

LAGUNA CASE STUDY

Work Package 2

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LAGUNA CASE STUDY

A- EXECUTIVE SUMMARY

The case study was developed for the educational purposes of the Innocase project under the scope of the Leonardo da Vinci Programme.

It presents the manufacture enterprise Laguna sp. z o.o. S.K.A. located in Gdańsk. The enterprise offers furniture and construction hardwares, aluminium mounting systems and steel profiles. Laguna operates in Poland and in other 30 countries. The current position of the enterprise in its sector is satisfactory. Thanks to its high-quality products, well-developed customer service as well as investment in technical infrastructure, the enterprise has a high competitive position.

Due to the socio-economic changes, including the demographic ones affecting both the labour market and the consumer goods market, the case study focuses on the age management issue and the opportunities for intergenerational knowledge transfer within the organization.

On the basis of the secondary documents as well as on the interview with the management of the enterprise, the case study contains information about the company, its situation in the market and its internal potential, with a particular regard to the age of the employees and solutions concerning intergenerational knowledge transfer.

The purpose of the case study is to inspire participants of an e-learning course to search for answers to the questions formulated in the final part "control questions". The theory about age management, opportunities and conditions of its implementation included in the case study aim at guiding the search. The case study contains a reference list of essential professional literature in order to facilitate the learning process

B – BASIC INFORMATION ABOUT THE COMPANY

Name: Laguna sp. z o.o. S.K.A. [Ltd. [Partnership Limited by Shares](#)]
Address: Headquarters and manufacturing halls: 83-000 Pruszcz Gdański,
ul. Grunwaldzka 103 A
Management Board Office: 80 – 298, Gdańsk, ul. Maszynowa 32A
Contact: tel. +48 58 770 48 00, fax +48 58 743 57 01;
<http://www.laguna.pl/>
Management Grzegorz Dolny – President of the Board (dolnyg@laguna.pl)
Anna Dolny – director/proxy (dolnya@laguna.pl)

Laguna was established in 1993. Initially it specialized in the production of tempered glass shower cubicles and housekeeping carts. Between 1997-1999 the company broadened its activity to include the production of pieces of hardware for furniture and construction type systems. Over 10 years ago Laguna increased its offering to include

high furnishing aluminium systems. In 2006 the new brand Anima Domus was introduced to the market. The company started producing aluminium frames, edge profiles and AMS (aluminium module systems for shelves). In the very same year Laguna bought new profilers for the production of steel profiles.

Laguna's products are available not only in Poland but also in 30 other countries. It generates annually about 20 million of construction hardwares and 9 million meters of profiles, which are used to assemble 1 million doors in the whole world. What makes Laguna's offer attractive is:

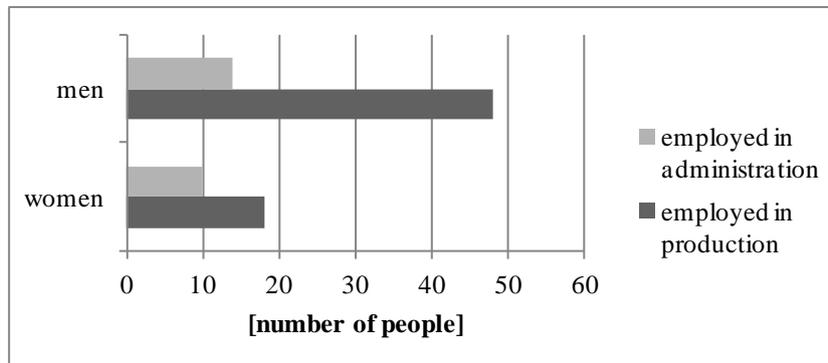
- high-quality products certified to ISO9001:2008 (Laguna was the first firm to obtain ISO certification in its sector);
- interesting from the market's perspective design and innovation in aluminium sliding systems;
- modern equipped factories (the newest profile coated and varnished sheet production line to) and elasticity of production;
- stable price policy, efficient service and guarantee of supply continuity

Table 1. Advantages and disadvantages of Laguna sp. z o.o. S.K.A.

Advantages	Disadvantages
<ul style="list-style-type: none"> • innovation and high-quality products (30 industrial patterns, 20 utility models and 3 European patents) • comprehensive offer • low percentage of complaints • B2B market recognition • developer sales network • modern customer service department • experience in the branch • coherent and expanded range of promotional activities 	<ul style="list-style-type: none"> • family capital, limited investment opportunities • low consumer recognition (among final purchasers) • lack of clearly defined personal strategy, which is especially dangerous taking into account the increasing production potential of the company and staff aging • insufficient use of EU funds to build the firm's competitive advantage

Source: own work.

