

Managing the Ageing Workforce:

*an introductory guide
to age management for HR
professionals*

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TAEN - The Age and Employment Network
Advice, research and consultancy on age management

TAEN is keen to work with organisations wishing to introduce age management approaches in their company or enterprise. Our research contacts and the consultancy skills and knowledge of our staff and partners are available to develop programmes tailored to the specific needs of organisations.

Further publications and events in this area will form part of our future programme of work.

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1. Policy, management and the ageing workforce

Since October 2006 UK workplaces have been covered by the *Employment Equality (Age) Regulations*. Direct and indirect forms of age discrimination are now unlawful and the management of age issues has become a new concern for HR professionals. However, other changes have been affecting the employed and non-employed population for some time. As people live longer, the cost of keeping them in retirement increases. With fewer people being born, many authoritative organisations such as the OECD have been cautioning that the supply of younger workers to fill jobs will decline. The only practical answer will be for better use to be made of older workers - what TAEN has been calling for, in fact, for more than ten years. Hence, older people are now becoming recognised as economic assets for the country and its businesses.

It follows that the way workforces are managed in relation to age is important. Many lessons have been learned from past errors in the use and mis-use of older workers. The practice of encouraging older (but often very knowledgeable employees) to leave when redundancies occurred, was widely followed in the recessions of the 1970s and 1980s. In their aftermath, employers often competed for scarce skills whilst, at the same time, experienced former workers resorted to low-paid jobs to supplement their pensions. Such policies can now be seen as poor management of human capital and wasteful in every sense. Nevertheless, were there to be a deep economic downturn in the future, there is no guarantee that we would not see such waste repeated.

Today, increasing numbers of employers seek to make best use of older workers' knowledge and experience. New policies have been embraced by some employers, providing them with market advantages. The Government's Age Positive campaign, as well as the encouragement of bodies like the CIPD and the Employers' Forum on Age, have played their part. However, TAEN believes that this change of approach has been too slow. This guide is published as a contribution to knowledge on how managing the ageing workforce can provide business benefits. Our aim is simply to spread understanding of methods that extend working lives and help employers and workers achieve their economic goals.

TAEN believes that age management is a vital skill and knowledge area for the HR profession to acquire. What does it mean? What has it got to offer to UK organisations concerned about population ageing? How might HR professionals begin to adopt an age management approach and perspective? These are some of the issues we will address in this introductory guide.

2. The argument for age management

The challenge of population change is stark.¹ Demographic analysis provides absorbing detail, but the following points will briefly illustrate the scale and nature of the change we are facing in the UK:

- Average life expectancy increased by 30 years in the 20th Century ².
- One in three workers will be over age 50 in 15 years time – companies cannot afford to disregard one-third of the workforce, yet older people commonly feel neglected in the job market.

¹ See for example, OECD, *Live Longer, Work Longer*, February 2006

² A simple way of expressing the rate of change is the calculation that every day average life extends by five hours. (Ibid).

- Many employers do not train older workers because they believe their investment will not be repaid ³. The UK's skills pool remains fundamentally weak by international standards, holding back productivity growth whilst the economies of India and China are growing rapidly ⁴.
- In future, there will be fewer young people to fill the jobs ⁵. Companies excluding older people from their recruitment pools will therefore have more limited choices of talent.
- Employer attitudes to older workers often fail to take account of the benefits which fit, healthy and adaptable 50-plus workers can bring.
- One third of 50-plus men and two-thirds of men aged 60 to 64 are not in work. Presently, we often make them retire before they are ready to do so.
- Our economy cannot afford this waste ⁶.

It would be naïve to imagine that population ageing will not be seen by many people as 'a problem,' though when one thinks about it, this seems bizarre. (If we had a declining birth rate and *no* increased longevity, that really *would* be a problem!) As the expected death of younger workers can be satisfied by employing people to older ages, population ageing should be seen as a bonus.

Therefore, keeping older workers fit, skilled and in every way able and willing to make an economic contribution, is what age management is all about. That is why it is important to understand its basic principles.

