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The Use of Age Management to Professional Activation of the Elderly

1. Introduction

In Europe for many years debates have taken place on the need to increase the rate of economic activity of the population, particularly the elderly. Representatives of businesses, educational institutions, trade unions, employers and local entities dealing with employment and demographics have exchanged views and experiences on activities to meet the demographic challenges. Europe's population is aging fast as the human life span has increased and the level of fertility of European women has remained low. As a result of the changing structure of the population, the share of the elderly is increased. The aging of the population is a phenomenon largely considered in the context of the enormous challenges and problems. Definitely less attention is paid to the fact that it is a great achievement of civilization of each country. However, it cannot be denied that the dynamics of the aging process of the population in conjunction with the relatively low professional activity of older people raises many concerns. The Lisbon Strategy recognized that "employment deficit" in the age group 55-65 years is a serious problem

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as it weakens economic growth and contributes to the exclusion of many people from the society. Consequently, the issue of raising labour force participation of older people on a permanent basis is among the main elements of the European

Employment Strategy. In the last EU 2020 strategy, which is a new program of socio-economic development of the European Union, a number of priorities were set. Among them the inclusive growth, the promotion of economy characterized by a high level of employment and providing economic, social and territorial cohesion are listed. One of the projects to include the modernization of labour markets in Europe is the agenda for new skills and jobs. In order to achieve this end, Member States have to support the mobility of the workforce, ongoing skills development, which should increase the activity rate of the population. It is worth-noting that in highly developed countries the level of knowledge and commitment to the activation of the elderly is much higher than in countries such as Poland, where the potential of this group is just beginning to be recognized. However, in the changing age structure of the labour force a growing interest in the concept of age management can be seen, allowing for more efficient use of the potential of the elderly. It should be noted that in the paper 'the elderly category' refers only to the part of the labor force over 50 years of age. Therefore, the object of the analysis is not the issue of professional activity of the people at the retirement age.

The purpose of this article is to indicate the extent to which age management can be useful in improving the professional activity of generations of people 50 +. The statistics on the labor force participation of older people in Europe is the background to the issue.

2. The professional activity¹ of elderly Europeans

The increased interest in the problems of professional activity of the elderly is associated with the direction of demographic changes in Europe that has persisted for several decades. The two trends are particularly important: on the one hand, as a result of low birthrate, there is a reduction in the working-

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1 In undertaking research on the professional activity it should be noted that according to Eurostat economic activity is identified with income-generating employment, while the active population includes both all the employed and unemployed. Other people aged over 15 that were not classified to one of the groups (i.e. the employed, unemployed) are considered economically inactive population.

age population. It is expected that the total number of the working-age persons (15-64 years) for the period 2005-2030 shall decrease by 20.8 million as the baby boomer generation retires (EU contribution ... 2012 p.3). On the other hand, as a result of increasing life expectancy, a rapid increase in the share of older people in society is noted. These trends translate into the shrinking and aging labour force. It is worth noting that according to Eurostat projections a particularly rapid growth in the number of elderly people will be noted in the future. The number of 80-year-olds and still older people will increase between 2010 and 2030 by more than 57 per cent, which would translate into 12.6 million elderly people in Europe.

Such a direction of the demographic transition today carries with it certain social, economic and financial consequences. The prospect of increasing financial burdens as a consequence of the growing gap between spending and income from taxes and fees causes the most concern. Realising the potential of older people working is seen as a way of dealing with the challenges of demographic change. The strategy of active aging constitutes a wider reflection of the change in the perception of social capital of the elderly and fosters intergenerational solidarity (Active aging 2002 p.12-14). Active aging is the key element of the new socio-economic program of the European Union 2020. Within its framework several goals were formulated, including the achievement of 75 per cent employment of persons aged 20-64 years² (Europa 2020 p.5). The analysis of statistical data on the professional activity in Europe shows that 71 per cent working-age Europeans have been active in recent years, i.e. were working, or were out of work and expressed their willingness to take it. (figure 1)

