the support that the organisation provides, introducing unpaid or paid leave for carers, setting up a carers' network, and raising awareness and openness about the needs of working carers in the business.

Health and well-being support

In most of the countries studied in this research, the majority of initiatives targeted at older workers fall under the category of supporting their health and well-being. This is not surprising given that health issues can be a major influence on people's attitudes to remaining in work. Poor health can be a key cause of early retirement, although, conversely, good health can also act as a prompt for older workers to leave the

workforce and pursue other interests while they are fit and healthy. Therefore, it is important that employers don't have preconceived ideas about older workers' health, while at the same time being aware of workplace adjustments they may need to make to support some older workers to remain in work.

There are many examples of companies in our study moving their older employees to different roles, adapting their workstations or allowing them to work more flexible hours or reduce their working time. In the construction sector, workers face particular challenges as they grow older and find that they cannot continue with work that is physically demanding. In one of our case studies, a large Danish construction company, a number of initiatives have been introduced to support older workers. These include increased flexibility in working hours and tasks, task rotation, conferences where older workers are informed about available career opportunities and health checks.

Working time adjustments

Adjustments to working time are a key element of policy-makers' and employers' strategies to support older workers across the five countries in this study. Changes and/or reductions to employees' working arrangements can help them to both manage care responsibilities and have a positive impact on their health and well-being.

In many cases, working time can be reduced, rendered more flexible, or broken up in different

Box 1: Health and well-being provision at Steelite, UK

Manufacturing company Steelite provides all employees with access to a monthly on-site occupational health (OH) clinic. Individuals can request appointments, or are referred to the service following long-term sickness absence or workplace accidents. According to the group HR manager, a key success factor of the scheme is that the OH provider has a good understanding of Steelite's activities, work environment, and the requirements and limitations associated with specific roles. The OH practitioners can therefore make appropriate recommendations about how Steelite can accommodate individuals' specific needs.

The OH service develops tailored support plans for individual employees which may comprise workplace adjustments, additional equipment, training, changes to working hours, or adjustments to an individual's role. This approach has allowed workers with health problems to return to, or remain in, work at Steelite.

For instance, in the case of an employee who had worked as a labourer operating a hand-pushed truck for years and was suffering from back pain when engaging in this task, the OH service outlined a number of options to help ensure that the individual could continue to work. Steelite decided to buy an electrical truck and train the employee to operate it so that the individual could retain his skills within the organisation.

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ways. Some employers across the five countries have specific policies in relation to the working time of older workers. For example, Arriva in Denmark offers all employees reduced working hours when they turn 60. The company also has a range of other types of flexible working arrangements, including job-sharing and a working time reduction scheme under which the employer carries on paying fully into the employee's pension scheme.

In the UK, flexible working is becoming more commonplace among the workforce as a whole because of technological advances and the statutory right for employees to request flexible working.

Education and training opportunities

Education and training is a key area that needs addressing if employers are going to be in a position to enhance the retention of older workers. If the skills and competences of older workers are kept up to date, particularly in fast-moving areas such as IT, they will be better equipped to remain in work. There are a number of examples of initiatives from the countries

studied that focus on the education, training and lifelong learning of older workers. For example, the Czech Government provides tax concessions for employers if they provide further training for older workers. Denmark, meanwhile, is among the EU countries with the highest level of participation in adult education and continuing training, competence development at work and liberal adult educational activities – all of which impact on the retention and employability of older workers.

Managing retirement

One of the major issues facing older workers and their employers is how to manage the transition into retirement. Some countries, including Denmark and the UK, have now abolished their default retirement age, while a common trend is to raise the statutory pension age. Many countries have also curbed early retirement, realising that although this was a good solution in the short term to reducing headcount in the least disruptive way, it deprives the labour market of valuable resources and deprives individuals of meaningful paid activity.

Box 2: The senior conversation in Denmark

Many employers in Denmark hold 'senior conversations' with their older employees. This is a conversation concerning the employee's arrangements and plans for the future and is often a part of an employee development interview. The exact point at which these conversations begin varies from organisation to organisation, and the first step for the organisation is to define the age at which an employee is classed as an older worker.

Before the senior conversation, it is important that both the employee and manager are prepared and have spent some time thinking about expectations, needs and opportunities for the future.

