

Employment Relations Comment

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Age Management At Work: adopting a Strategic Approach, Chris Ball¹

The increasingly diverse age profile of the workforce presents opportunities as well as challenges for managers and leaders.

A cross-generational workforce can create a natural and positive dynamic where age and experience feed off one another. Older workers in turn can bring the benefits of knowledge and wisdom. Yet equally, planning to meet the needs of a diverse and an ageing workforce is likely to bring benefits for all parties and the business, and help head off potential difficulties. Acas asked Dr Chris Ball, from The Age and Employment Network (TAEN), to reflect on his experiences of introducing strategic approaches to ageing, drawing on evidence from the UK and further afield. Reflecting on an earlier Acas paper on the challenges of the ageing workforce (Parry and Harris, 2012), Dr Ball concludes that the focus on public policy issues has tended to eclipse the more important practical issues of how best to strategically manage an ageing workforce. He concludes that a clearly defined and multi dimensional approaches to age management have potential to engender greater workforce effectiveness as well as employee engagement.

The Acas paper by Emma Parry and Lynette Harris, 'The Employment Relations Challenges of an Ageing Workforce' captures the essence of strategic responses to workforce ageing. It addresses some of the facts around population ageing and considers some of the employment relations issues this poses. Moreover, it lays all this out in the context of a helpful

description of public policy responses to the phenomenon of population ageing. However, the strong policy focus of the paper leaves less room for explanation of approaches to age management. This paper picks up that thread and, in particular, seeks to emphasise the important link between age management and the value of engendering employee engagement in the workplace. Whilst the latter is perhaps already widely accepted, many managers might feel less persuaded by the age management agenda.

To be clear, Parry and Harris do indeed raise issues about the engagement of older workers (pages 4 and 5 of their paper). Personal fulfillment, they argue, is one of the key drivers for older employees remaining at work. Other factors such as job interest and job quality are also raised as important in fostering better engagement, while growth of inter-generational conflict and inequity are highlighted as potentially disruptive elements.

In fact, all of the themes which are subsequently considered in the paper (including issues in training and career development, health and wellbeing, flexible working/reduced hours and attitudes to age) offer a means of fostering employee engagement. The missing element relates to the processes that an employer might need to put in place to ensure an effective approach to age management.

What is age management?

The expression 'age management' is a broad, umbrella term potentially embracing many disciplines and specialisms. At its heart it involves a strategic and holistic approach to managing age in which the analysis of demographic risks and the identification of appropriate interventions are considered. A strategy might

promote preventative measures over remedial ones. It might also cover both intergenerational and life course perspectives, and may comprise multiple initiatives which address a wide range of issues such as promoting well being, bespoke training and knowledge management.

Age management is not simply about older workers. It also carries a focus on managing the relationship across generations. This may include some difficult challenges and in some instances trying to change the habits of a lifetime. None of this can be achieved without engaging the people who pose the challenges in the first place. The need for employee engagement in all organisations is clear. Win the enthusiasm and commitment of employees and you are on the way to resolving problems around quality and performance. In the quest for better employee engagement new approaches need to be followed to find out what employees actually think about their work.

How does employee engagement fit with age management?

It is established that work satisfaction, the possibilities for personal development, a sense of value in the job and the individual's ability to influence decisions can all affect the good functioning of employees and prevent their early exit from the labour force². In addition, researchers have explored the influences which engender 'a sense of wellbeing' among people at work and which have important implications for decisions around retirement. Fundamental elements include one's physical and mental health alongside a sense of being valued. Evidence also suggests that these are highly important influences of decisions around retirement³.

Take the concept of the 'psychological contract'. From the employee perspective, this refers to the unwritten sense of rights and responsibilities, which in turn influence perception of fairness and who deserves what. At its heart are questions such as what 'reasonable' treatment entails and the need for workers to feel wanted and appreciated. The psychological contract embraces such notions as the right to be consulted and taken into account, the span of discretion an individual has in his or her job, the consideration given to the individual's personal life and wellbeing and many other factors. Any discussion about maintaining the work capacity (the objective of age management) will not go far without all of the above issues coming to the surface.

Commentators on age management stress the need for projects to be employee centred – informed by humanitarian concern and related to interventions which influence physical and mental well-being. These may include improvement of work design, personal relationships inside the organisation, development of lifestyle plans supporting successful ageing, good physical and mental health and so on. Both age management and engagement embody empathy with the individual's needs, and his or her ability to 'grow' in the job.

Collective consultation around workforce ageing

Age management is not about a purely individual centred approach, however. Collective consultation and communication on age management measures are also relevant. There is clearly scope for further innovation in this area but a number of current examples are of interest. Collective bargaining and consultation on demographic changes issues has been developing with unions and works councils in some sectors.

A collective agreement in the German chemicals sector is a leading example. The agreement⁴ commits employers to share information with employees in individual organisations with a view to consulting on measures which might be needed. It covers 1,900 companies (many of which are SMEs) employing 550,000 employees. The information has to be shared with a view to "achieving sustainable staffing policies supporting the extension of working life". Separate sections of the agreement include reviewing the demographic characteristics of the organisation (the age, skills profile, gender etc. of the workforce) the company's activities and operations, how the work done is organised and the scope for change in all of these, taking into account promotion of health and wellbeing, training and other aspects of company policies. Special 'demography funds' are established in each organisation to pay for changes that might be considered necessary arising from these discussions.

Several of the European Social Dialogue Committees (embracing employer and employee representatives from each sector) have undertaken impressive joint projects in response to workforce ageing. Typically, these analyse and respond to identifiable demographic threats in a given sector. The TUC and the CIPD have issued two joint reports on responding to workforce ageing⁵. The existence of evident common ground between management and union positions in many of the major questions raised by workforce ageing suggests scope for these issues to be dealt with in a partnership spirit.