Figure 1. Laguna employees by gender and nature of performed work



Source: own work.

The organizational structure of Laguna together with the division into departments is as follows:

- production (managed by the director of production and acquisitions);
- domestic orders;
- domestic and international logistics;
- domestic and international complaints;
- international orders;
- marketing and advertising;
- delivery;
- trade representatives;
- accountancy and HR.

Among Laguna’s competitors there are both producers of furniture and building hardwares, for instance Sevrroll-system Sp. z o.o., as well as distributors offering products of well-known world brands such as VBH Poland. The general characteristics of Laguna’s potential competitors is shown in table 2.

Table 2. Potential competitors of Laguna

Name of company (potential competitor)	Potential Characteristics
MANUFACTURERS	
Sevrroll-System sp. z o.o.	<ul style="list-style-type: none"> • manufacturer of sliding, folding, swing and transitional door systems • in the Polish market since 1996 • medium-sized company

	<ul style="list-style-type: none"> • stable and well-known brand • innovative and high-quality products (50 protection certificates from the Patent Office) • favourable price policy • own training centre, Certificate of Reference by SEVROLL
Aluprofil sp. z o.o.	<ul style="list-style-type: none"> • manufacturer of high-quality aluminium systems for wardrobes • high-quality products • modern production lines • specialist consultancy and free training on installation of the profiles produced by the company • active in domestic and international markets
Valcomp sp. z o.o.	<ul style="list-style-type: none"> • in the Polish market since 1991 • manufacturer and the exclusive Polish representative of the French company Manton offering a wide range of systems for sliding and folding doors and gates weighing from 9 up to 2000 kg • furniture and suspended transport systems • high-quality products certified to ISO 9001:2000
DISTRIBUTORS	
Stolmet sp.j.	<ul style="list-style-type: none"> • in the market since 1991 • wide and diverse offer • distributor of furniture accessories, has exclusive rights to distribute certain manufacturer brands • diversification of recipients groups: carpentry shops, individual clients, manufacturers, shops, small wholesalers
VBH Polska	<ul style="list-style-type: none"> • in the Polish market since 1992 • trading company specializing in building hardware for wooden and PCV windows, • very extensive and demand oriented product's range • accessories for production and assembly of wooden window and door frames , i.e., varnish and sealants, , window handle and door sets, building chemicals, drip caps, seals, window and doors hinges, interior and exterior window sills, door locks and bolts, screws and wood mounting tools etc.
Misti aluminium s.c.	<ul style="list-style-type: none"> • distributor of building hardware and fire hardware used in aluminium structures • in the Polish market since 2004 • complex offer and service for manufacturers of aluminium door and window frames and fire hardware

Source: own work.

Potential competitors, like Laguna, have a vast array of products, pay attention to product quality and customer service. Their efforts in this field are proven by quality management certificates. The majority have been functioning in the market since the early nineties of the twenty-first century.

Compared with its potential competitors, Laguna distinguishes itself by a wide range of products, i.e. both furniture hardware and construction hardware. Moreover, the

company operates more actively in the international markets than its competitors. The knowledge and experience of the employees have a major significance for Laguna's competitive position. It is reflected in the innovative solutions applied by the firm and the systematic development of new markets.

C – ENVIRONMENTAL ANALYSIS

Laguna operates, among other, in the construction market. Changes taking place in the sector, both in Poland and in other European countries, have a significant impact on the functioning of the company.

In 2012 the value of the construction market in Poland dropped by 0.6% in comparison with 2011, and many enterprises went bankrupt. According to the Central Statistical Office (CSO), the number of erected buildings dropped by 1.3% and of specialized constructions by 0.7%.

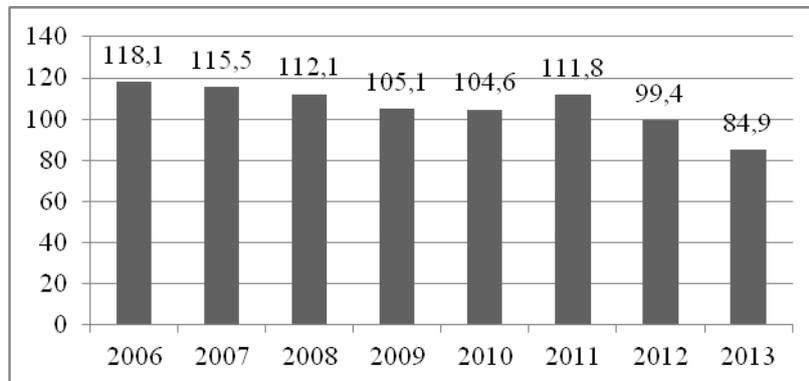
In 2012 around 152 000 new flats were built, around 141 000 constructions began and 165 000 new premises had a planning permission. For comparison, in 2011 their number reached 131 000, 162 000 and 184 000 respectively.