Simultaneously significant differences in the activity levels between the individual countries become evident. For comparison purposes, in 2009 the highest level of economic activity was noted in Denmark, where 81 per cent of working-age population was economically active, with the lowest in Malta, where 59 per cent of the Maltese were working or looking for work (Employment in Europe 2010 p.69). Closer analysis of Eurostat data also shows that in all Member States the discrepancy in the level of economic activity between women

2 Increasing the employment rate of the population in general and the elderly in particular has been one of the main objectives of the European employment policy for many years. In 2000 the Lisbon European Council set a strategic goal for the years 2000-2010, which was to raise the employment rate to 70 per cent of the population. A year later, the Stockholm European Council set another goal-to raise the average EU employment rate for people aged 55-64 years to 50 per cent; in 2010.

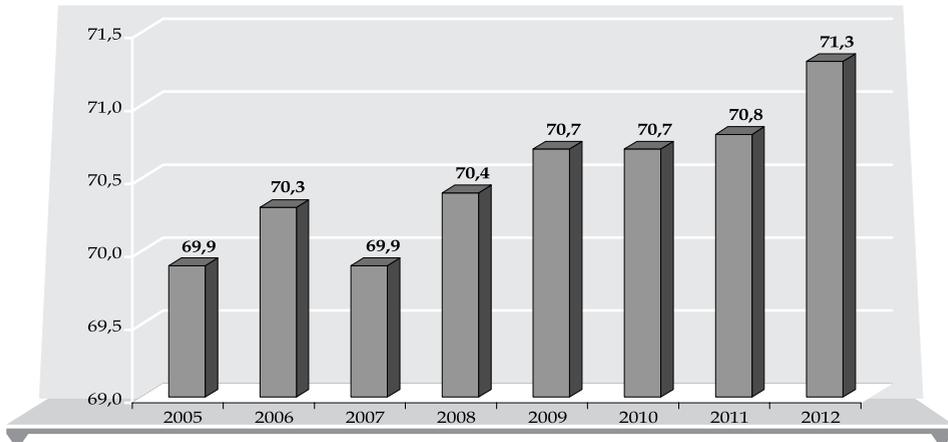


Figure 1. The activity rate of the population aged 15-64 in the EU-27 in 2005-2012 *

* Data for the first quarter

Source: Eurostat

and men is still noticeable. In 2009, about 64 per cent of European women were economically active with 78 per cent participation of men. From the point of view of this study the level of professional activity of the elderly is particularly significant. The analysis of the data in table 1, on the one hand confirms the growing economic activity of the people in their fifties, on the other hand, the differences in this respect exist between the countries. Poland is among the countries with the professional activity ratio below the average recorded in the EU-27. It is worth noting that the states such as Denmark, Finland that have recorded the high level of overall economic activity, can also boast a high rate of professional activity of the elderly.

Table 1. The activity rate of older people 50-64 years in selected countries in 2005-2012

Specifications	2005Q1	2006Q1	2007Q1	2008Q1	2009Q1	2010Q1	2011Q1	2012Q1
UE-27	56,6	57,4	58,1	58,9	59,9	60,6	61,3	62,4
Czech Republic	61,8	62,7	62,3	62,7	63,3	62,5	62,7	62,9
Denmark	71,1	70,9	69,6	69,1	68,6	70,5	71,2	71,6

Italy	44,7	45,7	47,0	47,8	49,0	50,0	51,1	53,3
Hungary	48,2	50,1	49,8	48,7	49,2	50,0	51,2	52,3
Poland	45,1	45,0	45,8	47,3	48,3	49,8	51,5	52,4
Finland	66,8	67,8	68,4	68,4	68,6	68,4	69,2	69,8

Source: Eurostat

One of the basic indicators that allows the assessment of involvement of people in the labour market is the employment rate which indicates how many out of 100 in a given working-age group actually work. This indicator is particularly suitable in the assessment of activity of people over 50 years of age as - in the absence of work - they often decide to withdraw from the professional activity and remain inactive. In Europe the employment of persons aged 55-64 is monitored. As previously mentioned the increase in the employment rate of women and men aged 20-64 to 75 per cent is one of the main strategic objectives of the Europe 2020 strategy. The employment rate of people aged 55-64 in 2011 reached 47.4 per cent, which was confirmation of the continuing growth trend from 1998. Then 36.2 per cent of the population of the people in their fifties was employed. The analysis of data in Table 2 shows that in some countries the employment rate of older exceeded the level of 50 per cent established in 2000 in Lisbon. The highest values were recorded, among others, in Sweden, Denmark, Norway, Iceland, Germany.

