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Fit for the demographic change

Age structure analysis and work ability profile New methods of personnel development

A guide for personnel managers / facilitators
in small and medium-sized enterprises

Management review:

Demographic change and new tools of personnel development:

Age structure analysis and work ability profile of the company

There are several warnings of the impact of the demographic change on the companies in Europe. The shortage of skilled labour slowly emerging in Germany shows that the warnings are hardly noticed. The slow process of the change and the high unemployment allow companies to believe that their personnel management will manage the development. For that reason, all the warning words do not help much. It is better to provide companies with a simple procedure to identify with relatively little analytical work how far the demographic change has already taken place in them.

The age structure analysis of the employees is a suitable tool for that. Roughly speaking, two measurements are made with it: the present age and the age in 5 or 10 years - considering a continuation of the current rate of entry and leaving of staff. There will hardly be a company in which the red warning lamps do not start flashing in the personnel department in the face of this comparison.

In a further step the current measures of personnel development in the field of training, motivation and health are examined to find out whether they meet the future requirements and whether they secure and maintain a competitive staff for the company. As a result, at the end there is a simple and reasonable work ability profile of the company, an adequate assessment about where the company is good and where the weak points lie in managing the employees. Corporate improvements are then deduced from the findings and short-, middle- and long-term measures are planned.

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EUROLINK AGE**

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Internet addresses

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*Promoted by the Federal Ministry of Economy and Labour and
funded by the European Social Fund*

Introduction

Germany in the demographic change: a challenge to the economy

The majority of the Germans know meanwhile that the age structure has an impact on employment, retirement age, growth etc. All that is constantly being spread - even down into TV shows. In that view, a nation has rarely walked into the "demographic trap" being better informed than now. On the one hand, reforms are already being introduced: Definition of a demographic factor in the pension, making the transition to early retirement more difficult etc. On the other hand, the knowledge about the demographic change still remains without consequences.

Companies which look at their operations from the point of view of ageing staff are still in the minority. In the years 2005/06 already the number of school-leavers ready to go to the dual apprenticeship system is reduced, on average, by up to 14 percent, and by 2012 it will be drastically reduced by half. In the face of these data, change is not a vision of the future: for companies providing training it is just around the corner. This development is worrying *"because each specialist who is not trained well today will be missing tomorrow and may, therefore, act as a real brake on the growth of the companies of the region"* (C. Hawel, Employment Agency Bremen). This phenomenon makes one think just as the continuing lacking readiness to recruit job-seekers over 40 (engineers are nowadays extremely affected).

Personnel-political deadlocks of recent years

Many companies are obviously caught in their daily business to such an extent that they act in terms of personnel policy only when they cannot anymore do without it. That has to do not only with short-term planning horizons of personnel policy, but also with their relative importance in the company. Beside the management tasks technology and finances, personnel policy is often paid little attention. "Somehow" staff always was a flexible and variable factor; sufficiently available and young, which companies could always resort to. Since this attitude worked by-and-large mostly well in the past 20 years, a self-certainty towards human resources has become fixed as a way of thinking. The daily reading of the unemployment statistics still fosters this old way of thinking.

Companies examine nowadays monthly their indicators and mostly consider themselves to be able to plan staff for a period of one year only. In addition, they look for new rationalisation potentials. Even in the face of the coming critical shortage of skilled labour about which many companies complain already today, hardly a company lets its worries be followed by deeds.

Economists see already today in the shortage of skilled labour a considerable break on growth in many areas of the economy. Securing the competitiveness of the German economy over the long term depends not least on whether it succeeds continuously and quickly in closing the gaps in the use of knowledge. Everybody training the future skilled staff today knows that, but it always requires a lead time - one cannot simply place an order for staff in India and hope it will all run well.

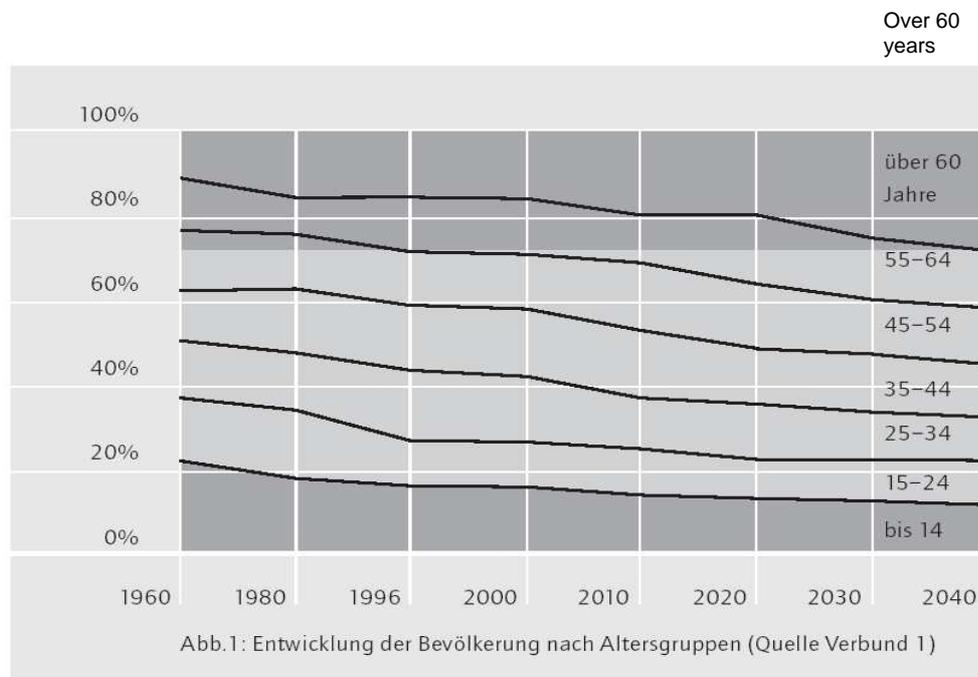


Fig. 1: Development of the population by age group

For that reason it is more than ever necessary to show to companies in an age structure analysis where they are now in the face of the demographic change in order that the opportunities can be taken to consider personnel policies in a longer term and successively shape the future. Those who invest in staff today will have the staff tomorrow which the competitors will be missing.

To do that, our provision of a work group or the support of an in-plant project invites interested companies and personnel managers in the Weser-Ems and neighbouring regions.

This brochure is intended to inform and set the course for new considerations.

Introduction to the topic "demographic change and personnel development"

1 Are older persons pushed aside?

Personnel strategies focus on younger staff between 18 and 35 years of age. The utilisation of the potential of the older, experienced employees from 45 onwards is rather the exception in companies. On the one hand, that is due to the fact that in our society in the last 20 to 30 years the view has spread that older persons should clear their workplace for younger staff. On the other hand, it implies the suspicion that they are in a bad position with their performance and their skills compared with the younger staff.

If the higher wages of older staff are even put in the negative relation to the lower wages of younger staff, then misjudgements, prejudices and supposed or one-sided calculations of benefits have definitely set the course for older persons to be pushed aside.

2 Demographic development

Having a look at the demographic development - it is a matter of figures, data, facts - we will see that each company has meanwhile to ask itself where it wants to get skilled staff in 5 years the latest from about 2008 onwards if the course for recruitment is not set now (in different way).

