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## The employment of older workers

*a comparative study of practices & perceptions in 24 European enterprises*



Education and Culture DG

Lifelong Learning Programme





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## Foreword

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The SILVER project aims at creating a series of integrated tools in a methodological process, allowing enterprises to introduce age management in their daily practices.

This operational process coaches them *from the diagnosis of their situation regarding the age of their workforce* (which risks of knowledge loss, of recruitment difficulties, of wear and tear, of intergenerational cooperation, etc.?) *up to the implementation of corrective and preventive actions* in order to remedy the existing problems while making their competitiveness durable.

The toolbox provides a European common answer to enterprises sharing the same need, that is to say having « instructions » at their disposal so that the diversity of their workforce ages stops being like a sword of Damocles hanging over their heads but a source for competitiveness and creativity.

In the field of age management, beliefs and perceptions, closely linked to the different cultures, play a significant part in the enterprises and in the choices they make or don't make everyday.

Even though the stakes raised by demographic ageing are similar throughout Europe, and notably in the partner regions of the SILVER project (Rhône-Alpes in France, Aragón in Spain, Veneto in Italy, Saxony in Germany and Budapest in Hungary), the roots of the problem are very different and the levels of awareness to the associated stakes strongly vary.

This comparative study is in keeping with the first work package of the SILVER project that is to say in the framework of the integration of the different age management tools in a simplified and integrated process. It enables to identify the cultural, social or historical factors that, in each partner region, play a part in the practices of the enterprises as regards employment of older workers. This specific or distinctive factors will be taken into account when all options offered to enterprises through the SILVER process will be analysed.



## The European context

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### *A decreasing labour force, increasing retired people*

The lengthening of studies combined with the constant increase in life expectancy in Europe don't stop raising the proportion of the non-working population.

In the meantime, the low birth rate in the Member States combined with the current wave of retirements caused by the notorious generation of baby-boomers, permanently reduce the proportion of persons of working age.

Direct consequence: the ratio active people / inactive people explodes, threatening at the same time pension systems, social cohesion and up to the competitiveness of enterprises facing real workforce shortages.

The enterprises will have to, in the very near future, retain and maintain their skills, meant to become rarefied in the labour market.

They will then be forced, on the one hand, to keep longer their older workers holding critical and scarce knowledge, and, on the other hand, to manage truly intergenerational teams, with different cultures and languages.

### *One objective: 50%*

An employment rate of older workers (55-64 years old) of 50% in Europe by 2010. Here is the priority objective set by all Member States of the Community since its promulgation in the framework of the Lisbon Strategy, launched in 2000.

Since then, reforms followed reforms, initiatives increased, social and institutional partners launches huge campaigns in favour of the employment of older workers and yet, one cannot fail to notice that the situation evolved very few within the Union.

Even though Germany got close to the Lisbon goal in 2006 with an employment rate of older workers (55-64 years old) reaching 48.4%<sup>1</sup>, Spain (44.1%), France (38.1%), Hungary (33.6%) or Italy (32.5%) are still far away...

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<sup>s</sup> Source: Eurostat data

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*In the field action vs. political wish*

If demographic change is henceforth a priority maintained by policy makers both at European and national levels, one has to admit that only in the field change of the practices of enterprises will enable the ration active people / inactive people to become less risky.

This is exactly the observation made by the European Foundation for the Improvement of Living and Working Conditions (Eurofound) in January 2008 in its press release with the title of “*Diverse approaches to older workers across Europe*”<sup>2</sup>.

Managing ages of the labour force, making older workers stay longer at work, transferring knowledge between generations are many practices that must find their place in the daily activities of all the players of the European economy.

*From spontaneous action to structured process*

Even though many enterprises implement actions to favour the exchanges of good practices and know-how between generations, they mostly act in a spontaneous and sometimes unconscious way, without having any tools truly dedicated to their good functioning and optimization.

The SILVER project, designing techniques and structured methodologies adapted to the needs of SMEs, gives a European answer to a European issue. It enables enterprises to be the vehicle for change.

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<sup>2</sup> <http://www.eurofound.europa.eu/press/releases/2008/080130.htm>

## The context in 5 European regions

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Europe is growing older. The phenomena of the lengthening of studies, the increase in life expectancy, the mass retirements of baby-boomers' generation can be observed in all the UE Member States. However, even though the consequences are similar on economic and social stakes, the reasons that led to this situation differ according to the countries and even, according to the regions.

Moreover, the culture, the historical and social contexts directly influence the behaviours and practices of enterprises. In order to help them in their integration of age management, it is necessary to understand those specific factors that play a significant part in their comprehension and treatment of the ageing of the labour force.

As a preamble to the results obtained through the questionnaires filled in by enterprises coming from 5 different European regions, this section briefly describes the economic, social and demographic context which distinguish them.

### In Rhône-Alpes, France



The Rhône-Alpes Region is part of the big European regions thanks to its surface, its population and its economic dynamism. Located at the crossroads of the UE, it had 5.9 million inhabitants in 2004<sup>3</sup>.

People aged 60 and over represented by then 19.7% of the population, proportion that keeps on increasing since that time. Demographic projections<sup>4</sup> forecast that the average age of the regional population, situated around 38 years old in 2005, should reach 42 years old in 2030. The proportion of people aged 60 and over would then represent approximately 28% of the total population...

The employment rate in the Rhône-Alpes region is slightly lower than the national rate with 7.8%<sup>5</sup> in 2006 (compared to 9% in France for the same period).

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<sup>3</sup> Source: INSEE

<sup>4</sup> Source: INSEE

<sup>5</sup> Source: DRTEFP



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The regional economy is the second most dynamic of the country. The area hosted a total of 376 933 enterprises<sup>6</sup> in 2005. Employment is mainly in the field of services and industry (respectively 57.3% and 20.1%).

The industrial base of the region is particularly strong and diversified, and has many strengths in high-tech activities such as health, materials, energy, environment or digital technologies.

Regarding the demography of enterprises, in the Rhône-Alpes region, as in the whole country, young people enter the labour market later and later (22 years old in average in 2005 compared to 18 years old at the end of the 60s). At the same time, older workers retire earlier and earlier (only 59 years old in average in 2005 compared to 67 years old at the end of the 60s). Within a little more than 35 years, the duration of active life decreased by 12 years in average.

In France, with one of the highest life expectancy in Europe (77<sup>7</sup> years old for men and 84 for women), the proportion of active people compared to inactive people is constantly decreasing, directly bringing up questions such as the financing of pensions.

By 2015, 800 000<sup>8</sup> jobs should be vacant in the Rhône-Alpes region, most of them being linked to the retirements of baby-boomers. Because the younger generation do not increase as fast as the retirements happen, significant labour force shortages should arise in the short run, threatening the competitiveness of the regional enterprises. The industry, building and civil engineering or even health services already appear in the most affected sectors.

Eventually, the question of enterprise takeovers also gives rise to worries in the Rhône-Alpes region: many SMEs can not find anyone to go on with their business, on an increasingly tense labour market.

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<sup>1</sup> Source: INSEE  
<sup>7</sup> Source: INSEE  
<sup>8</sup> Source: INSEE

## In Aragón, Spain



The Aragón region in Spain is located at the junction of the 2 major communication axis of the country (from Madrid to Catalonia and from Cantabria to the Mediterranean Sea). In 2005, there were around 1.3 million inhabitants.<sup>9</sup>

The Region experienced an increased by 4% of its GDP between 2005 and 2006.

The main activity sectors of the region were the following in 2006: services (60%)<sup>10</sup>, industry (21%), building and civil engineering (12%) and finally agriculture (4%) and energy (3%).

Regarding services, trade activities, real estate, business services and hotel trade generate the greater part of the regional GDP. As far as industry is concerned, the creation of value is mainly achieved through the production of transport equipment, metallurgy, machinery and mechanical equipment.

With an unemployment rate of only 5.8%<sup>11</sup>, the Aragón region is below the Spanish average in 2005 (9.2%).

While the demographic evolution of the country is rising, the Aragón region experiences a slower growth of its population. This situation is notably due to the rural depopulation that took place over the last years, drawing many people towards neighbouring metropolis (and more specifically towards Barcelona).

This phenomenon having mainly affected younger people, the decrease in the regional population came with its ageing.

<sup>9</sup> Source: Instituto Aragonés de Estadística

<sup>10</sup> Source: Instituto Nacional de Estadística

<sup>11</sup> Source: Instituto Aragonés de Estadística

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In 2005, the proportion of young people (under 15) compared to the persons of working age (from 15 to 64) was only 19.2%<sup>12</sup>. This quite low “dependency ratio” of young people contrasts with the one of people over 64 (“old age dependency ratio”) that reached 31.4%<sup>13</sup> in 2005. The Aragón region is one of the eldest region of the country.

 In terms of demographic projections, the different considered scenarios forecast a decrease in the regional population during the upcoming years, mainly due to natural change (few births and life expectancy increase).

 The demographic ageing observed at the Aragón region level follows the same trends than what has been recorded at national level. Today, there are more than 7.5 million workers<sup>14</sup> aged between 50 and 64 years old, and thus, that will retire within the 10 to 15 upcoming years.

Even though there are approximately 20 million active people below 50 years old throughout the country, the low birth rate constantly slow down the number of new people entering the labour market. Spain being a labour intensive country, deep shortages should appear within 15 years.

However, the enterprises still have low awareness of this issue which still belongs to future in their minds.

Today, Spanish enterprises dedicate most of their efforts to solve other issues perceived as more urgent than the ageing of the workforce, such as, for instance, their strategic development choices.

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<sup>12</sup> Source: Eurostat

<sup>13</sup> Source: Eurostat

<sup>14</sup> Source: Instituto Nacional de Estadística

## In Veneto, Italy



Divided into 7 provinces, the Veneto Region had about 4.8 million<sup>15</sup> inhabitants in the beginning of January 2007, placing it among the highest densities of the country.

The low birth rate recorded during the last decades in the Region (as well as

in the remaining parts of northern and central Italy) combined to an increasingly growing life expectancy led to a strong ageing of the population whose growth rate is slower and slower.