According to the data from the CSO, in the first quarter of 2013, the sale of construction and assembly production fell by 15.1%. During the next months of 2013, the decrease was much higher – construction sale dropped by 23.1% in April (year over year) and by 27.5% in May.

The stagnation in the construction branch has an influence on other sectors of the economy, i.e., iron and steel industries. They were also affected by a decrease in economy growth. In 2013 the income of some of the construction companies decreased by 30% (year over year).

According to the forecasts, 2014 will bring stability to the market and a rebound in the construction-assembly sector should be expected in 2015 – on condition that there will not be a crisis in world finance. The economic situation in Europe and financial problems of EU member countries affect the Polish construction market.

Figure 2. Sales of construction and assembly output in Poland between 2006-2013 (previous year = 100)



Source: *Polska 2013. Raport o stanie gospodarki*. Ministerstwo Gospodarki, Warszawa 2013, <http://www.mg.gov.pl/files/upload/8436/RoG20130829.pdf> (01.10.2013).

From the company's point of view, the economic situation on the furniture market is also significant. According to a B+R Studio¹ report, a record increase in production sales in the Polish furniture sector was observed in 2011 (+17.8%). It was due to an increase in exports (around 11.3%) and the value of the domestic market (+6.5%). Domestic sales consist of products delivered to individual and institutional clients. The increase in domestic sales was mainly the result of the increase in turnover in the institutional clients market (including subcontractors), which was directly caused by the growth in expenditures on furniture and interior design for facilities which were to handle tourist traffic during the Polish Presidency in the EU and during Euro 2012.

In 2012 the result in the sector (excluding micro companies) was lower by 2.9%, which means that it was worse than the year before. On the basis of the results from 4 months in 2013, it can be noticed that exports increased for most major recipients. At the same time its pace in euro zone countries was "just" 103.5% (year over year). The situation in the German furniture sector (the main recipient of Polish furniture) seems to be stable (2-3% growth both in domestic sales and exports), but there is no dynamic growth.

The company's plans concerning its development and a likely growth in the number of qualified employees must consider current conditions on the Polish labour market and on the Pomeranian labour market.

On the basis of the data published by the Voivodship Labour Office in Gdańsk² it is known that from January to December 2012 in the Pomeranian voivodship in the enterprise sector the average employment was 282 300. Median monthly gross earnings (wage and salary) in the enterprise sector in the region were equal to 3 680.51 PLN and were higher by 3.1% comparing with 2011(3 569,44 PLN).

¹ <http://brstudio.eu/> (accessed 12.09.2013).

² *Monitoring zawodów deficytowych i nadwyżkowych w województwie pomorskim w 2012r.*, WUP Gdańsk 2013.

On 31 December 2012 the number of unemployed in the Pomeranian voivodship was 114 600 (106 700 in December in the previous year). In 2012 the number of unemployed increased by 8 000, that is by 7.5% (in the whole country by 7.8%). The dynamics of the growth of the unemployed in 2012 was four times higher than in the previous year (1.9%).

At the end of December 2012 unemployment rate in Pomerania was 13.4% and was equal to the one recorded in the whole country.

In 2012 in the Pomeranian voivodship 3 500 lost their jobs due to group dismissals . In comparison with the previous year it was more than a double increase in the number of dismissed people (in 2011 the number was equal to 1 700). Another 600 people were made redundant at the end of December 2012.

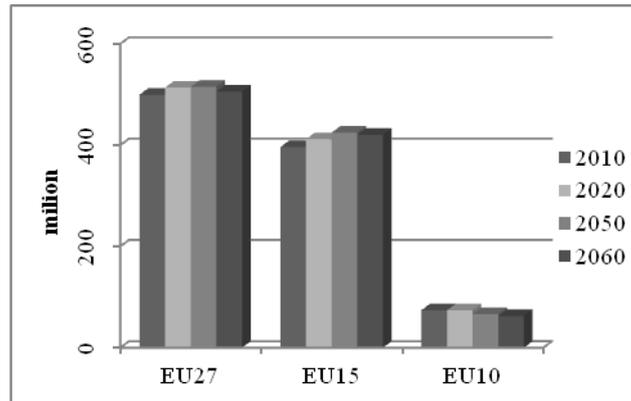
In 2012, simple works employees, industrial workers and craftsmen, service and sale employees were concerned as 'surplus professions' in the Pomeranian region. The most redundant professions were: locksmith, seller and carpenter. Nine occupations were ranked as deficit occupations, most of them were from the group of industrial workers and craftsmen. The most deficit occupations in the researched period were MAG welder and MIG welder.