3. What do we mean by age management?

Maintaining the capability and willingness of workers to remain in work beyond ages at which they previously retired will be of central importance in coping with population ageing. This will have to be accomplished while ensuring organisations achieve their business objectives. The term *age management* has been coined to describe the raft of interventions and approaches devised for this purpose.

- Age management can take place at different *levels*, namely targeting measures at the *individual*, the *enterprise* or the *labour market*. In this guide we are principally interested in age management at the level of the enterprise; in other words, where HR professionals can make a difference.
- Sometimes the term *age diversity* is used as a label for the kinds of interventions we regard as part of the age management approach. However, diversity as such, is only one aspect of the bigger picture which age management encompasses. Age management at the enterprise level refers to managing an age diverse, though increasingly *ageing* workforce.

³ TAEN *Key Facts on Age, Demographics and Employment* – 50+ workers are half as likely to be involved in training than those aged 35 to 49.

⁴ The Leitch Review of Skills - *Prosperity for all in the Global Economy*, HM Treasury, 2006.

⁵ Op cit (see note 3) - today, people aged 50+ are more numerous than those aged less than 16.

⁶ In the next 50 years, there will be only two people working for every one person in retirement - compared with four workers per pensioner today.

- Age management requires a multi-disciplined approach, drawing from demographics, learning and development, occupational health, work design/ergonomics, career planning and a number of other disciplines.
- The emphasis in age management is on prevention rather than cure - e.g. *prevention* of de-skilling of workers and *avoidance* of work-related health problems. Remedial measures may be needed as well, particularly where *preventative* interventions have not previously been considered. These too would be part of an age management programme.
- Age management focuses on the whole working life, not just on older workers. It seeks to achieve outcomes by applying a *life-course* perspective. It is therefore, inevitably, long term in nature and definitely not a quick fix.
- Many of the approaches of age management have been devised spontaneously by individual HR managers addressing specific sets of problems, but without the *age management* label being used to describe them. Age management draws on such pragmatic ideas and innovations. It seeks to link them together methodically and holistically and to use them to address business needs.
- There is no 'right' or 'wrong' method of age management, though within a variety of approaches, combinations may turn out to be particularly successful and therefore become accepted as 'best practice.' The role of the HR professional will be to lead the drive for age management and to judge the relevance of interventions.
- The term *age management* describes a developing sub-discipline of HR management, much as *reward management*, *diversity management* or *employee relations* are accepted as specialist areas today. For the approach to flourish in any organisation, leadership of committed HR professionals will be crucial.

4. Historical background

The term *age management* has a European flavour, although the EU and its institutions did not really invent it. Rather, they collected and disseminated information about age management practices which were already taking place. Today, this research represents a body of information on which HR professionals can draw, though they may like to be reminded that an extensive literature on the management of older workers demonstrates somewhat earlier UK and American interest.

One of the earliest (1951) examples of writing on age management by Swank⁷ sees an American commenting favourably on the European experience of phased retirement. In a report funded by the German Marshall Fund, the author gives an overview "to enable business and industry in the USA to gain from lessons learned by European employers and unions in the development and administration of phased retirement schemes." Such schemes were largely motivated by corporate concerns for workers' welfare, and beliefs that physical and psychological damage occurred when workers abruptly ceased working.

⁷ Swank, Constance, 1951, *Phased Retirement: The European Experience*, published by The National Council for Alternative Work Patterns, 228 pp, Washington DC.

Another researcher, Beckinbridge ⁸, writing in 1953, acknowledged the need for a business perspective to be considered in the management of older workers. She argued that people should be allowed to continue in work beyond retirement age in the interests of personal independence and financial security, but recognised too that fulfilling the needs of older employees necessitated industry using them intelligently. “What are business and industry doing to use the older worker better?” she asked. “What measures are being tried to maintain independence in retirement?” Such questions still occur when we consider today’s ageing workforces in advanced economies.