In 2007, the growth rate of the population experienced in the region was 9.7<sup>16</sup> per 1000 inhabitants. This trend is the result of the opposite phenomena: a very low natural increase (subtraction of deaths from births) together with a positive migration balance.

Natural increase in the Veneto region for the year 2007 was approximately 1 per 1000 inhabitants while the migration balance for the same year was 8,7 per 1000 inhabitants. Veneto is one of the Italian regions most concerned by immigration and its population evolution is strongly affected by this phenomenon.

As regards the age structure of the region, as in most of the country, the proportion of young people below 15 years old compared to the population of working age (20%<sup>17</sup>) is lower than the one of people over 64 years old, which goes beyond 28%<sup>18</sup>. The Veneto Region has more older people than young people. The life expectancy at birth reached 78.9 years old<sup>19</sup> for men and respectively 84.6 years old<sup>20</sup> for women in 2007.

<sup>15</sup> Source: ISTAT

<sup>16</sup> Source: ISTAT

<sup>17</sup> Source: Eurostat

<sup>18</sup> Source: Eurostat

<sup>19</sup> Source: ISTAT

<sup>20</sup> Source: ISTAT

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In terms of demographic projections, the considered scenarios prioritize the hypothesis of a population growth, not favoured by natural increase but by the continuation of immigration, drawing each year many people and allowing this way to cope with the increasing labour force shortages.

From an economic point of view, the Veneto Region had 453 994<sup>21</sup> enterprises in 2004. Their distribution throughout the region is very specific: each province is specialized in one (or several) activity field(s). For instance, the district of Verona is specialized in marble, in artistic furniture and in footwear ; the district of Belluno is specialized in eyewear.

The industrialization of the region is a quite recent phenomenon. This sector mainly developed itself during the post war period, with the creation of many SMEs which form today the industrial base of the region.

The so-called Venetian model is made up with a network of family-owned SMEs, specialized in exportation. They are mainly located in the central plain because of the geographic (mountainous areas) and climatic difficulties (drought) in the lower plains.

Agriculture still plays a significant part on the Veneto region where it is the most specialized and diversified of the country. It is characterized, as the industrial base, by many small and medium properties, often managed by the owners themselves.

In spite of the late industrialization of the region and the predominance of small enterprises, many Venetian brands managed to become significant players in international markets. However, the low level of technological innovation combined with insufficient investments today threaten their permanence in the markets, while competition from emerging countries is becoming more and more fierce.

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<sup>21</sup> Source: Unioncamere 2004

In terms of employment, the Veneto region had a quite low unemployment rate in 2005 with approximately 4%<sup>22</sup>. The total employment rate for the 15 to 64 age group was then 65%<sup>23</sup> with big differences between men and women (23% gap).

Regarding older workers, their employment rate reached only 27%<sup>24</sup> in 2005, that is to say 4 points below the Italian average (31.4%) and above all, faraway from the Lisbon goal (50% by 2010). Changes must be brought about both in mentalities and practices of enterprises...

### In Saxony, Germany



The Saxonian region in Germany is one of the 16 Länder forming the country.

It has around 4.5 million inhabitants and was part, until 1990, of the GDR (German Democratic Republic).

Despite a significant unemployment rate (17.2%<sup>25</sup> in January 2005), Saxony is part of the most dynamic regions from an economic point of view. Located at the junction of Germany, Poland and Czech Republic, Saxony plays a key role of economic bridge towards eastern European markets.

The region is also characterized by the diversity of its economic base, notably marked by the industry (production of machines and equipment, automotive, energy, textile and food industries etc.) and by high technologies (innovation, development of new materials and processes).

<sup>22</sup> Source: Eurostat

<sup>23</sup> Source: Eurostat

<sup>24</sup> Source: Eurostat

<sup>25</sup> Source: Agentur Für Arbeit

Regarding the demographic context of the region, 2 main trends are currently noticed on the territory. First of all, the regional population is decreasing, affected both by a very low birth rate and many migrations (negative migration balance of -3.47<sup>26</sup> per 1000 inhabitants). Secondly, the population is growing older with an increasing average age. In 2005, the proportion of young people (below 15 years old) compared to persons of working age (15 to 64 years old) was only 15%<sup>27</sup>. Still in the year 2005, the proportion of older people (over 64 years old) compared to the same population already reached 32%<sup>28</sup>. Demographic projections for the region forecast an intensification of this ageing trend.

This demographic situation already raise many problems for the economy and the labour market in Saxony where skilled workers become more and more scarce. The lengthening of active life is no longer a career option but a true necessity for the inhabitants of the region.

### In Budapest, Hungary



The economic area of Budapest concentrates most of the value creation of the country. Located right in the geographic centre, it is a the crossroads of all the major roads of the country.

The metropolis of Budapest, dominated by the Danube separating the hill of Buda from the plain of Pest, gathers approximately 20% of the total Hungarian population (10 millions at the beginning of January 2007)<sup>29</sup>.

<sup>26</sup> Source: Eurostat

<sup>27</sup> Source: Eurostat

<sup>28</sup> Source: Eurostat

<sup>29</sup> Source: KSH



This population is declining since several years because of the non compensation of deaths by births. Immigration is not sufficient for containing this decline phenomenon. not

Between 2000 and 2004, the region of Budapest (Kozep-Magyarország) lost 0.35 person<sup>30</sup> per 1000 inhabitants in average. On the same period, the natural balance (subtraction of deaths from births) was of -3.81<sup>31</sup> per 1000 inhabitants in average and the migration balance of only 3.43<sup>32</sup> per 1000 inhabitants.

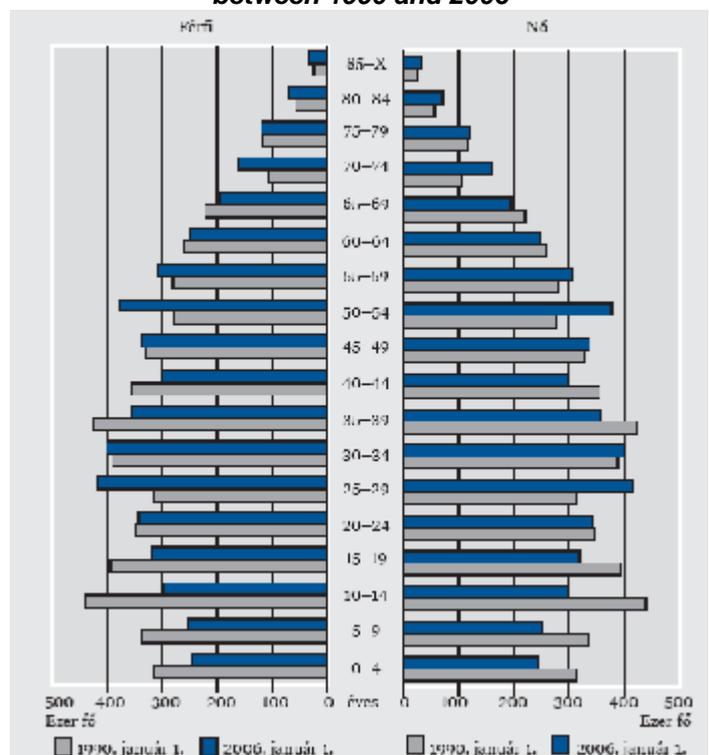


As regards the population structure by age groups, as in most other Member States, the proportion of older people (over 64 years old) is bigger and bigger while the proportion of younger people (below 15 years old) is constantly decreasing.

This ageing of the population experiences a clear acceleration since a few years (see graph<sup>33</sup> attached) .

According to a study from OECD, the people aged over 65 years old represented 34% of the total Hungarian population in 2000. It will represent more than 58% by 2020.

**Evolution of the Hungarian age pyramid between 1990 and 2006**



Life expectancy at birth in Hungary was 68.6 years old for men and 76.9 years old for women in 2005.

<sup>30</sup> Source: Eurostat  
<sup>31</sup> Source: Eurostat  
<sup>32</sup> Source: Eurostat  
<sup>33</sup> Source: Central Statistic Office, 2006



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The demographic projections anticipate a continuation of the decline and ageing of the Hungarian population, excepting in the region of Budapest where migration will enable to maintain a certain growth of the population (plus 15 200 inhabitants<sup>34</sup> in 2006 compared to 2005).

Regarding the economic development, Hungary experiences a strong growth since the beginning of the years 2000 with 4 to 5%<sup>35</sup> in average. It slightly slowed down in 2006, mainly because of the implementation of measures to restore the economic balance that have restricted the demand.

The main activity sectors are the industry (26%<sup>36</sup> in 2006) and services (trade & repair and hotels & restaurants: 12,6%; transport, storage & communication: 7,6%; real estate, renting and business activities: 22%). Agriculture and construction only represent respectively 4,3% and 4,7% of the national creation of value.

In terms of employment, Hungary had around 4.2 million active people<sup>37</sup> in 2006 that is to say 55% of the population aged between 15 and 74 years old. This figure, quite low, is among others linked to the massif use of early retirements, the lengthening of studies and the introduction of various forms of child care subsidies that tend to keep away women from the labour market for long periods.

The unemployment figures of this same year (2006) indicated 7.5% (including 7.2% for men and 7.8% for women). Among the unemployed persons, long length unemployment (more than one year) represents a significant part with almost 47% of them. The average length of search was 16.5 months in 2006.

The employment rate of people aged between 55 to 64 years old in the central region of Budapest was 43%<sup>38</sup> in 2005. This figure, similar to the EU25 average in 2005, contrasts with those from the other Hungarian regions, from only 23 to 35%.

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<sup>34</sup> Source: KSH

<sup>35</sup> Source: KSH

<sup>36</sup> Source: KSH

<sup>37</sup> Source: KSH

<sup>38</sup> Source: Eurostat

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A survey carried out among employers throughout the country proved that they generally prefer hiring people aged between 30 and 44 years old, already experienced without having the integration and flexibility difficulties met by older workers.





## The identity of enterprises

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The SILVER process and the toolbox for age management it contains is aimed at all enterprises, from SMEs to big companies, whatever their activity sector may be.

However, and in all the regions analysed through this survey, the economy mainly consists of small and medium sized organisations which, in most cases, have no resources nor the necessary tools for managing the evolution of their workforce.