Table 2. Employment rates among people aged 50-64 in Europe in 2004-2011

Specifications	2004	2005	2006	2007	2008	2009	2010	2011
UE-27	40,7	42,3	43,5	44,6	45,6	46,0	46,3	47,4
Belgium	30,0	31,8	32,0	34,4	34,5	35,3	37,3	38,7
Bulgaria	32,5	34,7	39,6	42,6	46,0	46,1	43,5	43,9
Czech Republic	42,7	44,5	45,2	46,0	47,6	46,8	46,5	47,6
Denmark	60,3	59,5	60,7	58,9	58,4	58,2	58,4	59,5
German	41,8	45,5	48,1	51,3	53,7	56,1	57,7	59,9
Estonia	52,4	56,1	58,5	60,0	62,4	60,4	53,8	57,2
Ireland	49,5	51,6	53,1	53,8	53,7	51,3	50,2	50,0

Greece	39,4	41,6	42,3	42,4	42,8	42,2	42,3	39,4
Spain	41,3	43,1	44,1	44,6	45,6	44,1	43,6	44,5
France	37,8	38,5	38,1	38,2	38,2	39,0	39,8	41,5
Italy	30,5	31,4	32,5	33,8	34,4	35,7	36,6	37,9
Cyprus	49,9	50,6	53,6	55,9	54,8	56,0	56,8	54,8
Latvia	47,9	49,5	53,3	57,7	59,4	53,2	48,2	50,5
Lithuania	47,1	49,2	49,6	53,4	53,1	51,6	48,6	50,1
Luxembourg	30,4	31,7	33,2	32,0	34,1	38,2	39,6	39,3
Hungary	31,1	33,0	33,6	33,1	31,4	32,8	34,4	35,8
Malta	31,5	30,8	29,8	28,5	29,2	27,8	30,2	31,7
The Netherlands	45,2	46,1	47,7	50,9	53,0	55,1	53,7	56,1
Austria	28,8	31,8	35,5	38,6	41,0	41,1	42,4	41,5
Poland	26,2	27,2	28,1	29,7	31,6	32,3	34,0	36,9
Portugal	50,3	50,5	50,1	50,9	50,8	49,7	49,2	47,9
Romania	36,9	39,4	41,7	41,4	43,1	42,6	41,1	40,0
Slovenia	29,0	30,7	32,6	33,5	32,8	35,6	35,0	31,2
Slovakia	26,8	30,3	33,1	35,6	39,2	39,5	40,5	41,4
Finland	50,9	52,7	54,5	55,0	56,5	55,5	56,2	57,0

Source: Eurostat

Poland, despite a gradual increase in the employment rate of the elderly, is among the countries that record the low level of total employment, with that of the elderly in particular. In the literature, it is emphasized that the employment rate of older workers is the result of interaction between the push factors that limit the opportunities in the labour market and pull factors that reduce the incentives to remain in the labor market and job search (Walker 2005 b pp. 685-697).

It is worth mentioning that the large part of European countries-including Poland-the reasons behind the low level of employment among older people were associated with the regulations encouraging early termination of professional activity. The labor market policy realized at the time aimed at the conscious

extinguishing professional activity of the elderly, due to rising unemployment and the lack of new jobs generated by the economy. At the same time the stereotypical perception of older workers by employers has definitely limited the possibilities of longer working lives.

3. Age management - the diversity of interpretation

Due to the fact that the problem of aging has long been considered one of the key challenges of the future, older people have increasingly been viewed as the most important resource that should be mobilized to ensure the stable development of the economy. Attention is paid to the need for co-operation between the state, employers and employees (Nordheim 2003).