The EU’s growing interest in age management practices came about as demographic challenges became better understood from the 1980s onwards. In 1990, the European Parliament established a three year programme of action on ageing. This culminated in the European Year of Older People and Solidarity between Generations in 1993. Arising from this, a research project was undertaken by the European Foundation for the Improvement of Living and Working Conditions, the *Combating Age Barriers* project. This identified some 150 cases of good age management practices. The examples were stored as a data-base which has been drawn upon by practitioners and referred to in various academic articles as a core resource ⁹.

Interestingly, although the term *age management* has been widely used in the outpourings of the above EU-supported research, it was not adopted within the lexicon of UK HR professionals. Neither ACAS, the CIPD, the Department for Work and Pensions nor other bodies such as the Employers’ Forum on Age have adopted it in discourse, though terms like, *age diversity*, *active ageing* and of course *age discrimination*, are well understood.

5. The business of age management

As already explained, in this guide our focus on age management is with respect to management at the level of *the organisation*. Public policy interventions may also be included under the heading *age management* and much of TAEN’s work over the years has been directed precisely to this area. However, public policy interventions are not featured in this guide.

Panel 1 : A definition of age management

“The various dimensions by which human resources are managed within organisations with an explicit focus on ageing and, also, more generally, to the overall management of the workforce ageing via public policy or collective bargaining.”

Alan Walker, 1997, *Combating Age Barriers in Employment – A European Research Report*, European Foundation, Dublin.

⁸ Breckinbridge, Elizabeth Llewellyn, 1953, *Effective Use of Older Workers*, study financed by the Rockefeller Foundation, published by Willcox and Follet, Chicago, pp 224.

⁹ Walker, Alan, 1997, *European Research Report*, Walker and Taylor, 1998, *Portfolio of Good Practice* and Walker, 1998 *Guide to Good Practice*.

Age management is not purely and simply about preventing age discrimination, changing attitudes, and promoting age diversity. Certainly, it encompasses these actions. But age management implies reaching beyond the conventional policy instruments of the human resources department for practical means whereby the older worker may have a greater and more sustained impact and value to the organisation.

The following eight dimensions have been identified as falling within the age management sphere of interest:¹⁰

- Job recruitment
- Learning, training and lifelong learning
- Career development
- Flexible working time practices
- Health protection and promotion and workplace design
- Redeployment
- Employment exit and transition to retirement
- Comprehensive approaches.

To the above, the following additional categories may be added as having sometimes been used by the same writers - though to a degree they may overlap with the foregoing:

- Changing attitudes
- Ergonomics and job design
- Wage policy.

For each sub-category above, many actual interventions can be identified as examples of initiatives taken by companies. The good practice guide and portfolio resulting from Walker and Taylor's work provide numerous examples of this¹¹. Generally, these appear as self-generated, creative responses to specific problems faced by organisations. More sophisticated classifications of age management interventions have been devised, though they are detailed and beyond the scope of this short guide. Examples of interventions are available from website: www.eurofound.europa.eu/areas/populationandsociety/ageingworkforce.htm

6. Leadership

The need for a strong management commitment to lead and sustain an age management approach cannot be overstated. When Walker and Taylor's *Removing Age Barriers* research case studies were revisited some ten years after the original research, many of the organisations previously implementing exciting ideas were no longer adopting them. The loss of a strong advocate (e.g. a particular HR manager who had moved on) frequently marked the cessation of initiatives around age.

¹⁰ Naegele, Gerhard and Walker, Alan, 2006, *A Guide to Good Practice in Age Management*, European Foundation, Dublin, www.eurofound.europa.eu/areas/populationandsociety/ageingworkforce.htm

¹¹ Walker, Alan, 1998, *Managing an Ageing Workforce; A Guide to Good Practice*, European Foundation for the Improvement of Living and Working Conditions, Dublin, www.eurofound.eu.int/publications/files/EF9868EN.pdf

The lesson is, if age management is to be sustained, it requires genuine commitment from the top of the organisation. This means both leadership and strategy. For age management to succeed, capacity and enthusiasm need to be built at different levels of management.

Panel 2 : Need for age strategy

“There is no single, effective response to the changing supply of labour that alone will be successful in improving age management. Age management permeates all areas of action in employment; therefore addressing ‘age’ is the central component of the strategy.”