To fulfil the objectives specified above, the company must hire the most qualified employees who identify themselves with the company's values, and who are interested in long-term cooperation. With demographic changes in the labour market, and people representing Generation Y, it will be a very difficult task.

Demographic forecasts for the EU member countries are pessimistic. In the next five decades, the number of people in the EU is going to increase from 506.1 million in 2010 to about 508.7 million in 2060. However, the growth will remain stable till 2035. At this time the EU population will be the most numerous and the number of people will reach 520.7 million inhabitants. Then it will go down by around 3%³ to the year 2060 .

³ *The 2009 Aging Report. Economic and budgetary projections for EU-27 Member States (2008-2060). Statistical Annex, European Commission, Economic and Financial Affairs Directorate General, Brussels 2009, p. 11.*

Figure 3. Number of people in EU27, EU15 and EU10 between 2010-2060



Source: based on *The 2009 Aging Report. Economic and budgetary projections for EU-27 Member States (2008-2060). Statistical Annex*, European Commission, Economic and Financial Affairs Directorate General, Brussels 2009, p. 11.

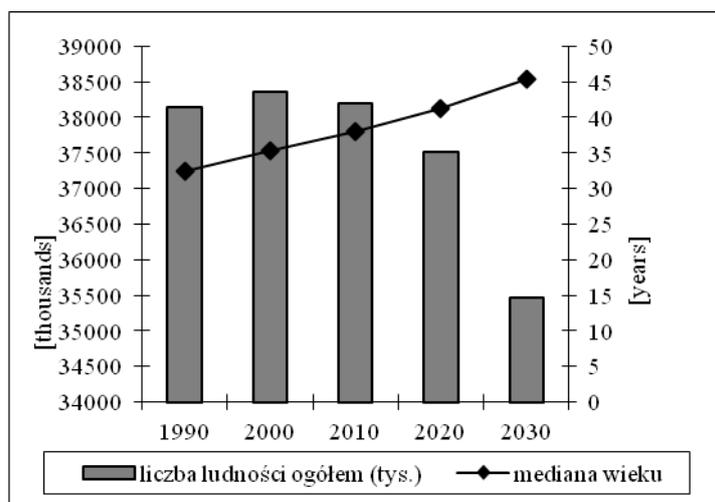
According to the forecasts, the biggest demographic crisis, understood as a decrease in population, will affect Central-East European countries, i.e., the new members of the EU and Germany. In other member countries there will be an increase in the total number of population or a relatively small decrease. The next decades will bring about changes in the age structure of the population of the EU. The European society will be aging faster than now.

The median age of the population in the European Union in 2008 was 40.4 years. According to forecasts, in 2060 it will be equal to 47.9 years.

Moreover, the number of people in the productive age in the total EU population reached the peak in 2010 and will continuously decrease in the following years – by 15% by the year 2060. The number of old people (65+), will double between 2008-2060 (it will grow from 85 to 151 million). The age structure forecasts for Poland are shown in table 3. The number of people (80+) will triple, growing from 22 million in 2008 to 61 million in 2060.

The demographic changes are also affecting Poland. By 2030, the number of Poland's population will decrease by more than 3 million and the median age will exceed 45 years (see fig. 4).

Figure 4. The population in Poland and median age for 1990-2030



Source: based on *World Population Prospects: The 2012 Revision*, United Nations, Department of Economic and Social Affairs, Population Division, Population Estimates and Projections Section, <http://esa.un.org/wpp/Excel-Data/population.htm> (accessed 12.06.2013).

Table 3. Age structure forecasts for the population of Poland by 2050

Year	Total population [in thousands]	Population by age (% of total)					
		0-14 years	15-44 years	45-54 years	55-64 years	65-79 years	80 years and more
2010	38 038	14,6	43,8	14,5	13,9	10,1	3,4
2020	37 497	14,5	40,7	12,9	13,6	14,1	4,2
2030	36 187	13,2	35,0	16,9	12,5	17,1	5,3
2040	34 204	12,1	31,4	15,0	16,9	16,3	8,3
2050	32 013	12,7	30,6	11,4	15,3	21,5	8,5

Source: based on the data from *World Population Prospects: The 2008 revision. Volume II: Sex and age distribution of the World population*, United Nations, Department of Economic and Social Affairs, Population Division, New York, 2009, p. 121, 735.

When entering the labour market, the generation of the people who were born after the year 1980 (in the literature described as *Generation Y*) do not guarantee that the values crucial for Laguna will be preserved⁴.