This is the reason why the sample of interviewed enterprises is mainly (*and not only*) made up with SMEs. These being a priority target group for the toolbox for age management, it is essential to understand better their needs and specificities in order to take them into account in the design of the methodological process.

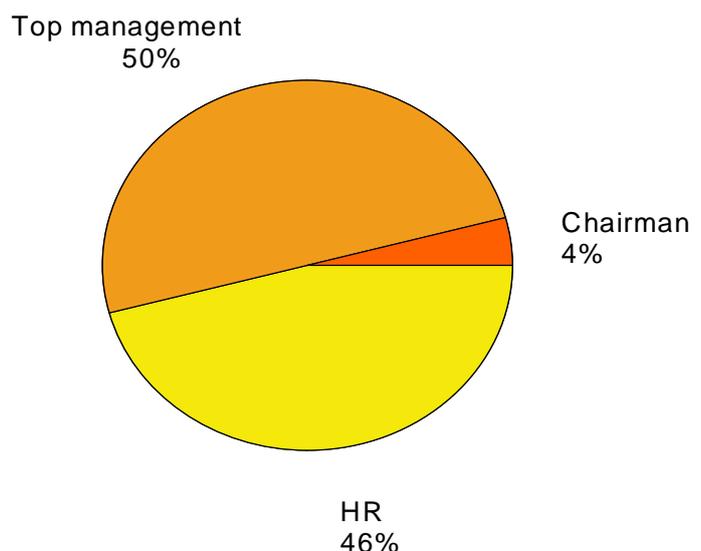
For the purpose of this survey, 5 enterprises (4 in Hungary) have been interviewed about their practices and perceptions as regards the employment of older workers in each partner region of the SILVER project. This part of the report portrays those 24 enterprises and will enable, later on, to get a better understanding of their answers presented in the next section.

### The profile of the respondents

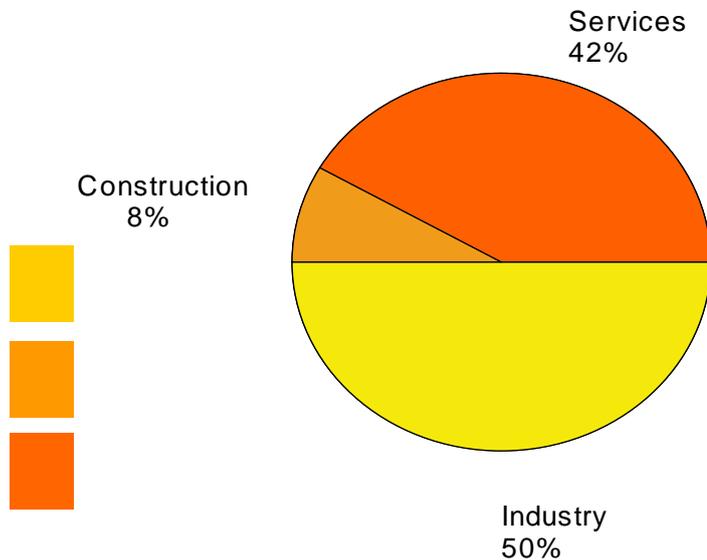
Being mostly about SMES, all interviewed enterprises do not have a specific department dedicated to Human resources.

In those situations (50%), the head managers themselves answered the different questions.

The other respondents were mainly from HR departments (46%), in good position for answering questions connected with the staff policy of the enterprise.



## The represented activity sectors



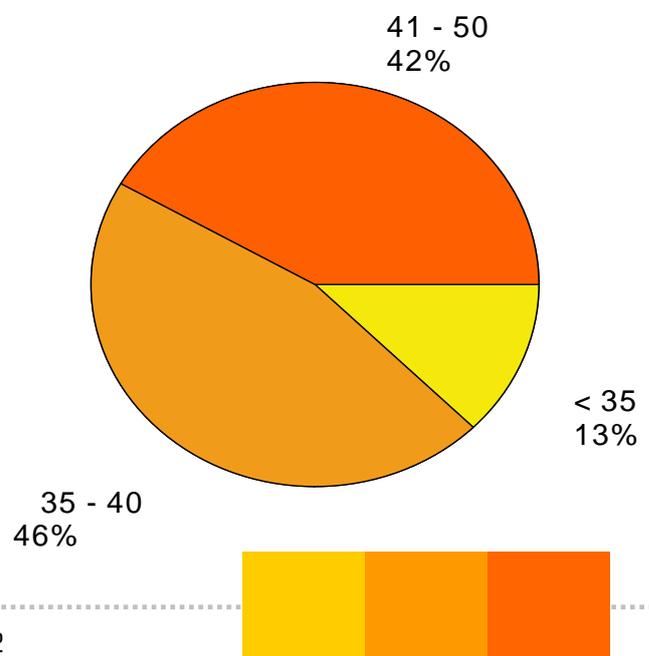
In accordance with the economy structures that form the different partner regions of the SILVER project, the sectors of the industry (50%) and services (42%) are the most represented among the sample of enterprises. The construction sector is only represented through 2 testimonies (that is to say 8% of the sample), not enough for identifying trends on the perceptions and practices specific to the sector.

## The composition of staff

The enterprises of the sample are mainly SMEs whose labour force are made up from 11 to 250 persons (67%). A few big companies have also been interviewed (13% of enterprises with more than 500 persons) allowing that way to enrich the collected opinions with practices possible in bigger organisations, where theoretically there are enough resources to implement a true age management.

The whole sample represent approximately 3 000 persons distributed through 24 enterprises, including 700 employees over 50 years old and 300 that will retire in the upcoming 3 years.

As regards the average ages (see graph attached), the interviewed enterprises are mainly around 35 to 40 years old (46%) and 41 to 50 years old (42%).



For the latter, a quite large number, this means that a significant part of their workforce is close to retirement and thus, that the question of knowledge transfer or recruitment will be raised in the short run.

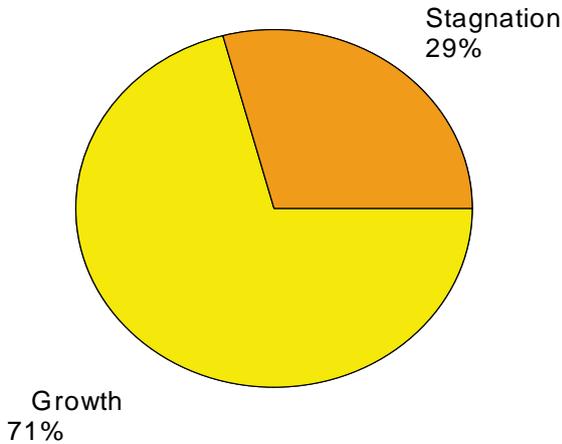
Very few enterprises have an average age lower than 35 years old (13%).

**The economic context**

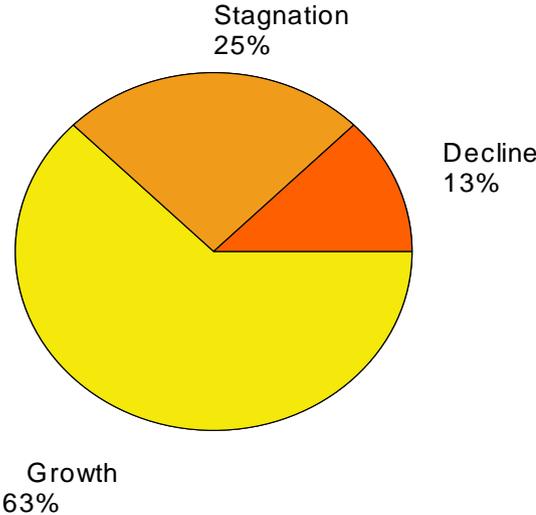
Most of the interviewed enterprises declare experiencing a growth stage of their activity (71%). However, they are only 63% to foresee an increase in their workforce in the short run.

While no enterprise announces to decline, they are all the same 13% anticipating a reduction of their workforce in a close future (see graphs below).

*Recent evolution of the activity*



*Foreseen evolution of the workforce in the short run*



**The existence of a formalised quality management system**

It is to note that in almost all the interviewed enterprises, there exist a formalised quality management system (79%) or its introduction is in progress (8%).

Theoretically, this means that those enterprises carried out an inventory of their key or critical skills as well as analysed their foreseen evolution in the future.



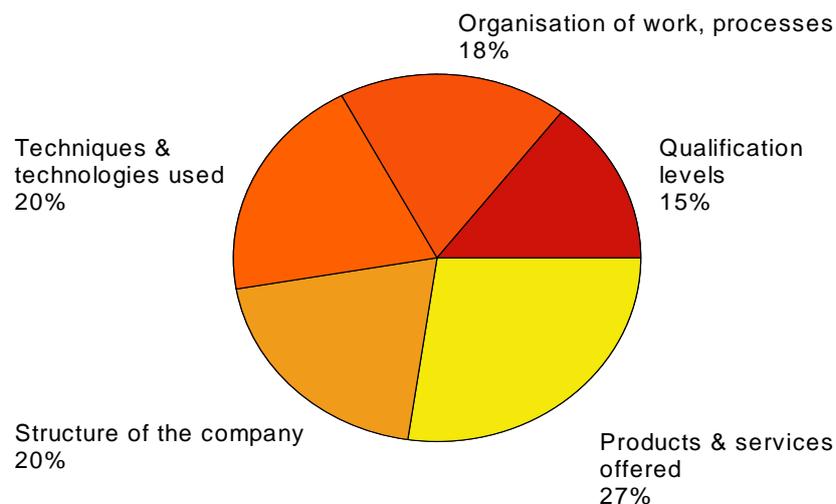
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Yet, as show the answers to the different questions regarding skill transfer between generations or the management of the evolution of the age of staff, few enterprises have already implemented actions towards this aim.

### The advent of significant changes in the context of enterprises

Even though the context in which the different enterprises interviewed in the analysed European regions are very different, one feature is common and shared by all respondents: 96% of them have had to cope with a great number of changes during the last years.

Those changes perceived by the enterprises arose in all areas, from the evolution of the offered products and services, to the use of techniques and technologies or the organisation of work etc. (see graph below).