The Age Chasm: Successfully Managing Age in Your Organisation
 Rolland/Drake White International, 2004

7. A system of age management

The search for good practice in age management, therefore, calls for analysis of specific interventions and an age management methodology for general application. Having a system, into which the age management vision might fit, is key. Figure 1 below shows how one consultancy advises age management should be infused throughout the organisation.

The approach embodies age analysis and monitoring/evaluation as base elements. It visualises organisations setting strategic growth priorities and moving through recruitment, progression and exit in the employment cycle, with particular regard to employee learning/development and health/well-being. The whole is facilitated by both leadership and communication.

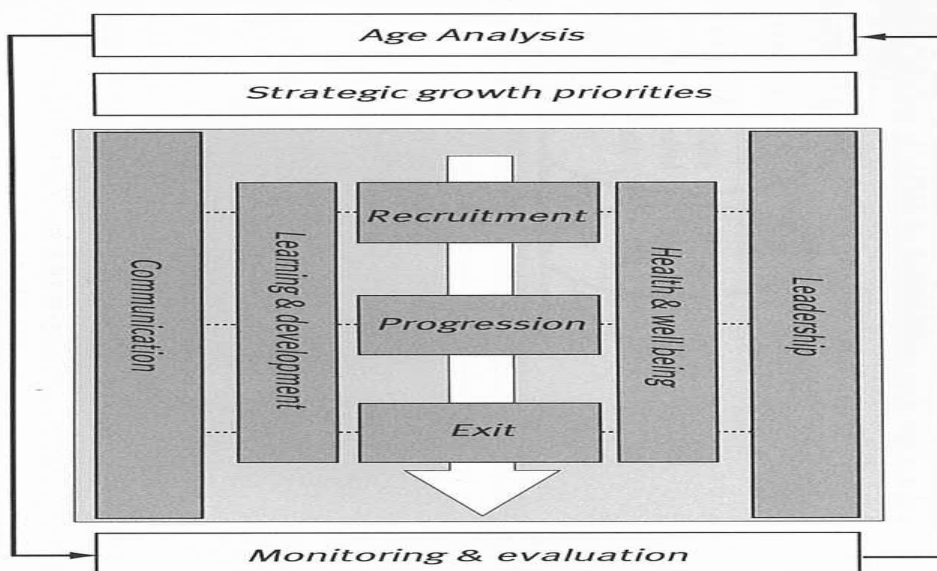


Figure 1 : A System of Age Management ¹²

¹² Rolland, Louise, 2004, *The Age Chasm; Successfully Managing Age in Your Organisation*, Drake White Paper Volume 2 No 5, Australia.

8. The business case

Are you persuaded of the case for age management intervention of some kind? If so, how are you going to win support for it? A business case is needed¹³. No organisation will embrace change unless there is a convincing case to justify it. Once understood, it can be incorporated into the strategic (and operational) management of the organisation. Examples of organisations which have 'been there before' can be helpful in considering the case for change, and whilst some of the case studies available relate to single examples of 'age diversity' measures, a general feel for their usefulness may provide insights¹⁴. Familiarity with examples of tried and tested initiatives forms a useful basis to embark on age management approaches in an organisation, but it is not in itself sufficient.

- **Specificity of arguments for business benefits**

The best approach in assembling a business case is to be specific about what you are looking for and what you expect to achieve: generalisations should be avoided. One might, for instance, consider using existing members of the workforce near to retirement for particular roles. A business argument to make possible one or more age management interventions would summarise the roles, address the reasons why the workers concerned would be suitable, consider the supply issues around recruiting new workers with their skill sets, consider the training needs of the existing older workers and address any other relevant issues. Producing an argued case, based on an envisaged solution to a specific set of problems in this way, should lead both the HR manager and others to understand how far age management interventions could help the organisation address its problems. Only then is it realistic to expect commitment of resources to implement the change.