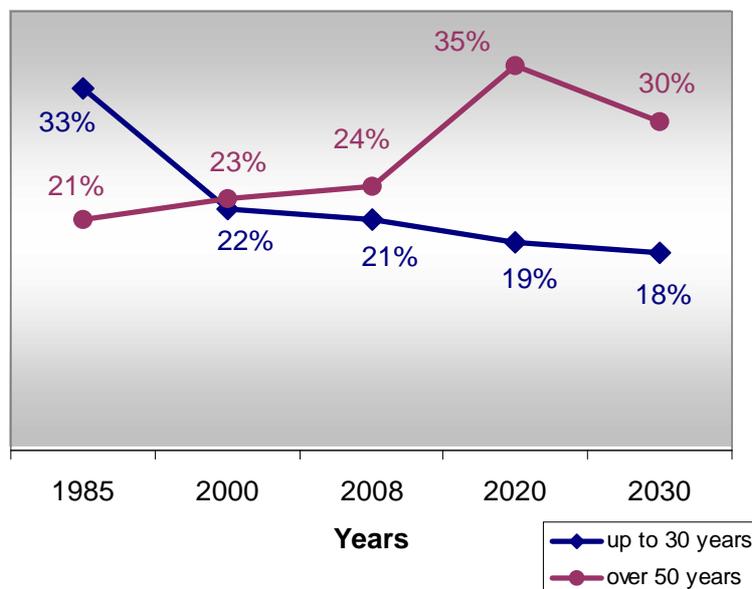


Fig. 2: Labour supply (up to 30 years and over 50 years);
Source: demotrans (own diagram)

There are more active persons aged 50 in the labour supply than persons under 30 already now - and that is with an increasing tendency! Extrapolations presume that in the year 2015 the number of active persons under 30 years will amount to 20 percent while the number of persons with 50 years and more will be around 35 percent.

Today's baby-boomers are getting older while the younger generation is shrinking, which is why for example Prof. Bullinger of the Fraunhofer Institute IAO comes to the conclusion that the innovative products will soon have to be produced by a "band of pensioners" in Germany.

An entrepreneur who needs a skilled employee today should thus have better cared about him/her already yesterday.

In other words, a company that trains its staff itself needs three to four years until these employees widely fulfil the requirements. And it takes even more years for them to become a backbone of value creation. That is what makes the search for skilled labour so difficult, they must meet the requirements of the company, after all.

According to the survey of the DIHT (German Association of the Chambers of Industry and Commerce) 60 percent of the companies complain about lacking skilled staff already today. According to a survey of the Association of German Engineers (VDI), 80 percent of the companies expect a lack of engineers in the coming years.

3 Prejudices against older persons

If the view prevails that an ageing workforce is in itself a competitive disadvantage, then an overwhelming run to younger staff should start soon, which in its turn would strongly drive the wages up because younger workers are getting scarcer. The winner of the competition for the young labour can easily be imagined: It will be the (most popular) companies which can already now select among the best skilled workers and engineers.

That can also be formulated in a stronger way: If the statement that older labour is a competitive disadvantage was correct, then many companies could not even afford this view as practical *guideline* for economic reasons.

But it must be questioned openly: Is this view correct anyway, is it true that

**old = inefficient or with reduced efficiency,
old = unable to learn, inflexible and uninterested,
old = in bad health etc.**

and

young = skilled, efficient and healthy?

If a personnel manager really checks this question he will dismiss many of these views as prejudices. The image of the young, efficient employee in form for the Olympic Games is coined more by the ideal than by reality. The AOK (Local Health Insurances) statistics e.g. on backaches (also of young people) bring very different results to light; and the views about the decline in performance of older people have also been scientifically disproved.

"Older people are not less efficient but in a different way than younger people."

*(Ältere Mitarbeiter im Betrieb, Ein Leitfaden für Unternehmer, Hg. Bundesvereinigung der Deutschen Arbeitgeberverbände, S.10.).
(Older Employees in the Company, a guide for companies, Ed. Federal Association of the German Employer's Federation, p. 10)*

No doubt, there are older persons which are physically and mentally worn out, but that is not because of their ageing, it is rather the effect of a one-sided strain at work connected with insufficient incentive to learn etc. The expectations and fears of older people are accordingly negative, they go simply:

"...let me in peace with that new stuff, I won't understand it anyway, I have worked hard long enough!"

4 Older persons as decisive potential for the future, securing competitive advantages

Objectively, what companies are to do is not dismiss older employees but use them as potential of the future.

Therefore, it cannot be said clearly enough:

The main potential lies in the existing staff.

This knowledge is neither new nor particularly original, but it is really only brought to light by the demographic development.

The hope that the market will provide the required labour, that training is provided by others etc, is short-sighted in the face of the demographic change. Only the company which seeks to retain its employees -

including the older ones - and which invests in them can achieve competitive advantages:

- ✓ Esteem,
- ✓ Training,
- ✓ Loyalty to the company,
- ✓ Know-how transfer

Those companies which have always provided training themselves have the advantage. But initial training alone is not sufficient anymore; it is necessary to go new ways in training for staff. It is necessary to enable older employees, who are not used to learning, but also semi-skilled women going back to work after bringing up their children, foreign workers etc to master the future.

5 The network for work in tune with ageing (*NETAB*): going new ways in employment, fighting prejudices

One of the focuses of the European labour market policies and the Community Initiative EQUAL is the improvement of the opportunities of older jobseekers on the labour market. Partners from the fields of industry, sciences, training, chambers and public organisations joined up in EQUAL to the "Network for work in tune with ageing - **NETAB**". The network aims to achieve a change in the way personnel policy deals with ageing staff

Together we want to:

- ✓ show new ways,
- ✓ develop practical responses and examples worth imitating,
- ✓ contribute to coping with the demographic and industrial change

6 Identifying the need for action / quick check:

Please answer these questions to find out whether your personnel policy is oriented towards the future:

<i>Quick check of a future-oriented personnel development in the company</i>	YES	NO
We know the age structure in the company (and in the departments). The data are a part of personnel-political decisions.		
The age structure in our company is balanced; the different age groups - young, middle and older employees - are more or less equally represented.		
The operations are organised in such a way as to enable staff to do the job until they reach the regular retirement age.		
The working conditions are organised with active participation of the employees.		
We have no problems with training employees according to our requirements or with recruiting them on the labour market		
Employees of all age groups take part in training. That of course applies also to staff over 45 years of age.		
The exchange of knowledge between older (experienced) employees and the younger ones is explicitly promoted. By the time an employee retires he/she has already imparted his/her knowledge.		
We try to offer an occupational development prospect to all employees in the company.		
In job advertisement / recruitment the age does not play any role.		

If you answered these questions several times with NO you should concern yourself with the demographic change, its impact on personnel and recruitment.

7 Concept of the age structure analysis and assessment of the corporate pre-conditions of the work ability profile of the employees

Our concept of the age structure analysis fits into a comprehensive programme of the BMBF, the German Ministry of Education and Research, (www.demotrans.de) in which ideas have been developed and measures have been implemented. With our pragmatic steps (above all A. Köchling's age structure analysis) we want to contribute in good time to setting the course for a personnel policy for all age groups

We start with an **age structure analysis in companies** which needs little data and assumptions about the future:

The task consists in analysing the age structure of all employees and in determining the areas which are particularly important for the value generation of the company in order to check there separately once more the age structure¹. The age structure in all areas is extrapolated to the coming five to ten years in order to estimate the predictable slumps in the continuity of skills and staff. In further steps the work ability of the employees as well as the current and planned personnel-political measures are checked against the background of the "own" age structure. This database enables to make reliable statements about future fields of problems such as recruitment and training.

The age structure analysis is an early-warning indicator which provides indications to control entry and leaving of staff.

Task definition in the first step:

- To analyse the present age structure of the whole staff
- Prospective workforce in 5 and 10 years
 - ✓ with extrapolation of the present data
 - ✓ with modification of the data to prevent predictable problems
- To consider core team (e.g. in tool manufacture, design) now, 5 and 10 years later
- To list preventive measures in detail
- To describe the result of the analysis in a comprehensible way

¹ This task is carried out with support of a facilitator in an in-plant work group or project, or in an inter-company work group with staff of the personnel departments and others.