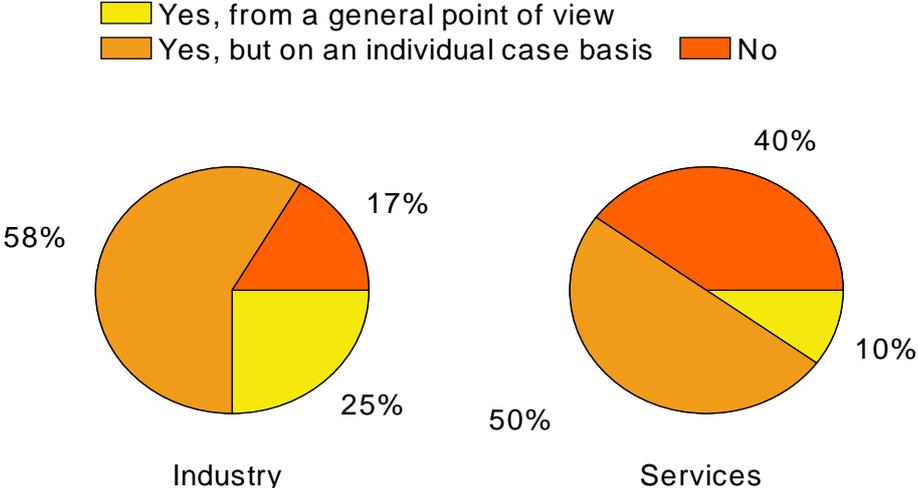
Note that changes described by:

- the Italian enterprises are mainly related to the offered products and services (42%) and to the organisation of work and processes (33%);
- the German enterprises are mainly related to the use of techniques and technologies (27%) and logically, to the required levels of qualification (27%);
- the French enterprises are mainly related to the evolution of the organisation of work and processes (40%).

**The interest shown by the sampled enterprises in the ageing phenomenon**

A quarter of the interviewed enterprises declare that the issue of the workforce ageing has never been raised. Even though the other enterprises (75%) express that they already took it into consideration, 54% of them did it in a very ad hoc basis, looking into the problem from an individual point of view, and thus, without extending their thought to the whole labour force.

Note that in the industry, where the average age of enterprises are higher, a bigger part (25% against 10% in services) of the sampled enterprises already dealt with the issue of ageing from a general point of view, considering the whole workforce.



**The existence of specific actions for older workers**

The proportion of enterprises that have implemented specific actions aimed at older workers is quite low (21%), consistently with the lack of interest or global thinking shown in this issue.

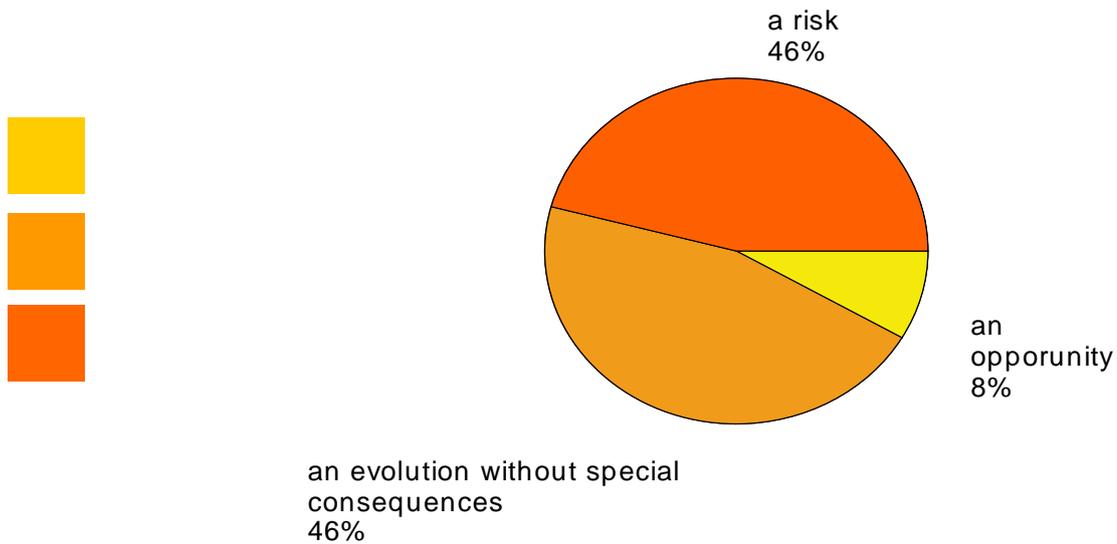
Once more, in the enterprises coming from the industrial sector where the workforce is older compared to the other sectors, a higher proportion (33%) have actually implemented actions for their older workers.

Note that this trend is slightly different in Italy where 40% of the interviewed enterprises say that they already made necessary arrangements for older workers.

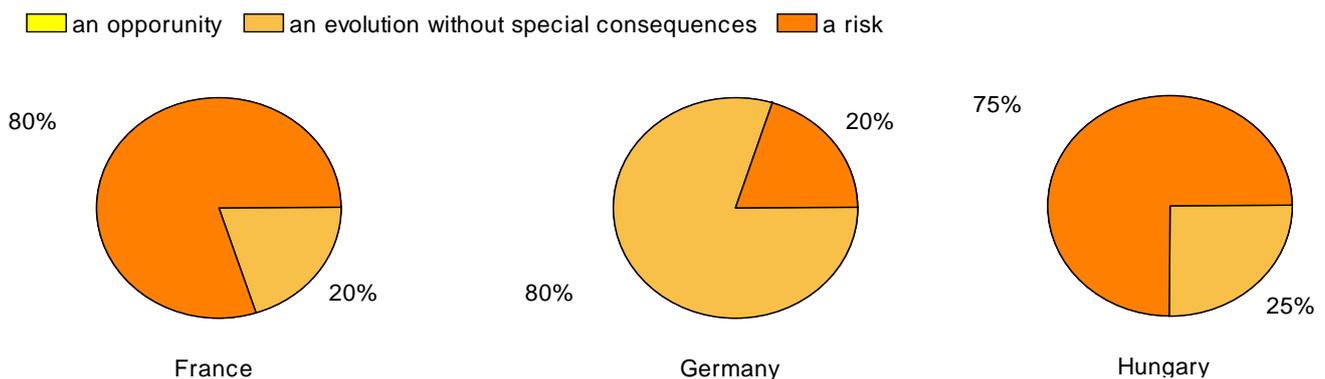


## The perception of demographic ageing

A significant part of the sampled enterprises (46%) think that demographic ageing can be a risk factor for their activity. Only 8% of them believe that it can represent an opportunity.



This notion of risk is perceived stronger in the Latin countries (e.g.: France 80%) and in Hungary (75%) than in Germany (20%).



## The results of the survey

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The survey has been submitted to 24 enterprises through the 5 partner regions of the SILVER project (Rhône-Alpes in France, Veneto in Italy, Aragón in Spain, Saxony in Germany and Budapest in Hungary).

The questionnaires have been submitted face to face, either with persons from Human Resources departments or with head managers when no department dedicated to staff existed.

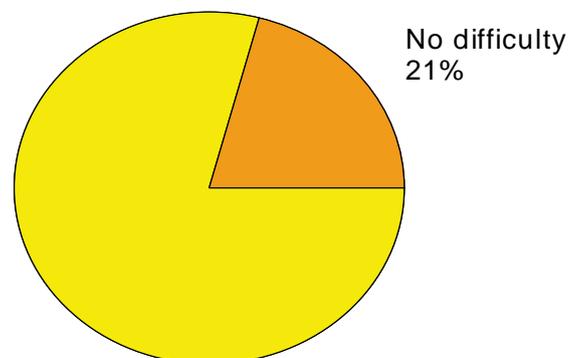
The survey has been carried out in the month of January 2008 and the results have been combined thanks to a statistical analysis software (Ethnos).

The size of the sample, 24 enterprises, is not sufficient for showing true trends at country level. The value added of this study lies in its qualitative analysis rather than quantitative. The results presented in this section are to be grasped in this point of view.

### Recruitment: a talent shortage at European scale

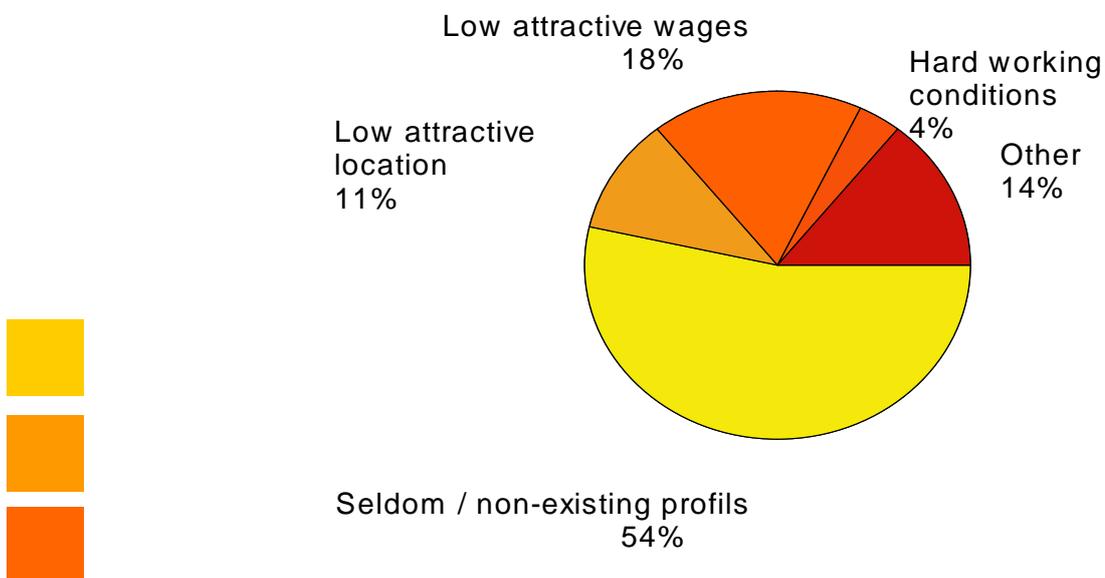
The ageing of the active population, the disinterest in technical vocations by younger people, the low birth rate are many elements common to all the Member States of the European Union, which partly explain why the interviewed enterprises declare in most

Recruitment difficulties  
79%



cases experiencing troubles when recruiting. The technical and specialised profiles progressively leave the labour market (retirements) and among the younger generations, few people are able to take over the activity.