The attitude of *Generation Y* is entirely different from the one of the previous generation. They are perceived as young, cunning and impertinent. They have been

⁴ A. Mikoś, *Aroganci z Generacji Y: niecierpliwi, pewni siebie, nieprzystosowani*, „Personel Pus” marzec 2012.

raised in the environment of the latest technologies. They do not know the world which lacks the Internet, e-mails and mobile phones.

Generation Y is not willing to sacrifice their personal lives for their careers. Pleasure at work, intellectual challenges, responsibility and freedom to decide about their own lives are the main priorities for Generation Y. People from that generation expect employers to take responsibility for social issues⁵.

Table 4. Top 10 factors influencing employment decisions of Generation Y

According to employers	According to students from Generation Y
Opportunity of professional development	Atmosphere at work
Employer prestige/level of salary	Opportunity of professional career
Atmosphere at work	Earnings level
Development and training opportunities	Development and training opportunities
Work-life balance	Employer branding
Employer branding/work full of challenges	Compatibility of performed tasks and interests
Compatibility of performed tasks and interests	Work full of challenges
Range of independence and responsibility	Employer prestige
Job in an international company/employee benefits	High range of independence and responsibility
Diverse work tasks	Flexible working hours

Source: *Millennials at work Reshaping the workplace*, PricewaterhouseCoopers, http://www.pwc.com/en_M1/m1/services/consulting/documents/millennials-at-work.pdf (10.01.2014).

D – DEFINITION OF THE PROBLEM

The company's current situation and its competitive position seem to be relatively positive. With the changes in the environment, its maintenance might appear to be significantly difficult. The main threats which the company faces and which will probably escalate in the future are:

⁵ Traditionalists, Baby Boomers, Generation X, Generation Y (and Generation Z) Working Together. What matters and how they learn? how different are they? fact and fiction, United Nations New York, <http://www.un.org/staffdevelopment/pdf/Designing%20Recruitment,%20Selection%20&%20Talent%20Management%20Model%20tailored%20to%20meet%20UNJSPF%27s%20Business%20Development%20Needs.pdf> (20.01.2014).

- deteriorating economic situation of many households, decreased interest in investing in the housing market, which result in the decline of the construction and installation market in Poland
- declining consumer expenditures in the furniture sector, decrease of the sector in the future,
- economic crisis and collapse of the construction and assembly market in many European countries,
- new firms entering the market which offer competitive and substitution products
- improvement of the quality of competitors' offers (Laguna was the first ISO certified company, now it is not the only one which has this advantage),
- technological progress requires permanent investment in the modernisation of machinery and the creation of new products,
- decrease in financial resources available from EU programmes and funding,
- lack of qualified manufacturing staff in the market, collapse of vocational education,
- change of values and priorities of Generation Y.

The implementation of the age management strategy may ensure high-quality products and the company's efficiency. This solution may also help Laguna to solve problems related to the lack of qualified staff.

Age management is defined as the management which applies to "many different areas, in which human resources management is performed inside the organization, with a significant focus on their aging"⁶. Age management is about complying with a determined set of activities which enable efficient and rational use of human resources being available within the organization, including the older employees. It must be stressed that aims and techniques of age management should be adjusted to different age groups⁷.

In the most general sense, age management involves:⁸

- comprehensive, holistic approach to the development of an employee and their career path,
- development and professional career management, including education and training system, motivation,

⁶ A. Walker, *Combating Age Barriers in Employment. European Research Report*, European Foundation for the Improvement of Living and Working Conditions. Dublin. 1997. In Litwiński J, Sztanderska U., *Wstępne standardy zarządzania wiekiem w przedsiębiorstwach*, PARP. Warszawa 2010 p. 5.

⁷ There are difficulties in defining the term 'older people/ older employees' – see A. Kwiatkiewicz, *Analiza dobrych praktyk dotyczących zarządzania wiekiem w polskich przedsiębiorstwach – studium przypadku*. PARP. Warszawa. 2010, pp. 8-9.

⁸ A. Richert-Kaźmierska, K. Stankiewicz, *Możliwość współpracy zawodowej pracowników z różnych grup wiekowych*, „Przegląd organizacji” 2/2013.

- organization of work adjusted to employees, including their age, health condition and family commitments, i.e., proper organization of the workplace, flexible working hours and type of employment,
- new insight into the phases in the human’s life cycle and employees roles in the cycle.

To diagnose the opportunities for and conditions of the introduction of age management strategies at Laguna, the management of the company was interviewed. The results are presented below.

1. Employment structure in the company

The biggest group of Laguna’s employees consists of 25-34-year-old people. People who are 50 or older (before retirement age) constitute more than 8% of the crew.