A senior conversation is often based on questions such as:

- What are your wishes in relation to the future content of your job?
- What are your wishes in relation to your future working time?
- What are your goals in terms of personal and professional development?
- What makes a working day especially good for you?
- What motivation drives you to utilise your resources most efficiently?
- What are your strengths and development needs in relation to future job content?
- What challenges do you see?
- How can the company best support you?

By having an individual senior conversation, the employer is able to put in place the right adjustments and initiatives and thus prevent the loss of a good senior employee. For the employee, this is an opportunity to shape expectations and wishes about future working life and to work with the employer in implementing them.

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The policies that employers have in place to help ease older workers' transition into retirement are crucial for supporting their ability to retire at a time, and in a way, that suits their needs. There are many schemes, at sectoral and company level, which enable employees to reduce their working time in the final years of their career and allow flexibility in how to achieve this. It should be remembered that everyone's circumstances and attitudes towards retirement are different and arrangements should be tailored to individual needs as far as possible.

Countering prejudice and fostering an age-diverse workplace

Older workers can experience prejudice and stereotypical attitudes – often in the form of unconscious bias – from employers, colleagues and society in general. Often, these attitudes reflect misconceptions about older workers' flexibility, ability to learn and their general skills and qualification levels. According to the European Commission, EU citizens continue to perceive that discrimination exists in recruitment practices, with over half (56%, plus two percentage points since June 2012) believing that a candidate's age, if over 55, would be a disadvantage (European Commission 2015). Around one in five respondents (21%) reported that, in the 12 months preceding the survey, they personally felt discriminated against or harassed on the basis of various grounds, with being over 55 years old the most common type of discrimination (5% of respondents). However, a large majority of respondents say that they would be 'very comfortable working with someone aged over 60'.

It can be challenging for employers to counter people's broader societal perceptions that begin

to be shaped from the day they are born. However, if younger employees have negative perceptions of older colleagues, especially if they consider them a liability, these stereotypical attitudes and prejudices can act as a significant barrier to older workers' continued employment, as well as hindering effective intergenerational working.

Workplace policies aimed at supporting older workers and encouraging their continued participation in the workforce cannot be implemented in isolation – it is not about targeting one age group at the perceived expense of another, and employers will succeed only if they develop and implement initiatives to extend working life in the context of nurturing an age-diverse workplace.

Recommendations and guiding principles for employers

Although each country is different in terms of its institutional framework, its history, its economy and its cultural norms and expectations, a range of common themes emerges from our comparative study. All countries recognise that there is a growing need to address the issue of how to support older workers, given current demographic, social and financial trends. However, in most countries there is a lack of formal and cohesive policies on how to address this pressing employment imperative at an organisational level.

Getting the balance right when managing older workers can be a challenging task for employers and any policies and practices that an employer implements for one group of workers need to be aligned with the organisation's other people management policies and applied consistently

Box 3: Facilitating the work-to-retirement transition at Safran, France

The company agreement at Safran provides employees moving towards retirement with support in moving to part-time work: employees may ask to work 80% of their current working time, 18 to 30 months prior to their retirement. Under this initiative, workers receive 90% of their previous salary, the employer's contribution of their pension is maintained and they are entitled to the same retirement departure allowance as if they were still working full-time.

In terms of working time flexibility, managers have to favourably consider individual requests from employees aged over 55 to have flexibility in their working time and to avoid shift work.

Employees who qualify for retirement with a full pension and decide to leave the company benefit from an increase in 20% of the time already saved in their time saving account (compte-épargne temps, CET), up to a maximum of 25 days. Safran also makes a commitment to organise information meetings to help workers in the transition from work to retirement.

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and fairly across every section of the workforce. The employer's vision should be to develop an inclusive and age-diverse organisation with a culture that encourages collaboration at a multi-generational level.