- **Assessing the risk issues**

Preparing a business case and strategy for age management requires assessment of risks arising from demographic changes. This means examining the age profile of the organisation's workforce and the actual and potential candidate pools from which it can draw future workers. This kind of approach makes it possible to understand the risks faced by the organisation as a result of population change.

Understanding fully the age related risks to the organisation will enable a plan to be devised to mitigate, and so far as possible, eliminate these identified risks. Each of the bullet points in panel 3 could provide a heading for a matrix for the assessment of age-based risks facing your organisation.

¹³ A helpful tool is *The Age Briefcase*, produced by the Fair Play for Older Workers project with which TAEN was involved.

¹⁴ See for example, *Age Positive Business Cases*, DWP/Age Partnership Group and Walker, Alan and Taylor, Philip 1998, *Combating Age Barriers in Employment – A European Portfolio of Good Practice*, European Foundation, Dublin.

Panel 3 : Examples of key risks

The key risks in an organisation will probably fall under the following kinds of headings:

- Increased competition for labour
- Increased competition for younger people
- Growing skills shortages
- Increasing mismatch between the available labour pool and the competencies and characteristics of those required
- Loss of operational knowledge caused by exits and retirements
- Impaired productivity
- Falling or stagnating growth
- Declining health and well-being of workers
- Limited capacity amongst the organisation's managers and leaders to assess and respond to the changed environment.

Rolland, Louise, 2004, *The Age Chasm; Successfully Managing Age in Your Organisation*, Drake White Paper Volume 2 No 5, Australia

• Cost benefit analysis

Business decision-makers generally respond best to well constructed cases, including comparisons of costs and benefits¹⁵. This approach is well tried and tested in many areas of business decision-making. In relation to perceived risks arising from age issues, one could spell out the financial consequences if the risks go wrong, perhaps constructing one or more scenarios, with different levels of pessimism or optimism.

The ability of the organisation to attract the best and most suitable people is fundamental to its success. When competition is acute, paying market supplements for workers with scarce skills could have implications for internal pay comparisons. Leapfrogging pay increases could play havoc with company pay structures. Quantifying the cost of dealing with such a scenario and comparing it with the cost of, say, implementing a range of health care measures and training to prevent older workers losing health or knowledge, could make a compelling case for an age management intervention.

• Success indicators

Before embarking on an ambitious programme of change, it is important to know how likely one is to succeed. Knowing the conditions which favour success is therefore helpful. The researchers of the European *Combating Age Barriers* project found that for any age management initiative to be successful, key requirements are:

¹⁵ Brooke, Libby and Taylor, Philip, *Older Workers and Employment; Managing Age Relations*, 2005, Ageing and Society, Cambridge University Press

- backing from senior management
- a supportive HR environment
- commitment from the ageing workers concerned
- careful and flexible integration of the change programme.

Ensuring the presence of these indicators of successful outcomes will be a goal of any project manager leading age management reforms.¹⁶

9. The employment cycle and the life-course

Employment pathways through life provide progress from recruitment to promotion (depending on capabilities and performance etc) and eventual exit from the organisation. Similarly, researchers have emphasised the need to understand the 'life-course' of the worker.¹⁷ There is no fixed route of such different 'ages' or stages of human life and fixed ideas of employment trajectories are equally problematic (witness the phenomenon of the 'late developer' for example).

On the other hand, generalisations can often be helpful in understanding the likely wants and expectations of workers at different points in their lives, providing they are treated cautiously. The value of these concepts lies in the long view of both work and the worker which both imply. In an age management approach, it is important to analyse the differing patterns of experience of people at different ages so as to understand the ways in which we view and manage people and also to see better how to deploy them productively as they get older.¹⁸

10. Choice of age management interventions

One would expect an outcome of any age management approach to involve implementation of an action plan addressing the risks and strategic objectives of the organisation. This in turn would involve selection of appropriate interventions. The interventions selected need to address the *specific* challenges of *specific* organisations. Case studies can help by showing what others have achieved in similar circumstances. Once relevant examples have been found however, it is important to ensure that your intervention plan reflects its own unique circumstances. Inspiration and assistance in finding appropriate interventions may be found by researching the data-bases of case studies prepared in the *Combating Age Barriers* research¹⁹ as well as other sources. The European Foundation data-base allows searches for age management examples according to industrial sector, size of organisation, type of initiative and country of origin as well as a number other categories. In some cases, contact details of the HR professional leading the original initiative