Looking for new ways to increase the activity of the population in developed countries is increasingly used in discussions on the management of age. In its broadest scope, age management is an approach to personnel management that takes into account the age, aging process and life cycle of individuals in order to create a work environment conducive to employees of all ages, allowing the use of their assets and meeting the needs (Walker and 1998, 2005, OECD 2006, Eurofound 2006).

A closer analysis of the literature allows us to distinguish two ways of interpreting age management. On the one hand, it is recognized as a sustainable approach to the management of human resources in order to increase the working capacity of employees of different age groups. (Ilmarinen 2001, pp. 546-552) In this context it constitutes the totality of long-term and career-planning solutions conducive to individual employees. It also considers the creation of multi-units, allowing the effective use of the capabilities of individual employees. On the other hand, in the context of an aging population, age management is defined as a strategy aimed at exploiting the professional potential of older workers.

In this perspective, it comes to the solutions and actions facilitating the work of older people, allowing them to make better use of their skills. It is here among other things, flexible working hours, ergonomics, suitable range of duties appropriate training. The growing interest in the concept of age management appeared not only in Europe as a result of ongoing changes in the age structure of the workforce, but also with the promotion of an active professional career development in life. Not to be neglected is the growing awareness of the employers that the security of their business and market position involves investing in solutions that go beyond the standard tools of human resource management. The competitiveness is determined not only by market moves ,

but also by investing in human capital. The construction and implementation of age management in a specific company brings with it defined costs such as the need to invest among other things, adjust the workplace or training. However, as shown by the experience of the entities which decided to this type of investment in the long run, it brings multiple benefits. (OECD 2006, Piekkola 2008) It should be noted that this growing interest in the concept and implementation of age management is as yet noticeable primarily in developed countries. In the case of Poland and other countries of Central and Eastern Europe, the awareness of the coming demographic challenges is still developing and the use of age management is rather rare. The interest in this concept by companies is usually noticed in the context of restructuring, market development, organizational changes, loss of skills, lack of labor and trade union activities.

4. Age management as a tool for professional activation of the elderly

Considering the usefulness of age management in the context of activation of the elderly should take into account the fact that the differences in the ability to work that affect individual employees increase with age. Using the stereotype of the "older worker" is not fair, because in this group a large difference in job opportunities can be observed. The population of mature workers is varied. It includes both those who are fit, despite age, effective and willing to take on new challenges, as well as people who do not show willingness to work., to some extent, confirming the stereotype. In order to increase the professional activity of older people action should be taken by both groups.

To what extent, therefore, can the implementation of age management strategies be used effectively in relation to the needs of the elderly people on the labour market?

The analysis of literature on the subject including a description of good practice in this regard show that one of the essential conditions in the process of active aging is to change the perception of the more mature people in the company. Good practice in the recruitment and selection assumes that older people have equal access when it comes to job vacancies, and thus potential candidates are not discriminated because of their age, either directly or indirectly. Training is another area in which the needs and capabilities of older people offer a chance to increase or maintain their activity.

Agemanagementcanbecomepracticalreflectionofspecificintergenerational strategies in the workplace. This will be possible if an employer is open to the potential of the mature professional people in the field of training, too. The

analysis of the European survey on continuous professional training carried out in 2009 showed that the proportion of older workers is much lower than that of younger workers and this applies to almost all EU countries. (The situation of aging workers, 2009 p.6)

Table 3 shows the examples of actions that can be taken in each area of age management and that contribute to the increase of the level of professional activation of the elderly.

Table 3. Range of actions conducive to professional activation of the elderly

Areas of age management	Examples of actions
1. Recruitment	<ul style="list-style-type: none"> • Removing age limits in job advertisements, • Conducting the recruitment process by specialized personnel, without focusing on age, but rather on the skills competency, experience and individual needs of the elderly; • Working with local employment agencies, job offices
2. Learning, training and lifelong learning	<ul style="list-style-type: none"> • No age restrictions in access to education / training, • Diagnosis of training needs (in terms of the subject matter as well as the organizational and technical aspects) • Special motivation programs for older workers • Selection of teaching methods appropriate to age, constant monitoring of educational status • Treatment of lifelong learning as an integral part of career planning • Organization of work conducive to learning and development • Engaging older workers as mentors
3. Career development	<ul style="list-style-type: none"> • Promoting experienced workers as mentors, training the young • Monitoring the development of skills of employees and offering them individual career paths • Advice and support in planning one's own career
4. Protecting and promoting health and job design	<ul style="list-style-type: none"> • Informing / reminding employees through the intranet of the medical tests - prevention - the elimination of performance of heavy physical work (such as lifting weights) by combining older workers with younger ones • Encouraging a healthy lifestyle
5. The final stage of professional activity	<ul style="list-style-type: none"> • Gradual retirement, by shortening the time so that an employee could get used to the new lifestyle • Participation of retired workers in training younger, giving them temporary employment and contact with the company