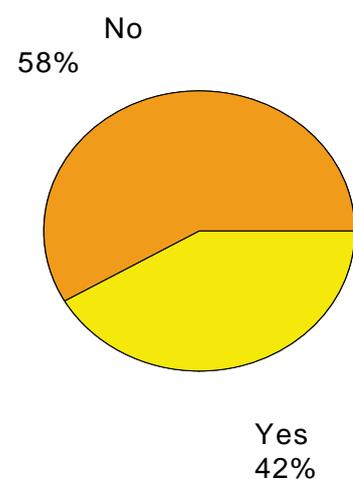
IN our sample, 79% of the enterprises say they meet difficulties for recruiting. Among them, 54% attribute this situation to the scarcity (or even non-existence) of the profiles they are looking for (see graph below).



In Spain, in France and in Hungary, 2 more factors play an significant part in the recruitment difficulties met by the enterprises: low attractive wages (29% in France, 20% in Spain and 29% in Hungary) and low attractive locations (20% in Spain, 14% in Hungary and in France).

In Germany, the second factor of recruitment difficulties listed by the enterprises is the hard working conditions (33%), factor which has not been taken into account by the other enterprises.

As regards future, almost half of the enterprises (42%) fear labour force shortages in their vocations. This trend is slightly stronger in Germany where enterprises are 60% to be afraid of meeting problems for finding skills in the upcoming years. On the contrary, this trend is lower in Italy where only 20% of enterprises fear shortages.



This fears affect all jobs, at all levels (from technicians to engineers, from construction to computing training).

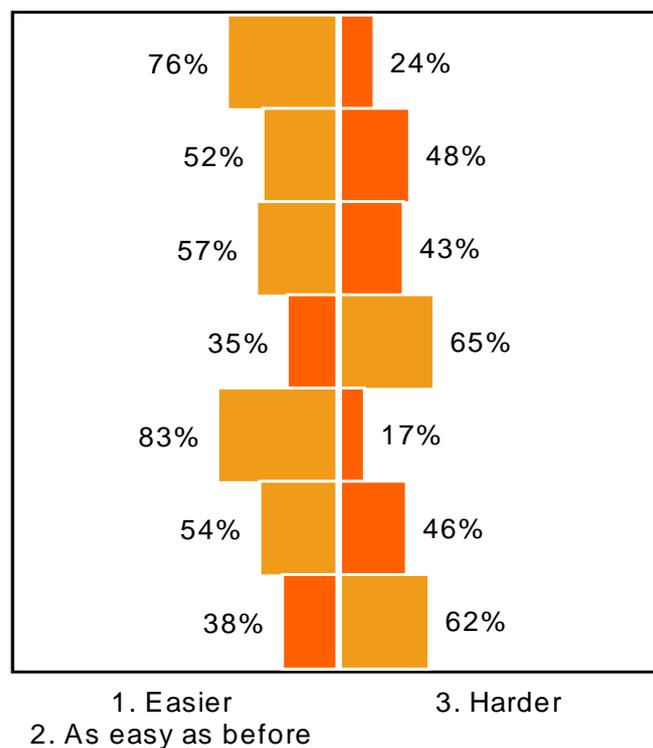


## The perception of older workers: when age rimes with skills

Interviewed on their perception of older workers, the sampled enterprises seem to see a close connection between skills and age. Overall,, the enterprises think that it is easier or as easy as before to develop skills while getting older (sharing and transferring one’s experience, being a source of innovative solutions, managing a team or possessing specific skills). On the opposite, the enterprises, on the whole, think that it is harder to evolve towards other positions or missions as well as to increase and diversify one’s skills.

### Correlation between skills and age, on the whole

- To share and transfer one's experience
- To manage a team
- To be source of innovative solutions
- To increase and diversify one's skills
- To have specific skills
- To be motivated at work
- To evolve towards other positions



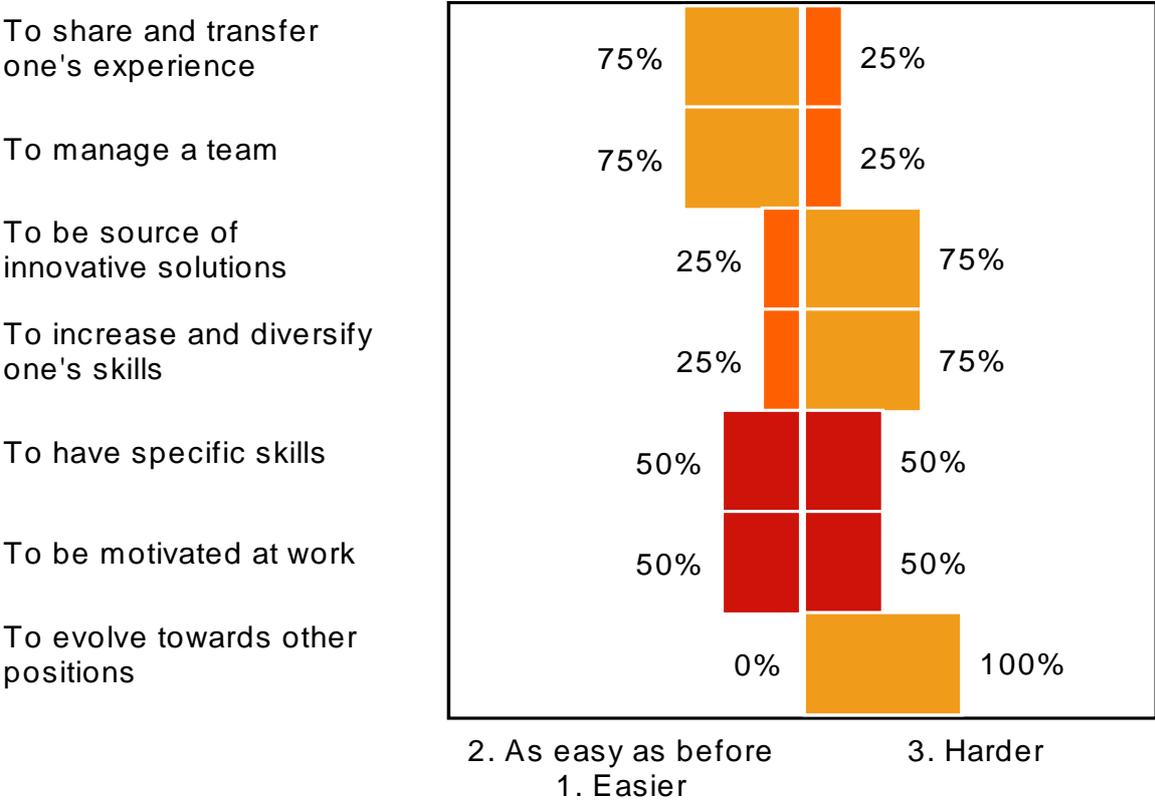
These answers must be qualified according to the nationality of the interviewed enterprises. In Latin countries (France, Spain and Italy) and in Hungary, the connection between skills and age are more often seen as negative than in Germany.

As an example, the enterprises interviewed in the Rhône-Alpes region are 80% to think that it is harder for older workers to manage a team than for other age groups.

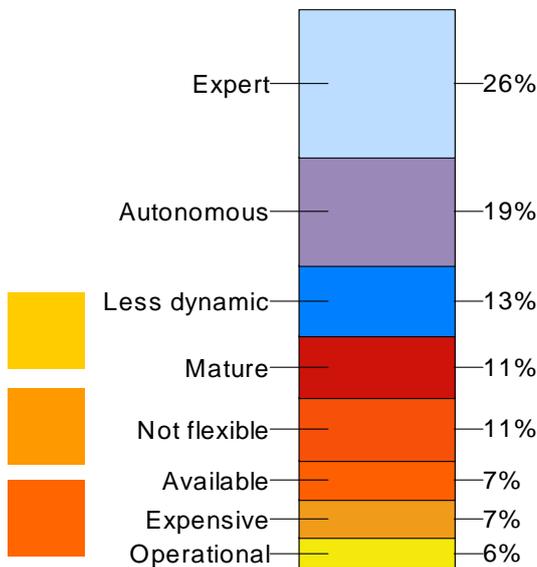
All of those interviewed in Hungary (100%) believe that the ability of evolving towards other jobs or positions decreases when getting older (see graph below).

The connection perceived between age and skills is not as automatically established in France and in Germany than in Hungary: the French and German enterprises are 44% and respectively 42% in average to think that skills are not depending on age (compared to only 21% in Hungary, see graph below).

**Correlation between skills and age, in Hungarian enterprises**



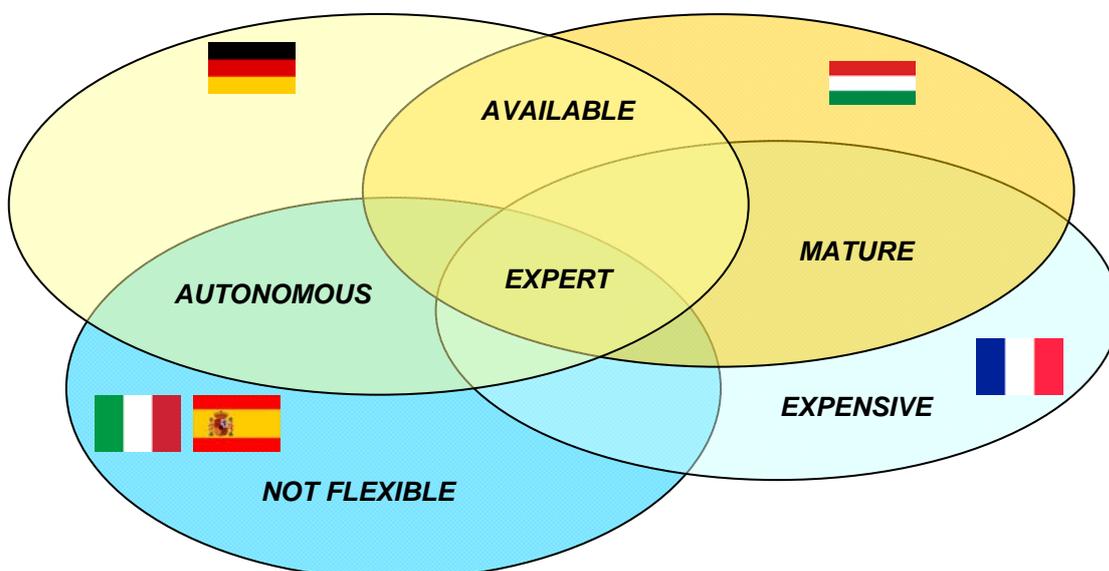
### Expert and autonomous but less dynamic older workers



Still with the aim of understanding the perception of older workers by the enterprises in the different partner regions, they were asked to select, from a balanced list of 10 adjectives (5 with positive connotation and 5 with negative connotation), those that according to them better define the population of older workers.