In a second step, all operating measures are measured by the pre-conditions which the company provides to maintain and develop the work ability of its ageing workforce. Work ability is understood here to be a concept which assesses **skills**, **motivation** and **health** of staff from the point of view of the corporate pre-conditions and which questions them for their potentiality.

This assessment includes an estimation of all running and planned personnel development measures in the company (including preservation of health) with the aim to network and improve them.

A third step consists in thinking about new measures, planning and implementing them. Each company will seek solutions according to its needs and adopt its own method in planning and implementing them in the best way.

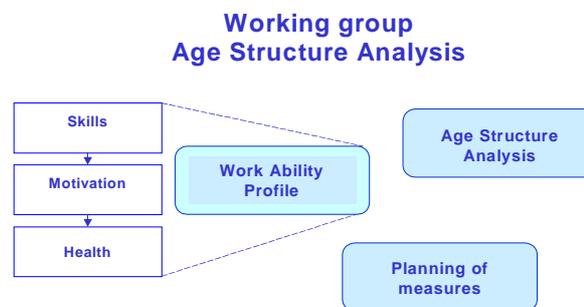


Fig. 3: Concept of the work group "age structure analysis"

7.1 Age structure analysis in the company - an example

Our model company has about 250 employees, it has been operating for 50 years in a rural region, near a town, and in its operative activity it leans mainly on semi-skilled employees who have been hitherto relatively easy to recruit in the region. Here, a change is making itself felt due to the lack of attractive jobs for younger workers

The operations in the production lines are semi- or partly automated. A lot of activities are "simple" and require also heavy physical work of about 1/3 of the staff. These activities strain the back quite heavily and are the cause of an above-average number of ill employees - over 8% - and early retirement. The labour turnover is relatively low and is around two percent (higher among the younger staff) because the unemployment in the region is high (over 7.5%). The proportion of apprentices is around 2% (commercial area). There is no old-age part-time employment in the company

Each company has its important core areas for the value generation and development, its motor, so to speak. In these areas it must be top and afford well skilled and committed employees if it wants to stay in the market. In our model company it is (now and in the future) the maintenance, in addition the development department and the high market share which has been achieved above all by excellent sales representatives. The continuity of the work and the growth rates of the value generation have there their essential core. 31 employees work in the maintenance, 24 in development / acquisition.

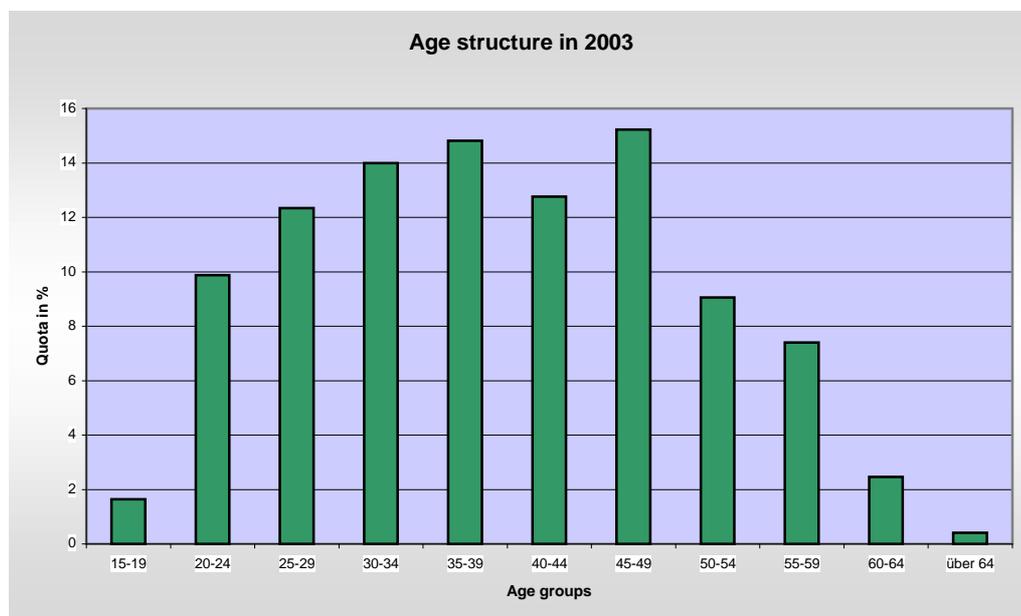


Fig. 4: Age structure of the model company in the year 2003

The figure of the age structure in 2003 shows a relatively balanced age structure, but it shows considerable gaps in very young and older age groups.

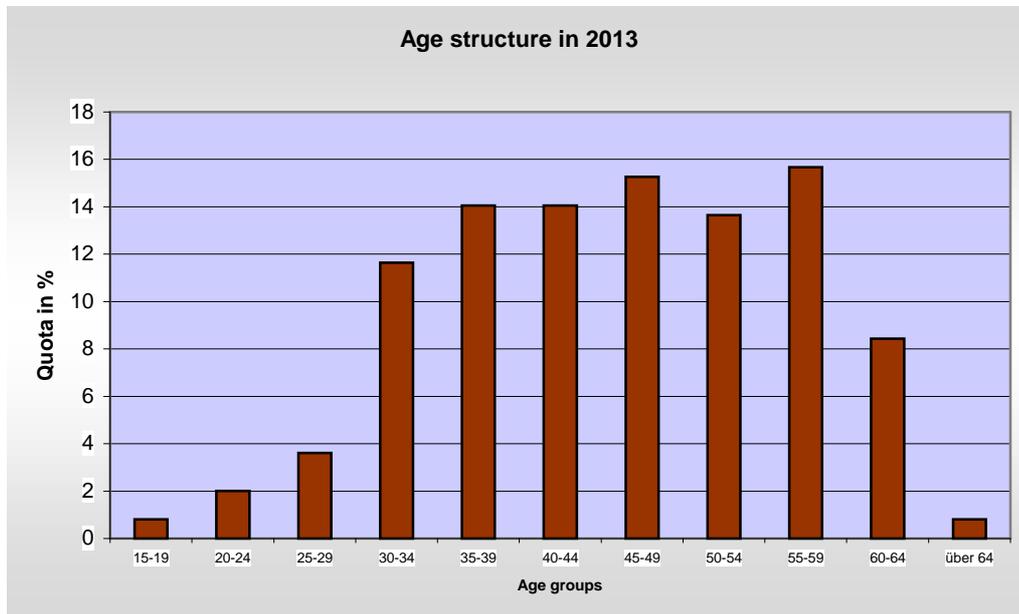


Fig. 5: Age structure of the model company in the year 2013

The projection for the next ten years - a simple extrapolation on the basis of steady incoming and leaving employees - shows an alarming picture for 2013. Half the employees will then be over 45 years of age, the number of employees below 35 will have decreased to about 20 percent. A balanced age structure is then out of question. This "early warning system" with regard to coming labour shortage turns out to be significant even in a simple general overview.