Source: own study based on Naegele, Walker 2006, *Employment initiatives for an ageing workforce*

One of the greatest benefits that result from the use of age management is the transfer of knowledge between employees of different generations. Experience and professional potential of the more mature workers can be used in many ways. While with the passage of time and in the course of life the efficiency, the speed of reaction and physical abilities decrease, the ability to accumulate knowledge and wisdom actually increase. In this context the elderly may have important roles from the perspective of enterprises Fig.2.

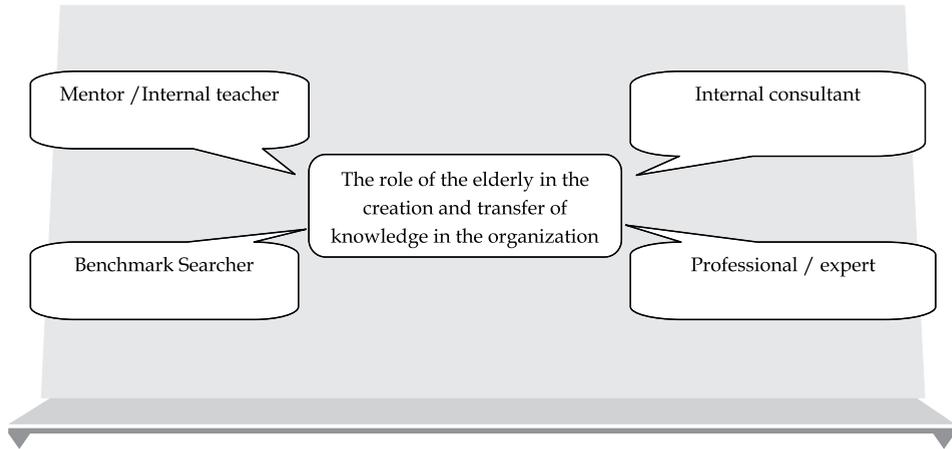


Figure 2. Examples of roles played by older people in the organization

Source: own study based on Lichtarski,Wąsowicz,Stańczyk-Hugiet 2012 s.16

Age management is not merely a measure preventing the loss of valuable, mature workers, but also allows the activation of such people. One of the areas that enable the use of the knowledge and experience of mature workers is mentoring. Older people as mentors communicate their knowledge simultaneously providing many valuable observations on the effectiveness and efficiency of specific actions. At the same time they can be engaged as internal consultants advising other employees in difficult situations. In addition, with specific expertise in a particular area, they can actively participate in the development of new procedures and improvement of new solutions.

The intensity of market competition requires that the reaction rate and ability to tap into the knowledge and experience of those who have achieved success need to be quick. Also in this respect the potential of mature workers who, thanks to the extensive experience and large knowledge in the field, are the best

candidates in the search of best practice (benchmarking) might be utilized.

It is worth adding that the appropriate planning of career paths for the mature workers brings tangible benefits. Firstly, it reduces the risk of early deactivation of the elderly. Secondly, it may facilitate the transmission of knowledge and experience from older workers to younger workers.

The use of age management in the area of active aging requires that the existing relationship between age and job opportunities in specific occupations be taken into account. The exemplary analysis mentioned relations are shown in Table 4.