Overall, 2 adjectives with positive connotation (expert and autonomous) and 1 adjective with negative connotation (less dynamic) have been the most often mentioned. The adjective “expert” is common to the first 3 adjectives appointed in all the partner countries. On the other hand, regarding the other appointed adjectives, perception differences appeared depending on the nationality of the interviewed enterprises.

Once more, the Latin countries (France, Italy and Spain) stood apart from the others mentioning, among the 3 adjectives, one with negative connotation: high cost of wages in France and low flexibility in Spain and in Italy.



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In German enterprises, the first adjectives with negative connotation only come in fifth and sixth positions (respectively less dynamic and less flexible).

Regarding the lack of dynamism, even though it doesn't appear in the most often mentioned adjectives by the enterprises, it was selected in each region (Spain: 20%, Hungary: 17%, Italy: 13%, France: 7% and Germany: 7%). The high cost of salaries has been pointed out in France (20%), in Hungary (8%) and in Spain (7%).

### **The low adaptation to change as main brake for employment**

 The most mentioned brake for older workers' employment by the interviewed enterprises, whatever their origin country may be, is their difficulty to adapt to change, to new work organisations, in short, their lack of flexibility.

 This answer, expressed through different ways has been given 8 times (out of 30 answers in total that is to say in 27% of cases).

The non-existence of any brakes to older workers' employment has been mentioned 5 times (that is to say in 17% of cases).

Even though a significant part of the brakes that have been described by the enterprises are independent from the will of older workers (e.g.: "their low acceptance by customers in services"), several enterprises mentioned some barriers to employment that are directly linked to their behaviours (e.g.: "they do not want to share their knowledge", "they do not want to learn new things").

There again, there is some similarities between the answers given by the enterprises coming from Latin countries, as regards their perception of the brakes for older workers' employment.

Thus, in France, in Italy and in Spain, the following brakes for older workers employment have been commonly pointed out:

- the lack of dynamism and motivation;
- the cost of their salaries seen as too high;
- their low productivity compared to the other age groups.

Only German enterprises mentioned the physical health as a potential brake for older workers' employment.

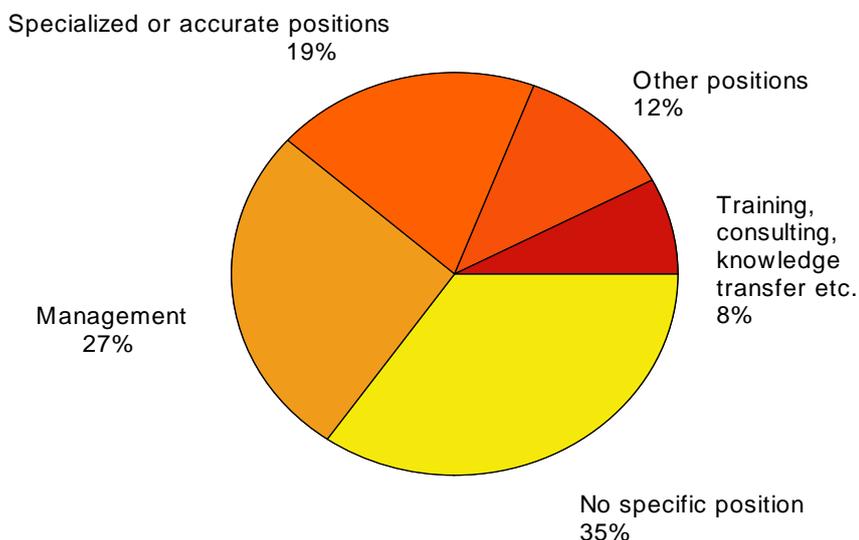
## The value added of older workers: between experience and values

If experience and technical expertise are indisputably perceived as the main assets (61%) of older workers by enterprises from all the analysed regions, other values, connected to their professional career and to their age, have also been mentioned.

Loyalty, tolerance, responsibility, overall vision or even patience are examples of values expressed by the interviewed enterprises to describe the older workers' assets.

## The positions adapted to older workers: an approach on a case by case basis

Most of the interviewed enterprises (35%) think that there is no position or function especially adapted to older workers, that each individual is unique and that its orientation towards a position should be the result from its specific skills rather than from its age.



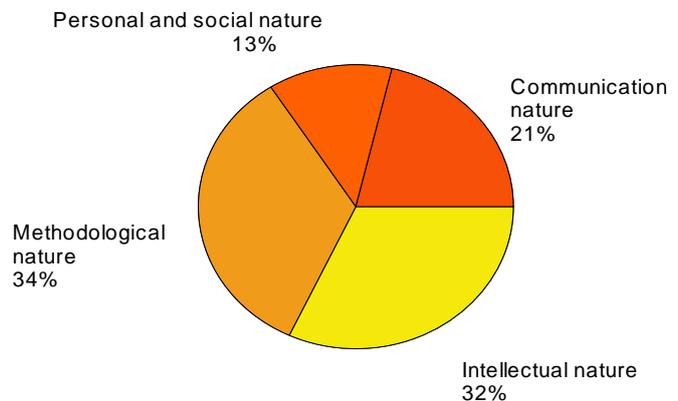
However, among the enterprises that mentioned some particularly adapted positions, management of teams is the type of mission the most often recommended for older workers, independently from the origin of the responding enterprises.

In the other proposed positions appear those with a strategic dimension for the enterprise (hierarchical or thematic interface), those including the implementation of standardized and repetitive tasks or even those requiring a high level of autonomy.

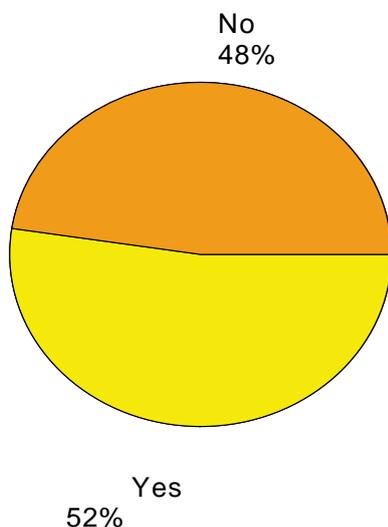
## Critical skills held by older workers in 52% of the enterprises!

Through the 24 enterprises interviewed for the needs of the survey, 88% declare that there exist, in their activity, key or critical skills. This heavy awareness of the essential role of skills goes beyond the so-called “theoretical knowledge since the interviewed enterprises think that the latter are from very different natures (see graph below).

These answers, quite similar according to the nationalities of the respondents, raise the question of the transfer of these critical skills and knowledge inside the enterprises. If it is quite easy to find techniques to transmit skills of intellectual or methodological nature, it becomes a lot harder when it deals with transferring skills linked to communication or personal and social nature of people.



Interviewed about the holders of those critical or key skills, the enterprises think that approximately 52% of them are mostly held by older workers, meant to leave the enterprise in the close future.



Yet, few preventive mechanisms have been implemented so far to anticipate on this issue.

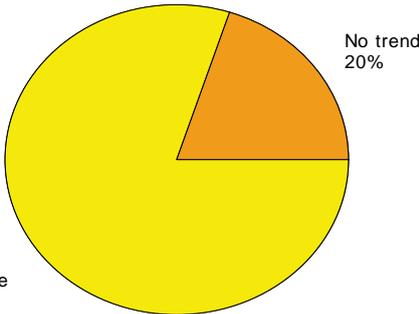
This situation seems even more problematic in Hungary where 100% of the interviewed enterprises declare that their key skills are mainly held by older workers, that is to say, close to retirement.

**At retirement time, 2 different behaviours**

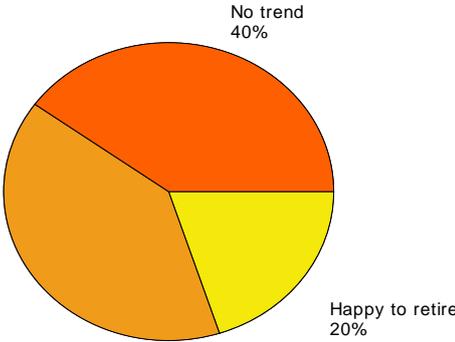
Once more, according to the nationality of the interviewed enterprises, the respondents describe a different behaviour of their older workers when they reach the age for retirement.

In the Latin countries, most of the interviewed enterprises think that, according to them, the older workers are happy to leave the professional world and to be able to dedicate more time to their personal blossoming (80% in France [see graph attached], 60% in Spain and 40% in Italy).