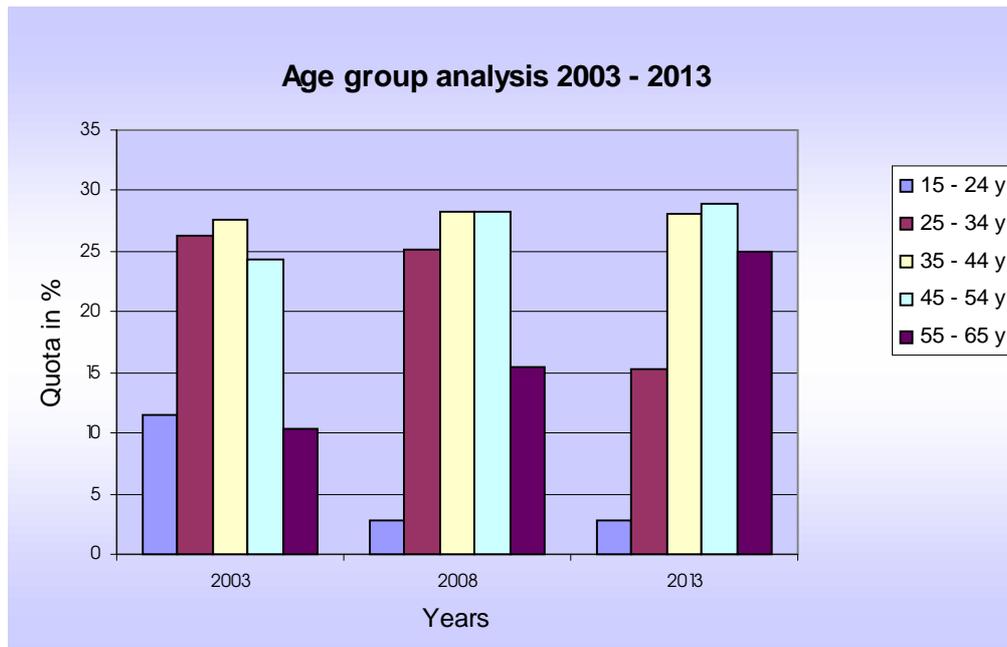


Fig. 6: Age structure analysis of the model company from 2003 to 2013

The company will thus have to think about how it can get younger employees, how it can attract them and how it can retain the ageing staff healthy in employment and motivate them to work up to their regular retirement age

Measured by the core working area - here mainly the maintenance and the work-intensive development - the picture darkens considerably. Nearly a quarter of the employees work in these two areas, their average age is higher than the overall average age in the company

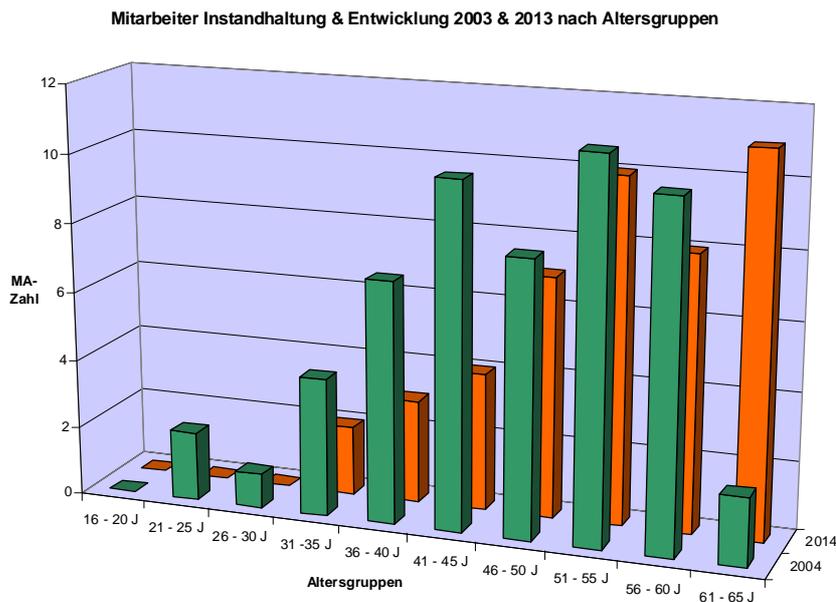


Fig. 7: Employees in maintenance and development from 2003 und 2013 by age groups in the model company

Here, questions of knowledge transfer, orientation of new employees, recruiting of skilled labour and retirement are matters of priority for which solutions must be found before long (it is already planned to start training in technologies, advertisement and to be present in final 10th year classes of the "Realschulen" (secondary school), to improve the attractiveness of the job for older persons, to recruit staff without age limit etc

This example makes above all clear that it is not sufficient to draw up just a general overview of the age structure in the company. A simple general overview is just as meaningful as one about the average wages. At least the core work areas should be considered separately in order that the proper and targeted measures of personnel development can be planned and implemented.

7.2 Targets of the age structure analysis

The current personnel-related measures - from the recruitment of new employees up to the early retirement - must orient themselves by the future staff size and its structure (foresighted quantitative staff adaptation) and, at the same time, being measures to preserve and improve skills, motivation and health of the employees they must orient themselves by the present and (presumed) future work ability (qualitative staff adaptation).

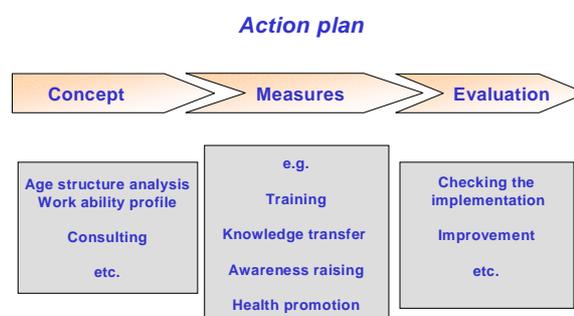


Fig. 8: Action plan

7.3 Work ability profile of the company

A forward-looking personnel development (periods of planning 3 - 5 - 10 years) includes drafting (by departments) a work ability profile for the maintenance of the staff size and for the assessment of the development of staff and processes. But first two **terms** must be explained

What is meant by **work ability**, what do we understand by **work ability profile**?

The **work ability** of an employee is a combination of three factors²:

Factors	Elements	Generic elements
Skills	<ul style="list-style-type: none"> • <i>Competence</i> • <i>Knowledge transfer (as exchange of experience and settling in of new staff)</i> • <i>Learning</i> 	Lifelong learning
Motivation	<ul style="list-style-type: none"> • <i>Esteem in the company</i> • <i>Career opportunities</i> • <i>Organisation climate (confidence/staff reduction / recruitment of staff)</i> • <i>System of participation (employee suggestion system, CIP..),</i> • <i>Fair wages...</i> 	Lifelong learning Work(place) design
Health	<ul style="list-style-type: none"> • <i>Physical and psychic health</i> • <i>Health care</i> • <i>Stress reduction</i> 	Work(place) design

² The elements described here are examples, not a listing claiming to be complete

None of these factors alone constitute work ability, they have to interact and they are, in principle, "conducted" by motivation. Without motivation there will be no targeted and co-ordinated employment of the other factors.

1. **Skills:** what a person learned, what one continues to learn, skills achieved by practice and natural preconditions make the execution of specific activities possible.
2. **Motivation**, too, is decisive for the result (in terms of quality and quantity) as enjoyment of ones work / commitment to work, as a way how one fulfils the tasks and how far one "infects" colleagues in the positive sense etc.
3. A further decisive factor (or an essential prerequisite for the work ability) is of course **health**.

These subjective factors meet with **conditions in companies** ("objective" factors such as skill requirements, pay policy, career opportunities, job arrangements and working conditions) which interact in the positive or negative sense with the ability to work or which support the ability to work.

A reliable **assessment of the potentials of the employees**³ will have to consider these preconditions as stimulus of motivation - the "big" conductor of the ability to work. That applies particularly to measures which are always also oriented towards changing the factors. Work ability is a dynamic process, subjectively steered by the will and consciousness of the employees (as motivation) and not a statistical figure. It varies with changes in the environment and it moves with the time.

The **work ability profile** is designed to weight these factors in their sub-points/elements with the following objective:

Assessing the current state and to develop (ideas for) **measures** to preserve and improve the work ability for the next (ten) years.

If none of the factors of work ability makes sense without the other factors, they can, on the one hand, be assumed to be equally important. If we set a work ability profile with **x** points (very good), then **x/3** points goes to each factor - all sub-points or elements of the factors are related to a third of the total number of points. On the other hand, knowing that motivation is a bit more important than the other factors, we should have a very close look at it when we assess the company.

³ Interviews and potential analyses provide important data, but they play in an other field.

In plain language: A company that must admit that the factor "health" of its employees and above all its provision of material and motivational support is only sufficient will - if it does not take measures to improve the health and the preconditions for it - surely find the factors motivation and skills deteriorating, too.