Table 4. Types of work and the possibilities use of potential of 50+

Types of work	Which exceeds the requirement of competence of older workers?	Performance increases with the experience?	The expected relationship with age	Reference to employees
Routine jobs that do not require too much cognitive or physical abilities	No	No	None	Regular worker
Occupations requiring physical strength, agility, and sensory abilities, for example physical workers, athletes.	Yes	No	Negative	Unqualified / qualified worker
The work of professionals, managers and scientists some areas characterized by high technological development	No	Yes	Positive	Manager Specialist Qualified worker
The activities in which there are fast technological developments and a high degree of fluid intelligence and continuous learning are required	Yes	Yes	Negative	Specialist

Source: Lichtarski, Wąsowicz, Stańczyk-Hugiet 2012 p.16

The results of the available studies conducted among the elderly in Poland and in other European countries confirmed that some work-related skills usually worsen with age, while the level of the other does not change and even increases. In order to raise the level of professional activity among the elderly we should bear it in mind. Age management strategy has been successfully implemented in Germany, Finland, Belgium or the United Kingdom, which is confirmed by the high level of employment of older people in these countries. In the case of Poland, we should expect a growing interest in the age management with the gradual decrease in the supply of young labour force.

5. Conclusions

The demographic situation in Europe, referred to as the “demographic disaster”, is one of the most important challenges which the European Union will have to face in the coming years. Recorded in the most European countries, the reduction of the number of working-age people poses a real risk to economy. As a consequence, the needs to increase labour supply and raise the level of economic activity of the elderly have been crucial issues in Europe for many years. In this context, the important challenge is to develop solutions enabling the increase of the employment rate of older people whose participation in society is increasing. The countries should introduce solutions which will induce older people to stay in the labour market or return to work. Age management strategy is beginning to be seen as one of the ways to achieve these goals. Due to the fact that the management of age includes a wide repertoire of activities at every stage of a person’s career which takes into account the variable is age, it may indirectly contribute to the more efficient use of the older labour force. However, this requires proper knowledge from employers that age management will allow them to gain a competitive advantage thanks to the riches of age diversity of workers. Largely, however, the lack of awareness of the benefits flowing from this can be observed.

Summary

The Use of Age Management to Professional Activation of the Elderly

The increase in interest in the topic of aging is associated – to some extent – with the currently unavoidable demographic changes. On the one hand, life expectancy increases, on the other hand, fertility rates fall. As a consequence the proportion of younger generations

is reduced, and the share of older generations. A disturbing fact has been the low level of economic activity of the elderly, among others in Europe for many years. The reasons for this are complex. However, looking for ways and means that would allow greater involvement of older people in the labour market should be considered. One such method, which in developed countries is gaining more and more interest is the management of age. The purpose of this article is to indicate the extent to which age management can be useful in improving the professional activity of generations of people 50 +. The background to the issue is the statistics on the labor force participation of older people in Europe.

Key words: *age management , ageing society, professional activity.*

Streszczenie

Wykorzystanie zarządzania wiekiem w obszarze aktywizacji zawodowej osób starszych

Wzrost zainteresowania tematem starzenia się społeczeństw związany jest z zachodzącymi obecnie nieuniknionymi w pewnym zakresie przemianami demograficznymi. Z jednej strony wydłuża się

średnia długość życia, z drugiej strony spadają wskaźniki dzietności. W konsekwencji zmniejsza się udział pokoleń młodszych, a rośnie udział pokoleń starszych. Niepokojącym w tym kontekście faktem jest niski poziom aktywności zawodowej osób starszych, między innymi w Europie. Przyczyny tego zjawiska są złożone. Skłaniają jednak do poszukiwań metod i sposobów, które umożliwiłyby zwiększenie zaangażowania osób starszych na rynku pracy. Jednym z takich sposobów, który w krajach wysokorozwiniętych zyskuje coraz większe zainteresowanie jest zarządzanie wiekiem. Celem niniejszego artykułu jest wskazanie w jakim zakresie zarządzanie wiekiem może być użyteczne w podnoszeniu aktywności zawodowej osób z pokolenia 50 +. Tłem dla przedstawianego problemu jest statystyka dotycząca aktywności zawodowej osób starszych w Europie.

Słowa

kluczowe: *zarządzanie wiekiem, starzenie się społeczeństwa, aktywność zawodowa.*

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