Figure 5. Age structure of Laguna’s employees in 2013

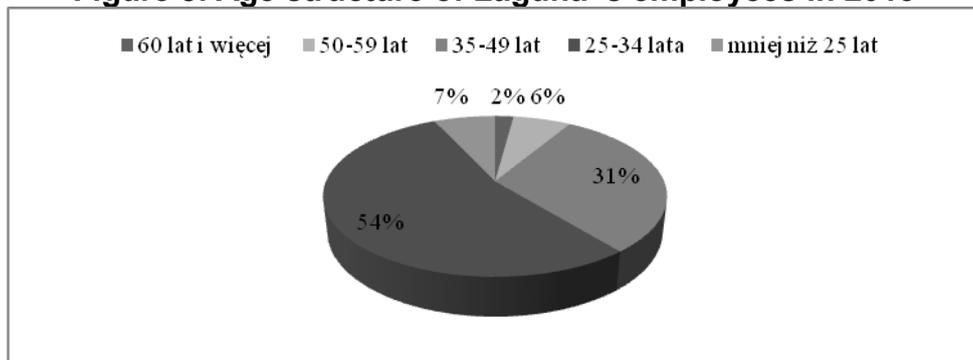


Table 5. Laguna’s employees in 2013 by age, gender and work performed

Age	Gender		Work performed	
	Women	Men	Manufacture	Administration
Below 25 years old	1	5	6	0
25-34 years old	15	35	34	16
35-49 years old	8	20	22	6
50-59 years old	5	1	4	2
60 years old and more	1	1	2	0

2. Attitudes of the management and actions taken towards staff’s aging (and society in general)

The answers to the questions about staff’s aging were as follows: „because there are no people before full retirement age in the company, the company has not introduced any specific policy towards aging employees”.

3. What kind of competencies (skills, knowledge) will the company need in the next 3-5 years in order to maintain /improve its position in the market?

Due to the planned development of production, and the construction of a new manufacture plant the company will need:

- mechanics with an extensive experience in the service of the machinery used in the manufacturing process,
- experienced tradesmen with market knowledge, who are willing to develop a sales network,
- electricians and electronic engineers to develop a new product line - Anima Domus LED,
- qualified carpenters.

4. What kind of competencies (skills, knowledge) will the enterprise 'lose' in the following 2-3 years due to the fact that some of the employees are going to retire?

"The company does not expect the loss of any crucial competencies, because the oldest experienced employee can retire in 2020".

The answer seems to be optimistic and positive for the company. Nevertheless, quite often while managers are asked about details, it comes out they do not have a "list" of strengths of employees aged 55+, they do not monitor their competences. Quite often managers are not aware what competencies (skills, knowledge) are owned by this group either.

It's not so easy to work out the efficient system of knowledge transfer. It takes a lot of time to evaluate the company's potential, diagnose future needs, build up the system and make it used by all of the employees. The involvement of older persons into new procedures can be the most difficult part of it, especially if they are just before the retirement. At least 5 years before the retirement the employee should be involved in the system of multigenerational knowledge transfer.

In the research *Knowledge sharing, mentoring and e-learning within European companies*⁹ there have been defined five groups of factors influencing effective functioning of the "organization's knowledge succession":

- working conditions and workplace stability,
- relations between older and younger employees in the workplace,
- appropriate organization of work,
- knowledge of the know-how transfer procedures,
- creation of professional development paths for the workers in each age.

⁹ Knowledge sharing, mentoring and e-learning within European companies. Transnational report. E.Ri.Fo. Ente per la Ricerca e Formazione, Senior Intergenerational Social Capital (SISC) Rome 2009.

5. Does the company use any transfer of knowledge and skills system among older (experienced) and younger (not experienced) employees?

Knowledge transfer happens during *master-student* communication. People with a longer experience prepare trainings for new employees and supervise their ongoing work. An experienced manufacture worker holds the position of a leader. They are responsible for the accuracy of performed tasks, transfer of knowledge and development of skills among younger staff.

6. Are there any applied solutions to ensure cooperation between different age groups?

The answer received from Laguna manager was as follow: "Yes, cooperation in mixed-age teams".

That is the most popular, but at the same time very general answer given by the managers during research as that one.

In the research conducted among Pomeranian companies (managers and employees)¹⁰ it was found that:

- 60% of the employees agree with the sentence "there is HR policy in the company, that ensure cooperation between younger and older employees and multigenerational knowledge transfer";
- 30% do not agree with that, in their opinion in their company there are no activities like that.

At the same time over 91% of managers declared that in their companies there is a policy supporting the cooperation between different age groups and knowledge transfer. 79% of them as mechanisms of that policy indicated "informal employees meetings and discussions on the occasion of ordinary tasks".