Those who do not keep improving stop being good and give rise in the company to the attitude of "working to rule" which hampers the physical and mental commitment of the employees.

7.4 "PISA" for companies: identification of the work ability profile - skills, motivation and health

Our concept sees itself as facilitation based on guiding questions/ interview in a work group or workshop, which allows further questions and important impulses of the participating persons (personnel managers etc) from the companies or in the companies to be integrated in the interview and assessment.

Each participant of the work group is expected to think through the issue beforehand and also collect opinions in the company to be able to give a broader range of opinions instead of only one's own "subjective" opinions. Our PISA test for companies, a discussion and assessment round with implicit benchmarking, makes relatively little sense if one answers the questions in the privacy of one's room. It is important that the participants have to express their own assessment on the basis of the work ability profile and to give reasons for it. (That may cost much time, but it forces one to draw up a comprehensible balance and achieve a better understanding.) It is not the marking that is decisive, but the respectively assessed action or measure behind it and the improvement tendency.

The questions and their structure are designed mainly for companies with about 100 employees and more. Some assessments do not make sense in smaller companies, which does not mean that their organisation is not as good.

In summary: Work ability is:

Skills + motivation + health

These "subjective" factors meet with conditions in the companies ("objective" factors such skill requirements, salary and work conditions) which act as intensifiers in the positive or negative sense. The work ability profile weights the factors and their elements to an assessment of the current state and deduces from it measures to preserve and improve the ability to work.

All the current and planned measures in personnel management, (perhaps also outside it such as health, knowledge management etc) need thus to be checked from the point of view of their development capability in the face of the demographic change in the next 5 to 10 years

7.5 Example of a result of an assessment of the corporate potentials and shortcomings

<i>That is already positive</i>	<i>Here, something should be done</i>
Nearly no labour turnover, employees are committed to the company	Does a tacit corporate philosophy already exist? (pictures convey: self-confidence, strength, flexibility, cleverness)
Each employee is accepted with his/her strengths and weaknesses and supported when difficulties arise	What can be made of it?
Age doesn't matter in recruitment, phases of familiarisation with the job	To recruit staff over 45 (problem: recruitment stop), to make use of "girls' day" (technical area)
More commercial apprentices are trained than needed, external classes, technical training is planned	Complaints about insufficient knowledge acquired at school, but those trainees are the potential of the future? What is to be done, how can that be corrected?
Training needs are surveyed partly with participation of staff, training is provided for all age groups, training is marked by staff and the use of new skills by superiors (transfer possibility is considered)	Your skills and health are our future? - that could be the motto.
Fees for participation in career development training are paid by the company, afterwards, as a rule, workplace change	Career talks, horizontal career planning?
Executives have been trained in leadership competence and staff motivation only for some time now	What is lacking: coaching for leading staff within the company?
Quality circles	Pure QM tool or - what do they do exactly, and what are they expected

	to do?
Knowledge transfer through discussion rounds, old and young supervisors work in tandems	Voluntary senior experts? Further tandems young/old? Making use of quality circles
In-company suggestion system: many suggestions, implementation about 30%	What does the assessment look like, what happens with suggestions which are not considered?
Esteem culture, young staff work for older staff partly in night shift	Structure of assessment systems, bonuses etc. Shift work for all - is that necessary?
Bonus system for times off due to illness, return talks (through trained senior staff)	Statistics of absenteeism, differentiation (dissertation), employee interviews by health insurance? More health care
Safety staff, safety officer, danger analyses	Noise! Job rotation? Recycling area for exhausted staff?
Working time accounts	

Discussion of the basic situation

During the visit to the company it turned out that drawings/posters in rooms express e.g. self-consciousness, strength, flexibility and cleverness of the company. That could easily be developed to a corporate philosophy which includes that every employee is accepted with his/her strengths and weaknesses.

In the future, recruitment of staff could be organised e.g. by the introduction of measures such as "girls' days" in order to reach more women in the long term. This is to be considered above all in view of the fact that there will be successively 14 percent less young people available on the apprenticeship place market from 2005/06 onwards. The number of school leavers will decrease by half by 2012. At the same time, the quality of school education is continuously deteriorating. For that reason it should be considered in hiring interviews whether supporting measures could help candidates with low school knowledge.

Those employees who take part in training often do not find an adequate workplace in the company. Since there are limited vertical career prospects, it should be considered whether a horizontal career planning is possible, above all to make the company more attractive from 2006

onwards. A separate pay for additional performances (e.g. of machine operators) in a couple of years may be possible.

It is to be considered whether it is possible to introduce training or coaching for managers also within the company.

Quality circles are held on three or four events per year on the topics quality/information/problem handling. They are conducted by the supervisors who have been trained for that job. More teamwork or partly autonomous group work (self-determined planning) would be useful.

The collaboration between young and old in tandems is being practiced, since new employees work together for three or four weeks with the present jobholder, or they are being introduced to their new job. Lately, employees are trained for different jobs to meet the requirements of changed shift models. Hitherto, staff remained for a very long time at the same machine or job.

The suggestion system of the company produces 30 percent useful suggestions, which are implemented. Useful suggestions which can still not be implemented are rewarded with 50 euros.

An assessment system does not exist at the moment but it is planned in connection with a new collective agreement from 2007 onwards.

The statistics of absenteeism is conducted monthly; booking off sick is meanwhile requested on the first day. Employee talks are conducted only in the presence of the works council. The company should do a lot in terms of health care but prefers to start gradually to introduce individual measures.

7.6 Phased catalogue of measures of the company

In the short term

The company decided to formulate its corporate philosophy and to systematise the knowledge transfer between the employees (above all young and old). Furthermore, to start a technical training and to seek presence at schools to ensure the recruitment of junior staff and to remedy weak points in the learning process in the schools.

In the middle term

An idea management is intended to be introduced to improve employee participation in the business success. Shift workplaces are to be checked, health measures are to be pushed ahead in the company and in an individualised form, talks about employment opportunities are to be conducted continuously up to an advanced age and talks are to be conducted early with employees concerned and the works council about possible changes (career planning). The co-operation with works doctors is being improved.

In the long term

The management will increasingly participate in training on talent potentials, health etc and fill the new aims with life. In the future, age will not be a criterion of exclusion but as ageing of workforces a basis of orientation of company processes. Furthermore, it is foreseen to assess the workplaces for their learning potential and criteria of strain. That way, learning and career opportunities are to be systematised and opened for all employees.

7.7 Proceeding in work groups and company workshops

- Task, analysis and presentation of results by facilitators
- Discussion and optimisation of the analyses and results following the principle: company coaches company, responsible staff of one department coach responsible staff of another department. Practical suggestions and exchange of experience lead to new ideas and improve the individual corporate practice
- Benchmarking with the work ability profile and exchange of experience about the effectiveness of measures are an essential impulses for innovation
- Each company develops its special concept in the work group. Binding work instructions and the stepwise application of methods to the own company provide for a quick benefit to the company
- The participation in the work group should be made known in the company, the management is to be involved in a responsible position
- Results and planned measures can be used in public relations (associations, press, internet etc), that makes the company better known /bonus as possible good practice - company in Northern Germany and also a regional presence in the media, attractiveness for (new) employees etc

In parallel to the ongoing age structure analysis and the drafting of the work ability profile, supporting events on different topics are provided according to the needs of the participants (lectures and work groups e.g. on the issue, how can we become more attractive for apprentices on the market). To secure that the topics are practice-oriented and exemplary the presentation and discussion is conducted by owners/managers or personnel managers as well as renowned practitioners.