*In France*



*In Germany*



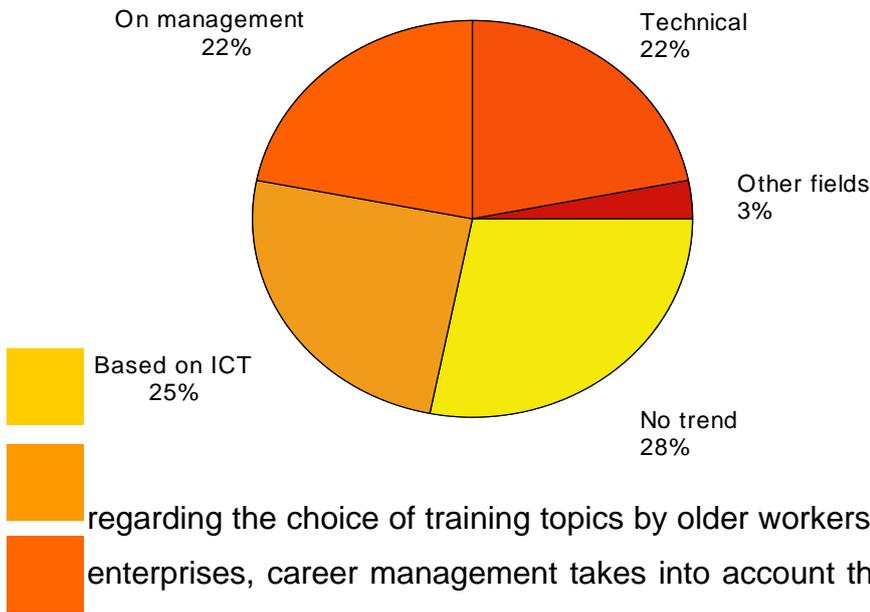
In the opposite, in Germany, only 20% of the sampled enterprises think that older workers are happy to retire while 40% think that they'd like to work longer (see graph attached.).

**Training and older workers: national inequality**

Even though training is offered the same way to all employees, 30% of the interviewed enterprises say that the specific group of older workers is seldom associated.

However, this situation must be qualified according to the nationality of enterprises. In France and in Italy, this trend to isolate older workers from training seems to be even stronger (respectively 80% and 40%). On the contrary, in Spain and in Germany, the enterprises state that all employees benefit in the same way to the different organized training sessions.





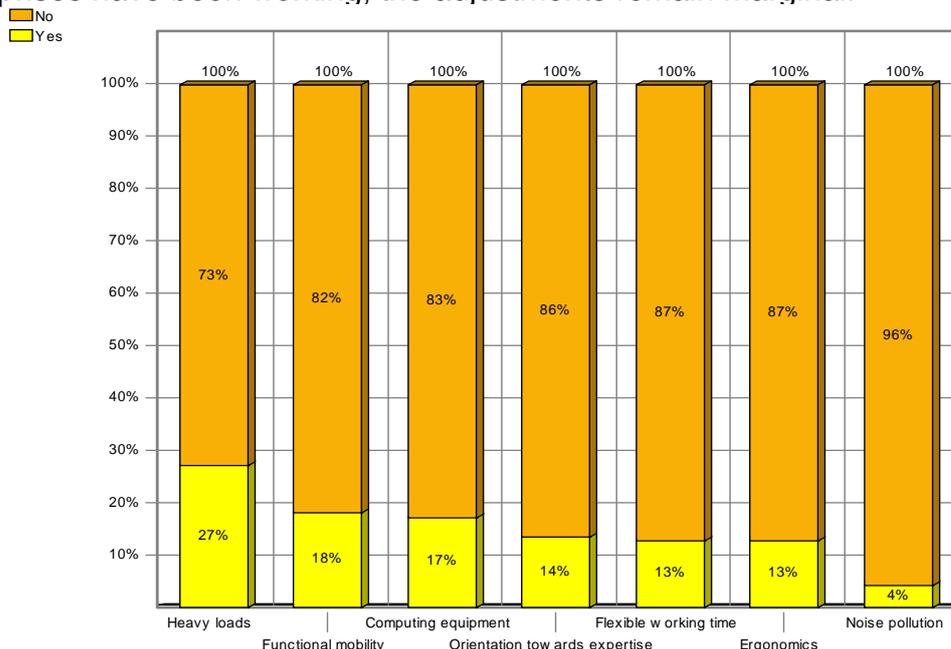
Interviewed on the training topics prioritized by older workers, the enterprises mainly mentioned training based on ICT (25%), technical training (22%), or training to management (22%). 28% of them think that there is no trend

regarding the choice of training topics by older workers. In only 8% of the interviewed enterprises, career management takes into account the age factor. In those seldom cases, this consideration of age is for instance achieved through the use of vertical and horizontal promotion or through the valorisation of experience and expertise through adapted missions.

### The adjustment of working conditions: an almost non-existing working axis

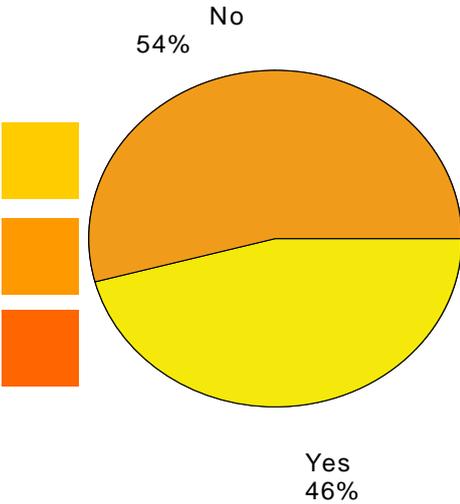
On this topic, the answers of the enterprises interviewed across Europe are quite similar: very few adjustments of working conditions have been done for the group of older workers.

Even though the handling of heavy loads is the point on which the highest number of enterprises have been working, the adjustments remain marginal.



Only 4% of the interviewed enterprises declare to be currently working on working condition improvement projects specifically aimed at older workers.

**The age pyramid: a natural evolution rather than a tool for management**



46% of the interviewed enterprises declare that they pay attention to the evolution of their age pyramid. This proportion is lower in Spain and in Italy where the enterprises are only 20% to use this kind of follow-up.

When ages are being managed, this management is rarely formalized. It most of the time deals with the anticipation of recruitments (to enable knowledge transfer) or the recruitment persons in the age groups showing a deficit.

Overall, 63% of the enterprises already hired an older worker (over 50 years old). However, in Spain and in Italy, this proportion is lower with only 40% of the interviewed enterprises.

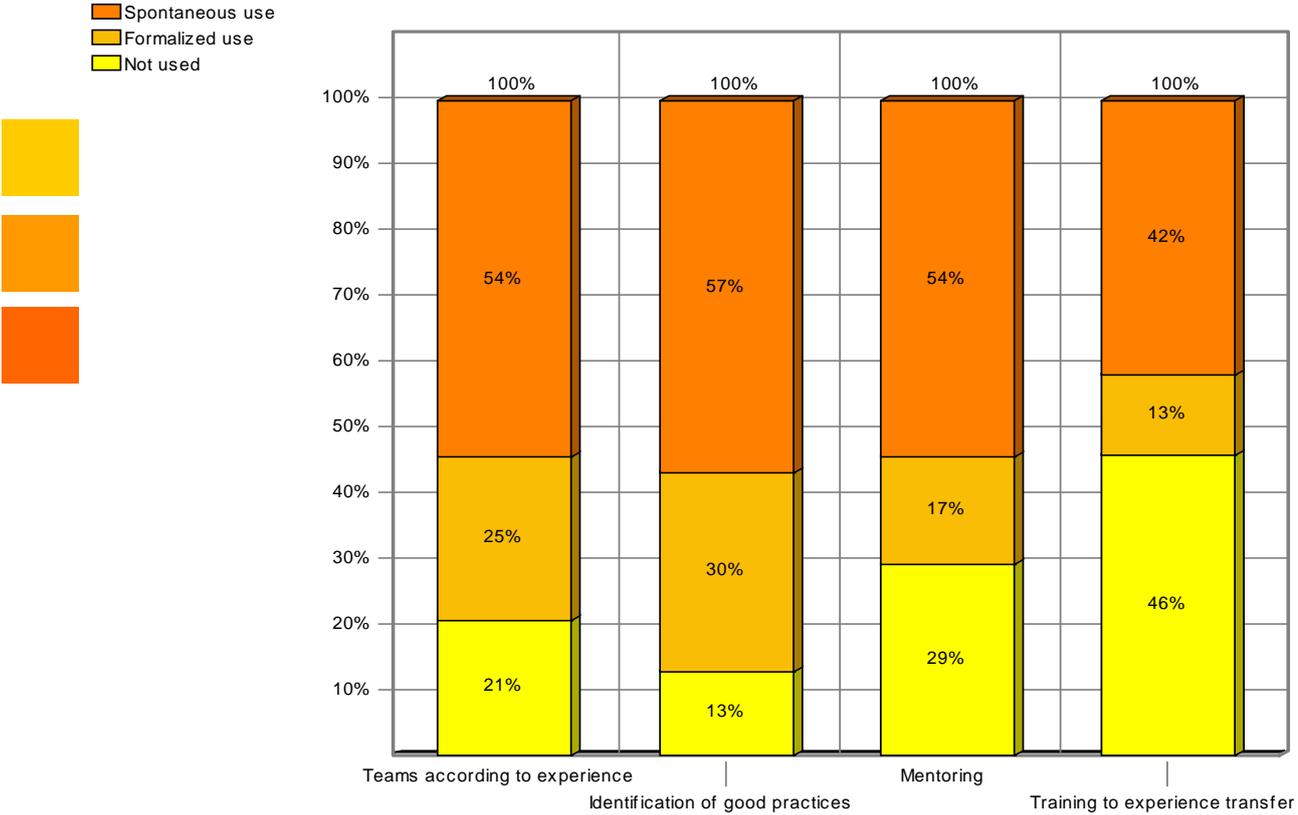
During the last 5 years, the total number of older workers recruited in the 24 enterprises of the sample reaches 76 persons. In this same sample, 75% of the enterprises say that they are ready for hiring more older workers in the upcoming years. Those that are not, explain it with the low return on investment it can bring, with their fear that they might not adapt to the organisation or with the lack of needs in terms of recruitment.

**Intergeneration cooperation techniques used spontaneously**

Most of the interviewed enterprises use techniques for making intergenerational cooperation easier such as mentoring, the identification of good practices, the creation of teams according to experience or training people to their knowledge transfer.



However, they mostly do it in a spontaneous way that is to say without having supporting tools or a clear communication on the pursued objectives (see graph below).



**Diverse recommendations for improving older workers’ employment**

Among the propositions formulated in the questionnaire for improving older workers’ employment, none of them clearly stood out. The enterprises recommended very diverse working axis (see graph below).