The following recommendations focus on some key areas that have been highlighted by this research, but they are not exhaustive – there are many other workplace factors besides those covered in the study that employers need to consider if they are going to be in a position to create longer and more fulfilling working lives for older workers. Therefore, these recommendations should be regarded more as guiding principles that are a starting point for employers to develop a holistic policy to attract and retain the valuable skills and talent of older workers:

- 1 Support employee health and well-being:** ill health is one of the main reasons that people leave the workforce early, but there is no reason why many people cannot carry on working for longer if they receive the right support, and employers are willing to make – often minor – adjustments to facilitate their ongoing participation in work. People working in physically or psychologically demanding jobs are most likely to feel that they cannot continue in their role and employers could be prepared to retrain or reskill in these circumstances. However, many people are in jobs that could be continued by people well into their fifties and sixties – and even their seventies – if employers are prepared to offer flexibility such as a reduction in responsibilities or working hours, and specific health and well-being support such as access to counselling, occupational health advice and health checks. Line managers are crucial in providing support for people's health and well-being, effectively managing sickness absence and good rehabilitation for people with a chronic health problem, and spotting early signs of potential ill health.
- 2 More creative and cohesive provision for people with caring responsibilities:** the high proportion of informal care provided by older workers (in four of the five countries studied here) means that employers need to do much more to help people balance work and caring responsibilities. Typically, the most effective

type of support is likely to take the form of flexibility in working hours and/or the ability to take time off work – although sometimes these adjustments can be small scale and still make a significant difference to the individual's ability to reconcile their work and caring roles. The often unpredictable demands that are placed on people when caring for a relative who is ill and/or old means that many organisations will need to think more creatively about the kind of support and flexibility that employees in this position may need. Employers could also consider providing other types of support evident in some of our case study organisations – such as access to practical, expert sources of advice, support networks and counselling services.

- 3 More flexibility in working time:** changes and/or reductions to employees' working arrangements can help them to both manage care responsibilities and have a positive impact on their health and well-being. Some people in their fifties or sixties may simply want to reduce their work commitments and would welcome a change in their working hours to pursue other interests. In many cases, working time can be reduced, rendered more flexible, or broken up in different ways.
- 4 Providing training and development support:** all employees, regardless of age, need training and development support to keep their skills up to date and enable them to plan the next stage of their career. Employers need to ensure not only that older workers are not overlooked when offering training opportunities but are given the chance to retrain and develop their skills to enhance their employability. Older workers need to continue to feel motivated and challenged in their role, and line managers are key to ensuring that people know they are still valued by the organisation. Employers could consider adopting a similar approach to Denmark's 'senior conversation', where managers have a sensitive and open discussion with older workers about their expectations for the next career stage and/or retirement. A similar concept in the UK is the 'mid-life career review', which could be more widely adopted in the UK and beyond to support people's health and career in their later years of employment. However,

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there is no reason why these development discussions should not take place at every phase of a person's career, but be tailored to suit individuals' working needs and aspirations as they progress through every stage of their working life.

- 5 Managing retirement:** the policies that employers have in place to help ease older workers' transition into retirement are crucial for supporting their ability to retire at a time, and in a way, that suits their needs. Now that the default retirement age has been abolished in many countries, technically people can carry on working for as long as they wish, but this does not mean that employers should not take a proactive approach to supporting people in their plans as they approach the latter stage of their career.
- 6 Building an inclusive and age-diverse culture:** no amount of policies to support older workers will be effective unless the employer introduces them within the context of fostering an age-diverse culture that values all age groups. This does not mean that employers shouldn't introduce bespoke policies to support fuller and longer working lives for older workers and increase their choices; however, a tailored programme for one age group could have implications for other sections of the workforce. Therefore, employers need to think through how certain policies and programmes targeted at one age

group will impact on the whole workforce, and what kind of practices will encourage a culture that celebrates diversity across all age groups. Individuals carry with them beliefs that can be entrenched from an early age, and age stereotyping and prejudice exist in wider society, not just in workplaces. Although it can be challenging, employers can develop a working environment that fosters age diversity and does not tolerate bias based on age, even if it is unconscious. Training for managers and employees on unconscious bias can be one way of countering prejudice against older (and younger) people.

- 7 Tailoring solutions to suit individual need:** while it is important that employers' policies to facilitate older workers' participation at work are implemented fairly and consistently across the organisation, it is also important to remember that individuals' circumstances and attitudes can vary considerably. This is why it is not possible to make assumptions about older workers – even if some people's circumstances are similar, they could still have very different expectations about what they want from work in their later life. Therefore, as far as is possible within the needs of the business, employers should tailor working arrangements and support for older workers based on individual need, and managers should review individual arrangements on a regular basis to ensure they are still meeting individual need.

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