Fields of action:

- ✓ Lifelong learning
- ✓ Commitment to the company and participation systems
- ✓ Age mixture - making better use of potentials
- ✓ Knowledge and know-how transfer
- ✓ Early retirement/ semi-retirement/working-time accounts
- ✓ Professional development
- ✓ Recruitment strategies
- ✓ Health care

Workshop "Age structure analysis and assessment of the work ability profile of staff" (today - tomorrow)

Brief description

The age structure analysis is an *early-warning indicator*, which provides reference points for the planning of the workforce, the present and future personnel strategies, for the controlling of the entrance and leaving of staff. The data allow to make reliable statements on the future challenges in the face of the demographic change such as recruitment and training of employees in central areas of value generation. That is followed by the development of a work ability profile of the company which provides the basis for the planning of personnel-political measures.

Working steps**1. Age structure analysis**

We start before beginning the workshop with a company age structure analysis which requires only a few data and hypotheses on the future:
Current state: a look at the near future (5-10 years) assuming entry and leaving as in the past years and the analysis of core groups (e.g. specialist staff) in central areas.

After the evaluation of these data in small groups, the concept of the workshop is agreed on and the participants are selected for the workshop.

2. Workshop on the work ability profile of the employees - PISA-test for companies:

In the facilitated workshop on the assessment of the work ability profile the performances of the company in the fields "skills, motivation and health" of the employees are measured in an open and critical balance on the basis of a discussion guide. By work ability we understand a concept which considers the skills, motivation and health of the employees as the key factors of their work ability and which assesses those factors from the point of view of their capacity for *development*.

After the well-founded assessment (benchmarking), all existing and planned personnel-development measures in the company are examined to improve the work ability of the staff in special areas, but also in the whole company.

The aim is to win already today the staff of tomorrow out of the existing workforce and that way to be well-positioned when the demographic development cuts the succeeding younger skilled workforce.

3. Balance

At the end of the workshop the outcome is checked. On the basis of the critical and positive balance, existing and planned measures are improved and those new measures are planned for the short, middle and long term which turned out to be necessary in the first two steps of the analysis.

4. Presentation to the management

In a joint *final balance* a paper is drafted for the management. The management is informed about the effects of the demographic change on the company and it is examined how far the personnel policy has found the correct answers to the change. The aim is that the company develops its staff in central areas to secure and improve its competitiveness in the future.

- Promoter:** (NETAB) sub-project Weser-Ems with Employer's Association Oldenburg e.V.
- Funded by:** NETAB and co-financing by release from work
- Location:** Company
- Dates / duration:** Date for introduction into procedure and workshop (about 2 hours),
- Evaluation of the age structure analysis with partial areas (1 hour),
 - Preparation and implementation of workshop (4 - 5 hours),
 - Evaluation and balance (in writing and discussion),
 - Management briefing (3/4 hours)/dates according to agreement
- Participants:** Personnel managers or person responsible for the discussion of the age structure analysis. For the implementation of the workshop, 4-5 persons who are able to perform a well-founded assessment and clearing of all questions on skills, motivation and health.

Main themes of the introduction, workshop and balance:

- The effect of the demographic change on the company
- Prediction of the age structure in the company and regional labour supply
- Differentiated examination of the connection between skills motivation and health of the employees
- Strategies and/or freedom of organisation for securing the work ability as a whole of ageing workforces
- Presentation to the management, discussion of the measures

8 Topics and questionnaires - facilitated interviews on the partial profiles of work ability

The following criteria should be included in the examination, that is, whether the measures:

- apply to all or only to select employees,
- consider all age groups,
- include protective functions for employees with handicaps, disadvantaged employees etc,
- are designed as lifelong learning (long-term aim: work ability up to pension age?)

8.1 Stocktaking of the skills of the employees and assessment

The questions on skills, motivation and health refer more to the objective prerequisites in the company than to the subjective findings (e.g. interview of all employees). These objective prerequisites, being chances for motivation, need not coincide with a subjective opinion of the employees (interview), nevertheless, they are a benchmark for a plain assessment of all factors.

- Take the questions as guides for a preliminary but thorough assessment.
- Keep in mind to assess also measures which you consider to be a matter of fact, which appear to be "natural".
- Consider where in the company you are already good and whether you make sufficiently out of it.
- In which points do you think that something should have been done long ago or that something should be done time and again?
- Add further elements you consider important.
- Think of the current state and development necessities standing before you.
- Present your assessment point by point; give reasons for it and your preliminary mark.

8.2 Stocktaking of the employee motivation and assessment

Here, too, do not just cross off the questions, use them to consider where there might be unsolved problems, where you have always intended to improve something etc - and assess the presented objective elements of motivation, which are surely not yet complete, having in mind this development background/scenario.

8.3 Stocktaking of the employee health and assessment

Use these questions, too, to consider where there are unsolved problems, where you have always intended to improve something etc - and assess the presented objective elements of health preservation/prevention of illnesses, which are surely not yet complete, having in mind this development background/scenario.

Please do not determine, as far as possible, the assessment of all the points on your own; discuss the questions with personnel managers, supervisors, foremen etc.

A note on the marking:

It is not the mark that is decisive, but the measure or attitude and its positive or negative effect on the employees, the operating results, the working atmosphere, the cooperativeness etc - an also always with a view to the development capability. Seen that way, the mark is a poor aid.

STOCKTAKING OF THE SKILLS OF THE EMPLOYEES IN THE COMPANY: _____ DATE: _____

(Not all the criteria apply to SMEs)

Questions	Points	Current state	Points current state	Possible changes/desired state	Points desired state
1. How important is the issue of training in your company?	0 - 2				
2. Is training pursued continuously?	0 - 1				
3. a) Is there a training budget? If yes, what is the amount? b) Would you use another budget? Why?	0 - 3				
4. a) Do you inquire into the training needs in your company? b) What criteria do you follow? Why?	0 - 2				
5. a) What groups of qualifications/skills are there in the company? b) Where are there lacks of competences and skills - related to the current needs? - related to future requirements and needs (3 - 10 years)?	0 - 3				
6. a) Do you provide training? b) What is the reason for it? c) Are apprentices particularly promoted? (if yes, how?) d) Are apprentices employed after the apprenticeship finished?	0 - 5				

7. What kind of training-related measures are there in your company/do you order/promote or support? (Appendix)	0 - 5			
8. In how far do your concepts about necessary training or promotional measures coincide with the corporate policy?	0 - 2			
9. Do you make distinctions in the learning groups (e.g. younger/older/executive/semi-skilled staff)? Why?	0 - 1			
10. Is training in your company successful? (security)	0 - 2			
11. What happens in your company when employees leave the company (resignation, retirement, 1-year child-rearing license etc)?	0 - 2			
12. How is knowledge transfer provided for in your company?	0 - 2			
13. Further points you consider important! Why are they important?	0 - 2			
Total number of points/mark	32			

32 - 29,5 points: **very good**
 29 - 26 points: **good**
 25,5 - 21,5 points: **satisfactory**
 21 - 16 points: **sufficient**

STOCKTAKING OF THE EMPLOYEE MOTIVATION IN THE COMPANY _____ : _____ **DATE:** _____
 (Not all the criteria apply to SMEs)

Questions	Points	Current state	Points current state	Possible changes/ desired state	Points desired state
1. How important is the issue of motivation in your company?	0 - 2				
2. a) What constitutes the esteem of the employees in your company? b) How would you describe the corporate culture?	1 - 3				
3. Are there management principles in your company? If yes, how are they filled with life?	1 - 2				
4. What possibilities of employee development/career are there in your company?	0 - 2				
5. What do employee participation systems look like in your company? a) Employee suggestion system, idea management etc. b) Company parties, discussion forums etc. c) Bonuses d) To what extent are participation systems accepted by your employees?	0 - 5				
6. How can your employees influence the work organisation (working time, contents, job design)?	0 - 3				