In the research *Knowledge sharing, mentoring and e-learning within European companies*¹¹ it was found that the most popular forms of intergenerational cooperation in European companies are based on training in mixed age teams, tutoring and mentoring programmes.

7. Advantages of the 50+ employees in the opinion of the management of Laguna.

The 50+ employees are considerate workers, have a great professional experience and skills, which they share with the younger employees, maintain distance from problems and have the ability to solve them, have knowledge of both procedures and good practice in the company. They are calm to other people.

¹⁰ Innowacyjny model wsparcia pracowników 50+. Zbiórny raport z badań. PBS DGA, Sopot 2011, s. 89.

¹¹ Knowledge sharing, mentoring and e-learning within European companies. Transnational report. E.Ri.Fo. Ente per la Ricerca e Formazione, Senior Intergenerational Social Capital (SISC) Rome 2009.

8. What solutions does the company apply in order to keep experienced employees approaching retirement age?

The company does not apply any solutions..

9. Does the company know in what way the employees would like to retire? What are the employees' plans for the last phase in their professional life?

Table 6. Expected retirement of Laguna's oldest employees

No.	Gender	Birth year	Type of Work performed	Planned date of retirement
1.	f	1952	Manufacture	retirement
2.	f	1958	Manufacture	August 2020
3.	f	1959	Administration	February 2022
4.	f	1961	Manufacture	June 2024
5.	f	1962	Administration	October 2025
6.	f	1962	Manufacture	December 2025
7.	f	1964	Manufacture	November 2028
8.	f	1966	Manufacture	December 2030
9.	f	1967	Manufacture	March 2032
10.	m	1951	Manufacture	retirement
11.	m	1958	Manufacture	2025
12.	m	1968	Manufacture	2035

10. What is the company's solution to the organization of work and employment, which helps to fully use the potential of the workers aged 50 +?

Laguna does not apply any solutions to employment and work organization, which target the employees aged 50 +.

E – CONCLUSION

Age management has a crucial part in the HR management, and results from the general strategy of the company. It includes areas such as (compare table 7):

- recruitment and selection of employees;
- learning and life long learning;
- professional career development;
- flexible working hours and organization of work;

- ergonomics and health at the workplace;
- procedures for retirement.

Table 7. Areas of age management

Area of age management	Exemplary activities
recruitment and selection of employees	<ul style="list-style-type: none"> • age limit not given in job offers • encouraging elderly people to apply • adjustment of recruitment materials to recipients of different age groups • engagement of people of different age groups in the selection process
learning, training, lifelong learning	<ul style="list-style-type: none"> • equal access to trainings • monitoring of employees' educational status and their skills resources • adjustment of training methods to the age of participants • organizing work in an engaging way, supporting the learning process for example through intermentoring
professional career development	<ul style="list-style-type: none"> • adjustment of responsibilities due to the change in employees' abilities caused by age equal access to the rewards system, including promotion • help of career advisors
flexible working hours	<ul style="list-style-type: none"> • gradual decrease in working hours for elderly employees in the period preceding retirement • no overtime work for elderly employees • adjusting work schedule to the abilities of elderly employees
protection and promotion of health, creating job positions	<ul style="list-style-type: none"> • age-dependent monitoring of the health condition of employees • ergonomics at the workplace • age-diversified working teams
transfer between jobs	<ul style="list-style-type: none"> • transfer to easier work, less exhausting and stressful
finishing employment and starting retirement	<ul style="list-style-type: none"> • decision to fire an employee based on the evaluation of their competencies and work efficiency • change of employment form to flexible one, for example telecommuting, part-time work • use of outplacements