¹⁶ Walker Alan, October 2000, *Combating Age Barriers in Employment: Findings from a European Research Project*, Finnish Economic Forum, paper to forum on ageing and labour market, www.ktyhdistys.net/Yhdistys/Esitelmia/WalkerENG3110.htm

¹⁷ Ilmarinen, Juharni, 2005, *Towards a Longer Worklife! Ageing and the Quality of worklife in the European Union*, Finnish Institute of Occupational Health, Helsinki

¹⁸ Rolland, 2004, *ibid.*

¹⁹ See the following link for direct access to the European Foundation data-base of age management examples: www.eurofound.europa.eu/areas/populationandsociety/ageingworkforceandvanced.php

are supplied. Whilst there are not enough cases to supply all demands for just the right example to compare with each specific detailed request, the data-base represents a valuable (if under utilised) resource for HR professionals.

Panel 4 : Age management in DSM Netherlands

"The primary goal of the initiative was that employees should remain employable and motivated until retirement age. Employability over the complete work course was considered the shared responsibility of the employees and management. This policy was explicitly individual in that it recognised that business units have varying work capacities, functions and age profiles, and that the personal attitudes and ambitions of individual employees differ. To enable (the company management) to assess the effects of the policies before their full implementation, a pilot study was undertaken. The pilot consisted of three parts, all of which were based on a life course perspective.

First, all business units were asked to develop an age-awareness personnel policy within six months and to report the results every half year. An instrument to facilitate the development of these policies at business unit level was developed centrally beforehand. The instrument prescribed that the following steps be taken: a quantitative analysis of the current age profile of the workforce; an analysis of the future age profile in the case of an unchanged policy; the fixing of goals and required operations; periodical evaluation of the policy effects. A central role was given to career and performance reviews between line managers and employees in the second half of their careers. A comprehensive set of measures aimed at the continued employability of the worker was applied on the basis of these reviews.

Second, a pilot programme called 'Stay Fit' was introduced, aimed at all workers over 35 years of age. Courses were given to small groups of employees on life course issues in relation to work and private life. An analysis was made of employees' attitudes towards work, as well as gaining an insight into their individual capacities and developing a plan for the future to be discussed with their own line manager.

A third initiative was directed at the company's fire department. This department faced a double problem of a strong emphasis on shift work and an age profile that was considerably older than that of the company as a whole. Here, individual reviews were made of workload and work capacity, in which the company's medical service, the fire department chief, a human resource (HR) official and the individual employees took part."

This example is extracted from the case study of DSM Netherlands, a large chemicals company which had 69 per cent of its workers over age 40 at the time of the programme described.

*See the European Foundation data-base for a full description:
www.eurofound.europa.eu/areas/populationandsociety/ageingworkforce.htm*

Another fairly helpful source of case study material is the Age Positive case studies collected by the Department for Work and Pensions²⁰, as well as the analysis of them by independent researchers²¹. However, limitations in the methodologies of preparation of the DWP studies do unfortunately make them less useful than might otherwise have been the case.

11. Finnish experience and work ability

In Finland, a series of government initiatives have developed age management practice to a fine art. Panel 5 shows the background information for this. In *Respect for the Ageing* (1990-1996), the Finnish Institute for Occupational Health (FIOH) carried out a programme to develop the health, work ability, and well-being of the ageing. The ageing were taken as workers over the age of 45. 'Work ability' was less easily defined, but as shown in Panel 6 below.

Much of the Finnish experience of age management revolves around the central objective of extending 'worklife,' and *maintaining work ability*. The *National Programme on Ageing Workers*, over the period 1998 to 2002, produced a comprehensive training module for training and consultation on age management in the public sector. Large numbers of managers, supervisors and employee representatives have been trained in approaches to *maintain work ability*. This is just one example of how work ability has been mainstreamed in Finnish workplaces.