7. What is the payment of wages and salaries, rating systems, employee performance appraisal based on - transparent etc?	0 - 2			
8. a) Where do conflicts arise in your company? b) What kind of conflicts are they and how are they solved?	0 - 2			
9. a) Are there age-mixed teams in your company? b) How do young and old staff members work together?	0 - 2			
10. a) How do you see the commitment of your employees? b) What does the labour turnover look like? c) What are the reasons for it?	0 - 2			
11. What does the image of your company look like? Press, schools etc. What do you do for it?	0 - 2			
12. How are layoffs and rationalisations dealt with?	0 - 2			
13. Further points you consider important!	0 - 3			
Total number of points/mark	32			

32 - 29,5 points: **very good**
29 - 26 points: **good**
25,5 - 21,5 points: **satisfactory**
21 - 16 points: **sufficient**

STOCKTAKING OF THE HEALTH OF THE EMPLOYEES IN THE COMPANY: _____ **DATE:** _____

(Not all the criteria apply to SMEs)

Questions	Points	Current state	Points current state	Possible changes / desired state	Points desired state
1. How important is the topic "health" in your company?	0 - 2				
2. a) Who is responsible for the health of the employees in your company (apart from the employees themselves?) b) Are there employee interviews on that topic? c) Do you make distinctions between young and old? (What do the distinctions look like?)	1 - 5				
3. a) What is provided to promote health? b) Does the company stimulate the employees to preserve their health?	0 - 3				
4. What follows from statistics of absence due to illness? (e.g. talks when the employees return to work)	0 - 3				

5. a) Is there a safety specialist / safety engineer / company doctor?	0 - 3				
6. a) Are there risk assessments / analyses beyond the legal requirements? b) What follows from them?	0 - 2				
7. a) Are workplace analyses or inspections carried out? b) What aspects do they consider (e.g. wear, long-term planning of the occupation of the workplace/ restructuring of the workplace)? c) Who is involved and how?	0 - 4				
8. How far can the employees organise their work?	0 - 3				
9. a) Are there workplaces of which it is known that nobody can work at up to the retirement age? b) How are they dealt with?	0 - 1				

10. For whom are there vertical and horizontal career talks? a) Are they also concerned with permanent (one-sided) strain, stress etc? b) What is done with the results?	0 - 2			
11. What measures are taken when the health of the employees is affected?	0 - 2			
12. Further points you consider important!	0 - 2			
Total number of points/mark	32			

32 - 29,5 points: **very good**
 29 - 26 points: **good**
 25,5 - 21,5 points: **satisfactory**
 21 - 16 points: **sufficient**

A proposal for European guidelines of corporate good practice - EUROLINK AGE

1 Learning, further training

Encourage all your employees to lifelong learning. Make sure, as far as possible, that all your employees have access to training as well as career development opportunities during their entire working life.

In order that your employees are well-trained and that their skills are updated, the following principles should be observed:

- Provide training that is not exclusively related to a certain workplace or a certain job, but that also serves the career development and planning as a whole
- Check regularly the training needs of all your employees. Make sure age is not a criterion of exclusion for participation in training.
- Encourage the employees of all age groups to make use of training provisions.
- When you provide training, take into account the interests of the company as well as the individual interests of the employees.
- The different learning and working styles as well as the previous job experiences of the participants in training should be adequately considered.
- Contribute to reducing and overcoming prejudices against learning motivation and capability of older employees in the heads of the employees themselves (in all age groups) as well as in the heads of the superiors.

2 Flexible and modern work organisation

Adapt working hours and work organisation to changing working wishes and requirements of your employees. Take into account also differences in the family life circumstances in the course of life (e.g. bringing up children, nursing older relatives).

To be able to react as flexibly as possible to changing requirements in the course of life of your employees, the following principles should be considered:

- Adapt at all workplaces the working times and working conditions to the changes in the capabilities and life conditions of your employees.
- Make it possible for your employees to organise, when necessary, the working times and other working conditions more flexibly.
- Make sure that your employees are involved in the introduction of changes at the workplace.
- Take into account when designing working times and work organisation that there are different requirements in the course of life in the compatibility between job and family or nursing relatives. Mind also possible overlapping with other employees' rights (e.g. in the pension law).

3 Workplace design and health promotion in the company

Work operations and requirements should be designed in such a way that the employees do not only deliver good performance, but that they are as far as possible spared of health risks and that their health is promoted.

In order to enable your employees to be efficient at any time, the following principles should be observed:

- When designing the workplaces, different aims should be observed: to avoid a fall in physical and mental capabilities, to compensate limitations which have already set in (e.g. handicaps) as well as to take age-typical change of efficiency into account.
- Contribute to avoid work-induced illnesses and handicaps. Promote the health of your employees.
- Encourage your employees to conduct a healthy lifestyle and to mind potential health risks at the workplace.
- Make use of possibilities of workplace design and ergonomics to facilitate the return to employment after an interrupted employment (e.g. after illness).
- Make sure that all safety and hygiene regulations in your company are, or can be, observed.

4 Recruitment of new employees

Employ new staff exclusively on the basis of the qualifications and competencies required for the respective workplace. Do not discriminate applicants due to their age. Most important criterion for employment should be your impression at the job interview.

To avoid excluding suitable applicants from the start you should take into account the following principles:

- Omit indications of age limits in job advertisements.
- Your job advertisements should be formulated in such a way that a wide age range of applicants is addressed.
- When recruiting new staff focus on the vocational abilities, competences and the capabilities of the applicants, not on their age.
- Make sure, e.g. by training, that the staff responsible for the recruitment do not decide on the basis of prejudices and stereotypes.

5 Internal promotion and workplace change

When promoting an employee take care that only objective and job-related criteria are essential for the assumption of the new tasks.

In order that promotions and other workplace changes are done in a fair manner, the following principles should be observed:

- Make sure that promotions are open to all those employees who are apt for the new task on the basis of their skills and abilities.
- Check the application papers above all with regard to specific skills, vocational capabilities and experiences and not the age of the applicant.
- Make sure, e.g. by providing corresponding training, that the staff responsible for the recruitment do not decide on the basis of prejudices and stereotypes.
- Offer training opportunities to older employees too, internal and external training equally.

6 Withdrawal from working life and transition to retirement

In case you leave employees base your decision exclusively on objective, job-related criteria and not on age. Offer your employees different options for retirement from working life and provide equal opportunities in the employment conditions.

In order that departure from the company takes place in a flexible manner and on conditions of equal opportunities, the following principles should be observed:

a) In dismissals

- Base your decision on which employees you want to lay off on objective criteria and not on the age as long as they are not contrary to statutory provisions.
- Before you lay off employees search for suitable alternatives, e.g. part-time employment, job sharing, sabbatical years or fixed-term employment contracts.
- If layoffs are due in your company: Help the employees concerned to prepare themselves and to find a new job.

b) in the transition to retirement

- Provide as much freedom of decision and organisation as possible to the individual employee when he/she is due to retire.
- Do not carry out early retirement measures before having carefully checked the consequences for the employee concerned as well as for the company.
- Provide, if possible, flexible transitions to retirement and/or other flexible working time schemes.
- Allow the employees, if they want, to work beyond the statutory retirement age; check whether an employment as freelancer is possible.
- Make sure that the capabilities and experiences of your older staff are really used until their definitive retiring from working life.
- Provide measures for your employees to prepare themselves for their retirement.

7 Change in attitude towards older employees

Inform your entire workforce about how discrimination and prejudices against older employees arise and for what reasons they must be outgrown.