It is true that there are ambiguities in the positions of some unions, companies and sector level bodies which might make partnership working difficult in some cases. Some unions see working longer as an erosion of members' employment

conditions and do not welcome discussions implying acceptance of this concept. Some are not comfortable with working in partnership as a matter of union policy. Similarly, many employers remain unconvinced about helping employees work longer, preferring to see them retire at a certain age even though they cannot be compelled to do so. However, most employers and unions are unlikely to be troubled by these issues and see discussion of demographic change as merely a sensible recognition of change that their members are likely to experience.

A small number of UK projects have seen union training bodies encouraging active discussion of the implications of workplace ageing among their members. Public policies coupling such issues with pensions and retirement reforms may make it more difficult to achieve consensus but the 'big picture' changes of workforce ageing will be difficult to ignore.

The process of age management

The exclusive UK focus in the Parry and Harris paper means that some of the more impressive examples of age management practice are not captured. Attention should focus on questions including the process of establishing age management policies, leadership, analysis, organisational development and change management strategies, all of which are required to bring age management into effect.

This is not to imply that the approach should be top down with policies drafted and implemented by the HR department, and that this would amount to age management. Instead, a 'business case' for an age management strategy has to be based on fundamental assessments of need. If workforce ageing, its threats and potential consequences are not well understood by operational managers

and board level policy makers alike, any policy change is unlikely to make a real difference to the business. This is because an effective programme cannot be comprised of one shot policies or PR gimmicks. On the contrary, it must be properly thought through, multi-dimensionally. Secondly, for any such plan to work, it will need to be part of a properly resourced long term strategy.

A starting point must be clarity about the age and skills profile of the organisation, how this will alter over time, and what implications the projected picture has for the organisation. For such a projection to have meaning, attention must be paid to all generations and ages. Multi-location employers need to understand the demographic risks, location by location and department by department. Understanding and interpreting data must be done in the context of the organisation's training practices, its recruitment policies and the trends that can be identified, both in the organisation and outside it. With this kind of knowledge and analysis a demographic change strategy for the organisation can be crafted. For a successful age management project to be implemented, the most senior decision making body needs to be behind it, ideally with a board member champion or equivalent depending on the size of the organisation.

Secondly, age management cannot be 'knocked off' in a few months. It should represent a way of thinking ingrained into the company culture. In big organisations, all service departments and sub-divisions need to be engaged. A change management approach of some kind needs to be adopted. There can be no corralling of age management into an obscure part of the HR or occupational health department though both disciplines must play their part.

A number of continental examples of age management programmes are characterised by the campaigning zeal of the managers working across all departments of their companies to draw in resources and provide leadership and expertise that informs and enthuses employees and managers alike.

Competencies in age management

It needs hardly to be said that in the process of developing and executing age management strategies, individual leaders become extremely skilled and knowledgeable. New varieties of experts are emerging. The German departmental store Galeria Kaufhof, for example, appointed a 'Demography Officer' to its staff some four years ago. A number of larger companies have adopted sophisticated age management programmes led by a small core team of specialists and several senior HR specialists have become recognised experts speaking regularly in public on their organisations' high level strategies.

In Germany there is a growth of self employed consultants, many of whom have been qualified and accredited through carefully thought out training programmes as 'demographic guides'. A similar pattern can be seen in the Netherlands, where small consultancy organisations provide bench marking and 'work ability' assessments of employees. Interest and knowledge has been growing too among union and employee representatives. Several small projects funded by the European Commission have provided knowledge transfer possibilities. Large and small employers alike can benefit by ensuring that a member of the management team has a thorough grasp of the issues and familiarity with the ideas and approaches, alongside senior level endorsement.

Concluding comment

There is a wide spectrum of possible responses to workforce ageing. The present paper strongly advocates a strategic approach. While single, piecemeal interventions may have value in a given set of circumstances it is fairly clear that such approaches are less successful than a holistic strategy which considers everything from skills to work design, flexible working to career development and much more.

There are many examples of employers having adopted comprehensive age management strategies, discovering spin off benefits in the form of better skills transfer, employee buy in, quality, productivity, customer satisfaction and so on⁶. A resistance among UK employers to age management strategies is correctly identified (but not satisfactorily explained) by Parry and Harris. The variations in the demographic change map of Europe would be a good starting point.

It would be disastrous if employers in the UK eschew age management strategies in the belief that they are not needed and then fail to benefit from the quality, productivity and employee engagement benefits that might yet be seen as the strategy's most important, systematic by-product. Hopefully, seeing its potential as a powerful tool for employee engagement might help avoid this pessimistic scenario.

References

- 1 Chris Ball PhD Chartered FCIPD is Chief Executive of TAEN – The Age and Employment Network, www.taen.org.uk
- 2 For example, Jorma Sitsamo (2005) *Qualities of work, functioning and early retirement. A longitudinal study among Finnish Workers 1981-87*
- 3 This observation distils the essence of a number of studies for example, J Seitsamo, Kaija, Tuomi and Rami Martkainen, (2006) *Activity, functional capacity and well being in ageing Finnish workers*, Occupational medicine Oct 16 2006.
- 4 An agreement on Working Life and Demographic Change: Collective Agreement for the German Chemicals Industry'
- 5 TUC and CIPD *Managing Age: A guide to good employment practice*, 2007 and 2011
- 6 Examples of employers' approaches can be found in entries to the AARP Best Employers for Workers Over 50 Award (see resources section of TAEN's website www.taen.org.uk), Chapter 5 in Juhani Ilmarinen, *Towards a Longer Worklife*, 2005 Finnish Institute for Occupational Health and the Eurofound Guide to Good Age Management Practice, <http://Eurofound.europa.eu>