Panel 5 : Finnish Government initiatives to extend working lives

- *Respect for the Ageing Programme* – developing the health, work ability, and well-being of the ageing – 1990-1996, led by the Finnish Institute for Occupational Health
- *Committee on Ageing* – 1996, under the Ministry of Labour
- *National Programme on Ageing Workers* - 1998-2002, led by the Ministry of Social Affairs and Health
- *Coping at Work* – 2000-2003, led by the Ministry of Labour
- *Finnish Workplace Development Programme* (TYKES) – 2004-2005, Ministry of Labour
- *VETO*: Programme for promoting the attractiveness of work-life – 2003-2007, Ministry of Social Affairs and Health;
- *KESTO*: Programme for sustainable work and career development – 2004-2007, Finnish Institute of Occupational Health
- *NOSTE*: Programme for uplifting the competency of working adults – 2003-2007, Ministry of Education

²⁰ www.agepositive.gov.uk/case_studies/index.asp

²¹ Bunt, Kate et al, *Age Positive Business Case Studies*, an analysis document, available from website www.dwp.gov.uk/asd/asd5/5ports2005-2006/agepos11.pdf

A work ability index is used to measure work ability movements, either negatively, as the unrestrained consequences of ageing, ill-health or other factors, or positively, in response to work adjustments, occupational health interventions, learning programmes or other measures. The index covers a variety of variables including strain, autonomy of working, physical demands, enthusiasm, education, vocational training and so on. As a general observation, work ability declines with age, though the rate of decline appears to vary considerably with the nature of the work, individual workers' lifestyles and the choice and timeliness of interventions.

Panel 6 : Meaning and uses of work ability

"The most important asset of employees in worklife is their work ability. Because enterprise profits are made possible by the work ability of its personnel, the enterprise has a central role in supporting and promoting the work ability of its employees."

"Concepts of work ability have changed and developed during the last decade in a more holistic and versatile direction..."

"Work ability is built on the balance between a person's resources and work demands. A person's resources consist of health and ability, education and competence, and values and attitudes.

Work, on the other hand, covers the work environment and community as well as the actual contents, demands and organisation of work. Management and supervision is also associated with work."

"Work ability is primarily a question of balance between work and personal resources...In order to find a balance, work and personal resources need to be continuously combined. Personal resources change, for example, with age, whereas work demands change, for example, with globalisation and new technology. The factors affecting work ability are therefore continuously changing."

All quotes are taken from *Towards a Longer Worklife! Ageing and the Quality of worklife in the European Union*, Illmarinen, Juharni, 2005, Finnish Institute of Occupational Health, Helsinki.

Currently the term *work ability* is not widely understood in the UK. (*Work well-being* is one rather clumsy alternative which has been suggested.) However embodying as it does, an interdependence of the job with physical and mental attributes of the worker, work ability provides a potentially valuable tool for analysing the need for age management interventions.

Moreover, a rich body of research and practice has been accumulated by Finnish researchers and there seems no reason why this should not be drawn upon for use elsewhere. Such examples, if taken into account, could affect the design of work, the arrangement of working conditions and many other aspects of the employment relationship.

Panel 7 : Age management in UPM-Kymmene's Tervasaari paper mill

At its mill in Tervasaari, 90 miles from Helsinki in Finland, Europe's second largest paper manufacturer has 840 workers aged on average 44 years. At the beginning of 2005 the company was expecting more than 200 of its employees to retire by 2009. "By last year we had brought the average retirement age up to 59 though in the late 90s it was 57 or less," says Turka Heinelo HR Director. "We could never find trained replacements, so we decided to try to delay retirements by two to four years. Our target now is an average retirement age of 62."

The company established a communications programme using articles in company magazines, lectures and meetings. Specialist speakers, for example a physician and a psychologist, explain issues of ageing and extending work-life. Appraisals after 55 cover special training requirements and whether the job or work location needs changing. The four Tervasaari occupational health centres give regular health tests to each worker. After 25 (and then 35) years service, each worker gets additional paid holidays with full board in a company recreation centre.