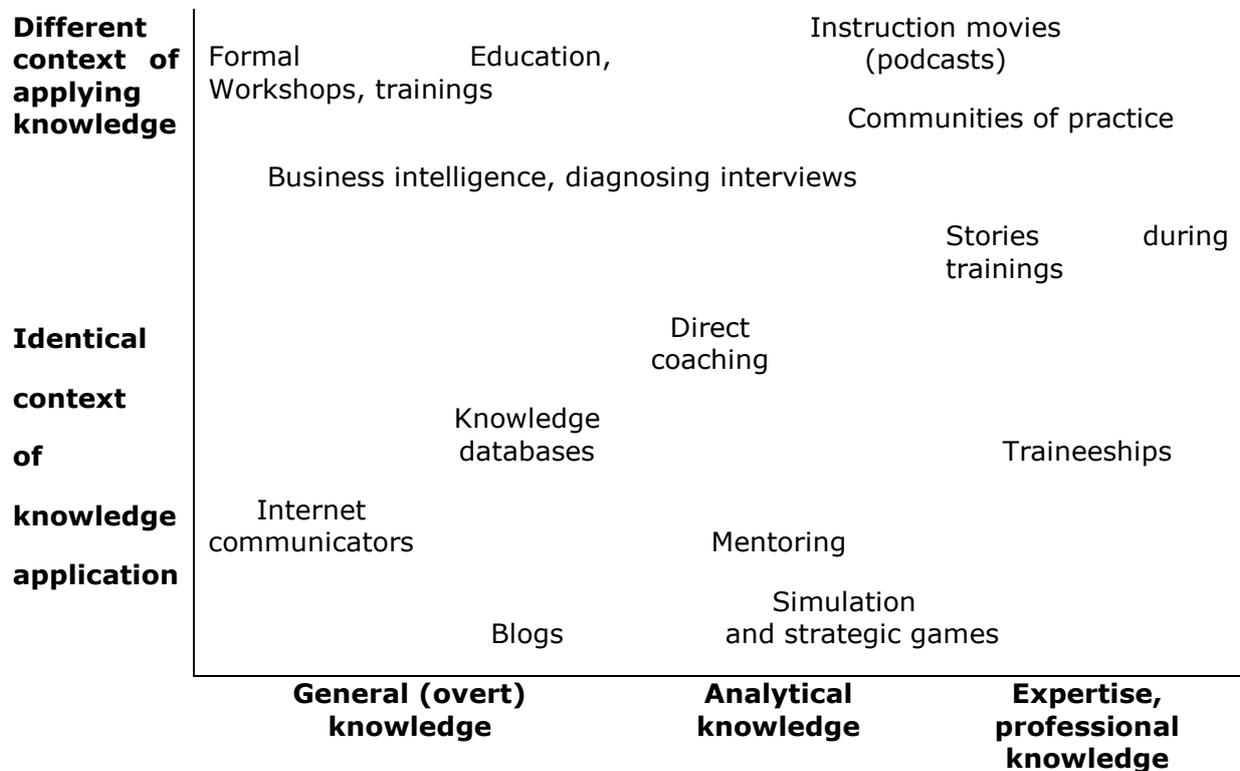
Source: J. Liwiński, U. Sztanderska, *Wstępne standardy zarządzania wiekiem w przedsiębiorstwach*, PARP, Warszawa. 2010.

Age management involves the optimization of the exploitation of knowledge potential, experience and other competencies of all employees. One of the neglected activity areas in HR management is to ensure the transfer of knowledge among employees, taking into account the intergenerational aspect.

In general (overt) knowledge transfer, mostly traditional methods are used, for example trainings, workshops and knowledge data bases. Knowledge is collected and properly codified and its acquisition does not require direct, individual cooperation with the "owner of knowledge". In the case of specialized and hidden knowledge, the importance of interactive forms of knowledge transfer increases. They involve learning through practice,

cooperation with a mentor or coach, learning from examples (i.e. strategic games, communities of practice, instruction and educational movies, mixed-age teams etc.)¹².

Figure 6. Methodology of knowledge transfer



Source: D. Piktialis, K.A. Greenes, *Bridging the gaps: How to transfer the knowledge in today's multigenerational workplace*, Research report, R-1428-08-RR, <http://www.conference-board.org> (accessed 15/08/2011).

Age management it's still new management area and it's very difficult to implement in the company. There are several misunderstandings related with that. One of them is opinion, that age management is focused only on older employees.

Age management is the human resources' management, with great attention on persons' age specificity and potential. It's main aim is to optimize the usage of the employees strengths.

Age management can support the companies development and market's competitiveness. It can help to avoid the situation of competence lack, deficit of qualified staff, it can also rise the employees satisfaction self-esteem.

¹² A. Richert-Kaźmierska, *Międzypokoleniowy transfer wiedzy w przedsiębiorstwach*, Zeszyty Naukowe Nr 695 Ekonomiczne Problemy Usług Nr 80, Uniwersytet szczeciński, Szczecin. 2012.

Control questions

1. How should we define age management? What does it consist of?
2. Why is it wrong to identify age management with activities which target employees approaching retirement?
3. Does Laguna implement age management practices? Justify your opinion.
4. What action does Laguna have to take to implement age management practices in the next years?
5. What initial requirements does an enterprise have to meet to implement age management practices?
6. Why is age management one of the main challenges for modern enterprises?
7. Is age management in fact the problem of large enterprises? Why should S&M enterprises also implement age management practices?
8. How to employ age management strategies? What are the crucial elements?
9. Who should be engaged in the process of employing age management strategies?
10. What are the advantages of age management?

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