To avoid discrimination in the company due to age and to create a working environment in which employees of different age can prove their specific advantages and strengths to the company, the following principles should be observed:

- Prevent the emergence and spread of prejudices against older employees.
- Raise the awareness of your managing staff about the real capability of older employees and make sure that that awareness is spread as wide as possible.
- Make regularly clear to all your employees which advantages a balanced age structure of the workforce has.
- Learn from positive experiences and good-practice models of other companies.
- Make sure that discrimination due to age is also excluded in wage negotiations and shop-floor agreements.
- Contribute to the participation of all age groups in decision-making committees in the company, works councils etc.
- Check regularly the age structure of your workforce and that way provide for a lasting balanced generational mixture in your company.
- Help to spread these guidelines as wide as possible.

Corporate health promotion

Healthy employees - healthy companies: Health as competitive advantage

"Health is, therefore, seen as a resource of everyday life, not the objective of living. Health is a positive concept emphasizing social and personal resources, as well as physical capacities..... The way society organizes work should help create a healthy society. Health promotion generates living and working conditions that are safe, stimulating, satisfying and enjoyable."

(Ottawa Charter for Health Promotion, World Health Organisation, 1986)

Health promotion is nowadays seen above all from the point of view of a health-conscious behaviour of employees. But in the face of the demographic change, lacking social welfare funds and the emerging necessity to raise the real retirement age this view is not sufficient anymore. Companies cannot anymore make their staff alone responsible for their health in the future; they will increasingly have to assume responsibility for the health of their employees and take health-promoting measures in the company. That does not mean that own initiative of employees is superfluous, it just complements their initiative by the necessary share of the company.

That will cause additional costs, one the one hand, but also reduce costs because healthy employees are a competitive advantage, on the other hand.

For a long time the ideal of many employees in production was to get the big money quickly by the age of 30, take it easier from 45 onwards and to change to old-age part-time work at 55. Having that in mind they often overtaxed their health working too much. Muscular wear and tear and skeletal illnesses are the result at an advancing age. The wish of many companies to form Olympic teams and the interest of the young employees to earn money quickly coincided in this model.

If it now turns out that policies of early retirement cannot anymore be maintained for economic reasons in the face of the in society and enterprises, the work needs to be reorganised in such a way as to allow people to keep up working all their employable age (from 18 to 65) without damaging their health. With this prospect a health management for all employees becomes ever more important.

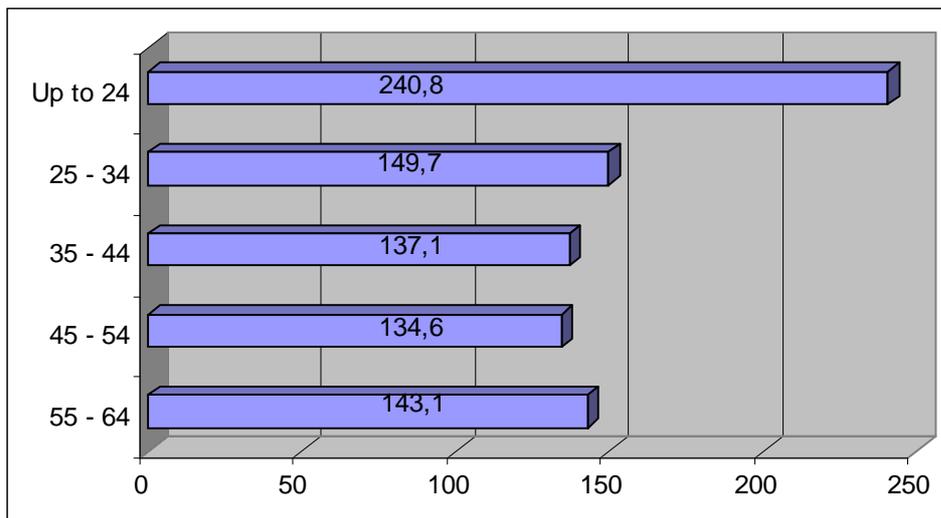
Work-induced wear and tear and costs of illnesses

Due to the change of the age structure in the population the current political action aims to stop promoting early retirement and to prolong working life.

One of the causes of early retirement of workers is the work-induced damage to health. The ratio of employees with limited employability increases in the companies mainly with the age. Of course, the equation old = ill is wrong and statistically untenable: older employees are not more often ill than the younger ones, only when they fall ill they are unable to work for a much longer time than the younger employees.

Older employees are not ill more often than the younger ones (number of illnesses):

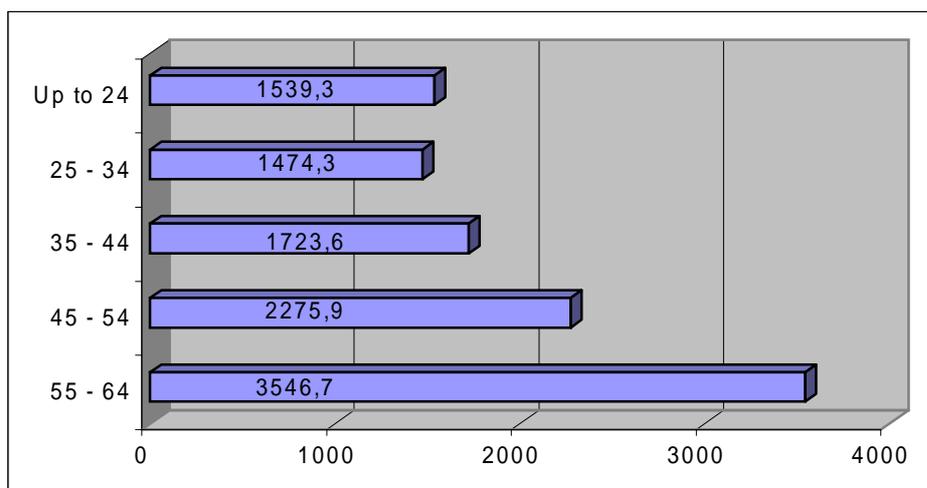
Cases of inability to work per 100 insurance years by age groups



Source: Scientific Institute of the AOK (General Local Health Insurance), Germany, 2000

Fig.: 9: Cases of inability

But when older employees fall ill they are, on average, unable to work for a longer time!

Days of inability to work by age groups:

Source: Material of the Scientific Institute of the AOK on days of inability to work in Germany, 2000

Fig. 10: Days of inability

Although it is not possible to distinguish exactly between illnesses caused at work or in the free time, one thing is clear: work-induced illnesses are expensive. It is estimated that the costs worldwide amount to about 4 percent of the gross domestic product. In Germany, the costs of work-induced illnesses have recently been estimated to be 28.4 thousand million euros - due to physical work load - and 24.5 thousand million euros resulting from psychic work load. As most important causes of illnesses the affected persons mention heavy work, little scope of action and psychic requirements.

Health-promoting measures in the company

To enable employees to work longer in their life it is necessary to introduce a health-oriented and ageing-adequate work and personnel policy. That includes reducing the work load and the stay in health-critical fields of activities as well as the strengthening of health resources.

Measures are needed not only for ageing staff but also and particularly for the "successors", the younger and middle-age groups of years with high birth rates. The young people of today are the old people of tomorrow.

There are already several curative and preventive measures in some companies (see good practice examples in ...), but the health promotion in companies is primarily oriented towards behaviour.

Behaviour-oriented measures comprise, as a rule, information for the employees, motivation seminars and practical training. They aim at a general health-promoting behaviour and are mostly short actions. They mostly do not achieve sustainable results as they are just one side of the medal.

Behaviour-oriented or preventive measures, on the other hand, comprise a health-promoting organisation of work and work conditions. That includes contents, organisation, communication, environment and technology. Behaviour-oriented measures are committed to sustainability and can be characterised as health management for which the senior management assumes the responsibility. Thus they are part of the company aims, part of the company culture and are not just launched from time to time.

The target should be a health management which allows employees to be able and willing to work until they reach the statutory retirement age. That will certainly not be achieved with corporate resources alone, but the companies in Germany, too, will have to take up this task. Only that way it will be possible to preserve the health of employees and therefore the competitiveness of the companies.