Each employee over 55 has a personal plan. They are asked when they intend to retire and what measures they need to stay longer. The Training and Development manager takes the plans into account when planning training. Training is delivered in styles and formats appropriate to seniors. There has been a change in attitudes. Older workers are more accepted by younger colleagues. Banter about age has diminished. "Age discrimination was a fact of life before. Some were treated as though they were past their sell-by dates," comments Heinelo.

One reason for the change is the company's 'tacit knowledge' programme. "It is essential tacit knowledge remains in the mill," says Heinelo. He means the advanced wisdom from years on the job, often lost when a worker retires. They operate in pairs, senior and junior, in ways reminiscent of master craftsman and apprentice.

Over three years the average retirement age has increased from 56 or 57 to 59. "We are moving closer to our target of 61 or 62 and hope to achieve it in coming years," says Turka Heinelo.

Source: Interview, 2005. A version of this interview first appeared in an article in *People Management*, June 2005, *The Finnish Line*, by Chris Ball.

12. Age management and HR management

Properly embarked upon, age management should support the organisation: support its vision, address threats facing it and seek solutions to all age-related risks. Like all human resource managers, those leading on age management will have to work across boundaries in a multi-disciplinary way. Age management is good HR management; but good HR managers have to understand the technical details of the business and its environment, champion the interests of employees and a great deal more. Age management specialists will have to, too.

HR managers know that business partnership, understanding and arguing for specific HR responses to changed economic, environmental, political and social contexts, are all part of their role. Possession of the necessary specialist knowledge and insights to drive changes forward is vital if organisations are to respond to fresh challenges. As the anticipated changes in populations usher in new influential social and economic dimensions to the world of work, HR managers will need to know about age management, understand it and learn how to win the support of others to its cause. Hopefully, this brief guide will provide a helpful overview for busy business people and a basis for further discourse within the HR profession on this important subject.²²

Panel 8 : The essence of age management

“Work planning and organisation are essential from the viewpoint of the strengths of ageing. With good age management, work is planned and organised according to the resources of the personnel. Age management also supports the development of the employees’ resources. It is not, however, rational or even possible to make all age groups similar. Age management emphasises strength in diversity and makes it a success factor both for the individual and the enterprise. The most noble and precious objective of age management is to ensure that employees have the prerequisites for a good life and that the enterprise has a good future.”

Illmarinen, 2005, p 234

13. Concluding comment

As an independent charity, supported by Help the Aged, TAEN’s values are closely aligned to the needs of the older person. However, age management is a compellingly logical business approach. It deals with workforce ageing by adapting the tools, design and arrangements of work. It addresses the working environment, worker skills and knowledge, health and well-being, and it seeks to integrate these elements into all significant aspects of HR management - from recruitment and selection to departure from the organisation. For HR professionals, managers, union representatives and employees, age management offers a fascinating new dimension.

Age management can help businesses address concerns about employee health, competence, values, learning and development, knowledge transfer, engagement, activity levels and much more. The unique contribution of age management is to bring a wide spectrum of understanding together, apply it to maintain and enhance the human resources available to the organisation, and set this within a context of societal change that will demand extended working lives of our citizens.

²² See Ulrich, Dave *Human Resource Champions*, 1997, Harvard Business School Press, and Ulrich D and Brockbank, W, *The HR Value Proposition*, 2005, Harvard Business School Press.

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The mission of **TAEN – The Age and Employment Network** is to promote an effective job market which works for people in mid and later life, for employers and for the economy.

TAEN's role is to interpret demographic change and help people and organisations build advantage from it. We work to remove age barriers to opportunity.

We do this by explaining, consulting, sharing, advising and pioneering ideas and action.

We work with TAEN's members; people seeking jobs, career change and fresh learning; employers and recruitment agencies; trades unions, advice agencies and community groups; public agencies and policy bodies; colleges, trainers and researchers; and the media.

See our website at www.taen.org.uk

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