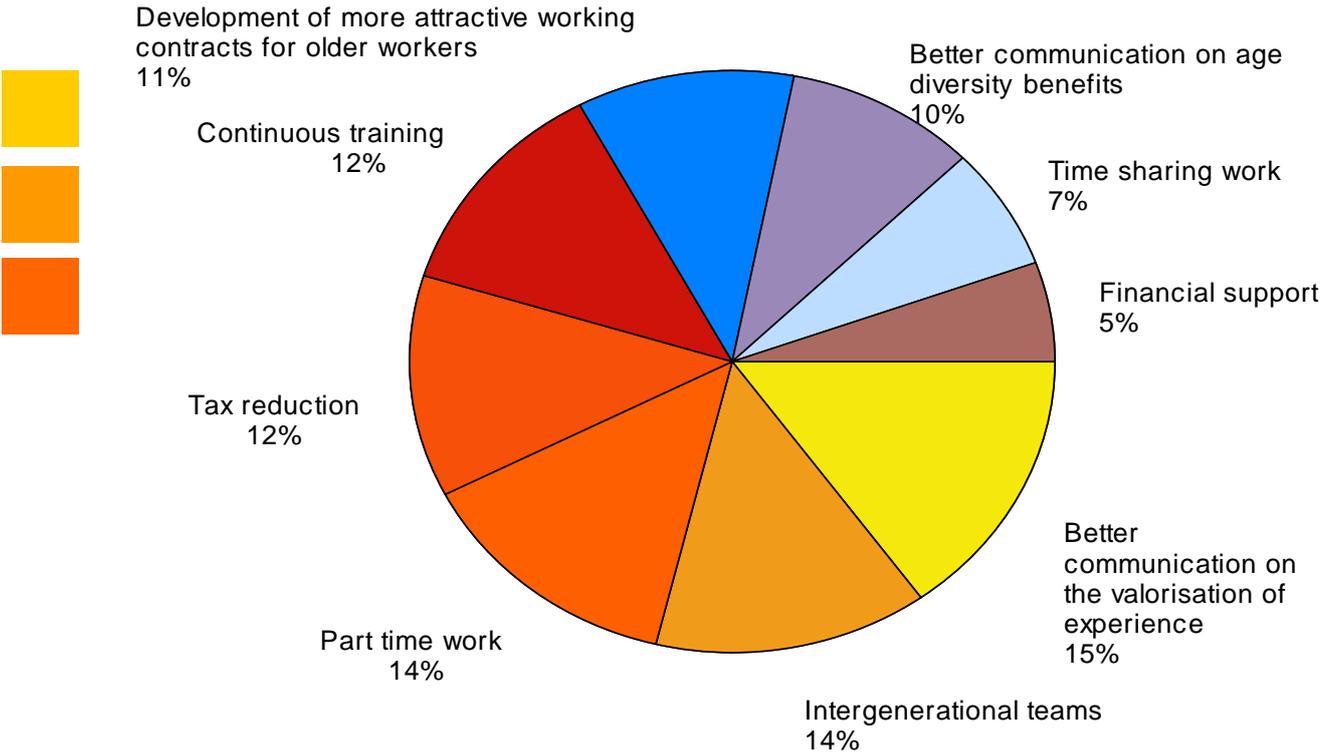
However, if there is no special trend on the overall level, the national origins of the interviewed enterprises enable to make some orientations appear.

In Germany, using vocational training (31%) and creating intergenerational teams (31%) are the 2 the most mentioned possibilities.



In Italy and in France, the financial point of view notably with tax reduction appear among the main recommendations by the enterprises (25% and 18%).

**Overall recommendations of the 24 enterprises**



Interviewed on their suggestions to improve the career ends of older workers , the enterprises also mentioned a big range of possible working directions : development of the interest and content of work (21%), knowledge transfer (18%), time and work organisation (18%), access to retirement (13%) or hardships associated with the physical load of the job (12%).





## Conclusions & consequences

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*At the level of enterprises in each one of the 5 partner regions*

In **Germany**, even though the enterprises are aware of the importance of older workers in the competitiveness of their business (more specifically thanks to their deep knowledge of the activity, gained through many years of experience), they do not have strategies or specific tools to manage the demographic change (preventive or corrective actions).

They do not see the ageing of their workforce as a risk, on the contrary to the enterprises interviewed in France or in Hungary. Moreover, it seems that they do not automatically associate age with a series of negative prejudices (as it exists in the other analysed regions) and that they do not perceive a strong motivation decrease from older workers when getting close to retirement.

In **Hungary**, the interviewed enterprises all stated that they are ready for hiring older workers in the upcoming years while a recent study carried out with Hungarian employers shows that the latter prefer hiring young people aged between 30 and 44 years old, both experienced and flexible to change.

Intentions are good but reality is still faraway from it, prejudices on older workers remain firmly rooted into mentalities and keep acting as brakes for their employment. Moreover, nothing has been done for enabling older workers to overcome the difficulties that they meet (obsolescence of their knowledge, cultural shock with other generations etc.) or to improve their health.

The valorisation of older workers through the transfer of their experience is not sufficient yet notably because of the lack of structured and formalised processes.

In **Spain**, the enterprises are experiencing since a few years a very strong growth which entails many and deep changes in their activity. They are currently in a position where they continuously have to rethink their organisation in order to maintain their competitiveness level.

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In this context, and despite that the ageing of the workforce is already a significant phenomenon in Spain, they do not have the necessary time to introduce age management, whose consequences are perceived as too-distant for implementing actions from now on.

This is currently not part of their immediate concerns. Only the enterprises which have been impacted by the issue already took it into account, without having tools or structured processes to make their progression easier.

 In **Italy**, many enterprises became aware of the problems linked to demographic ageing and their impact over the last years. Today, they are ready to speak about age management and to implement corrective and preventive actions in order to control the associated competitiveness stakes.

  
 If enterprises often perceive the demographic change as a risk, the perception of older workers is hardly ever generalized. As in the other regions analysed through this survey, the Italian enterprises manage the diversity of their staff ages in a spontaneous way that is to say without truly structured strategies.

In **France**, prejudices on older workers persist in spite of the different campaigns and initiatives led at national level by the State and the social partners. The enterprises are becoming aware of the stakes of the ageing of their workforce without implementing concrete actions.

They often have the feeling that older workers don't wish to lengthen their active life, that they don't want to stay longer in the enterprises, that they are only driven by a financial necessity. In the meanwhile, older workers think that enterprises perceive them as obsolete and out of date...

Conjointly to making available tools for implementing age management to enterprises (beyond the simple interpretation of statistics), it is imperative to brought enterprises and older workers together again, to point out their common interests.

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### *Consequences for the SILVER project*

As shown by the diversity of the answers made by the enterprises to the questionnaire on older workers' employment, culture seems to play a significant part in the actions implemented or not to manage demographic change.

This way, the priority granted to active ageing, the links between age and skills, the place given to the cost of salaries, the existence of intergenerational conflicts or the perception of motivation decrease strongly vary from a region to another.

However, other elements gather all the interviewed enterprises, whatever their origin country may be. They all experience recruitment difficulties and all have to cope with increasing technical and specific skill shortages. They all lack of tools and structures processes to tackle the demographic issue with efficiency and permanence.

This is precisely the deficit to which the SILVER project offers to remedy through the creation of a simple and integrated toolbox enabling age management to become a usual practice in European SMEs.





# the questionnaire





# Silver

## Questionnaire on the situation of older workers in companies

*“Know better to act better”*

While life expectancy is constantly growing in European Union member states, their labour force is shrinking at the same time, notably affected by massive retirements of the baby-boomers as well as the later integration of young people into the labour market (*general extension of studies*).

Enabling mature workers to remain active longer is both an economic and social necessity in the different countries of the community which have to integrate demographic change into their daily practices and invent a new organisation with 3 generations.

This questionnaire, addressed to company executive or HR managers coming from the 5 European Regions involved in the SILVER project (Rhône-Alpes, Saxony, Aragón, Veneto and Budapest), is aiming at understanding the situation of older workers in order to design a toolbox for performance through age management that truly meets their needs.

**SILVER partner country:**  France  Germany  Spain  Hungary  Italy

Note: older worker is understood in this questionnaire as over 50 years old.

### 1. Interviewee's identity

*Function:*  HR  Top management  Adm. & Finances  Chairman  Other

*Activity sector:*  Industry  Building & Civil Engineering  Trade  Services

*Staff:*  - than 10  11 to 250  251 to 500  + than 500

*Staff distribution (absolute value):* - than 35 years old:

from 36 to 49 years old:

+ than 50 years old:

*Average age:*  < 35 years old  35 to 40  41 to 50  + 50

*Number of older workers who will retire during the 3 upcoming years:*

*Foreseen evolution of staff in the short term:*  Growth  Stagnation  Decline

*Recent evolution of the activity:*  Growth  Stagnation  Decline

*Existence of a formalised quality system:*  Yes  No  In progress

*Did your company experienced notable changed over the last years?*

Yes  No

If yes, at which level(s)?

- Techniques and technologies used
- Products and services offered
- Organisation of work, processes
- Structuring of the company (mergers, acquisitions, restructuring etc.)
- Qualification levels of employees
- Other

Has the issue of "ageing" already been raised in the company?

- Yes, from a general point of view
- Yes, but only on an individual case basis
- No

Have you implemented a special thinking or specific actions for managing people over 50 years old?

- Yes
- No

In the framework of your activity, do you perceive the demographic ageing as:

- an opportunity?
- an evolution without special consequences?
- a risk?

Does the company have to face recruiting difficulties?

- Yes
- No

If yes, why?

- Seldom / non-existing profiles
- Low attractive location
- Tax pressure
- Low attractive wages
- Hard working conditions
- Other

Does the company foresee a workforce shortage for the future?

- Yes
- No

If yes, in which jobs / work positions?

## 2. Place and perception of mature workers

According to you, with regard to older workers in your company, it is: (tick the appropriate box)

	easier	harder	as easy as before	I don't know
To share and transfer one's experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To manage a team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To be source of innovative solutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To increase and diversify one's skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To have specific skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	easier	harder	as easy as before	I don't know
To be motivated at work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To evolve towards other positions / other missions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Thank you for ticking the 3 adjectives that, according to you, better define older workers:

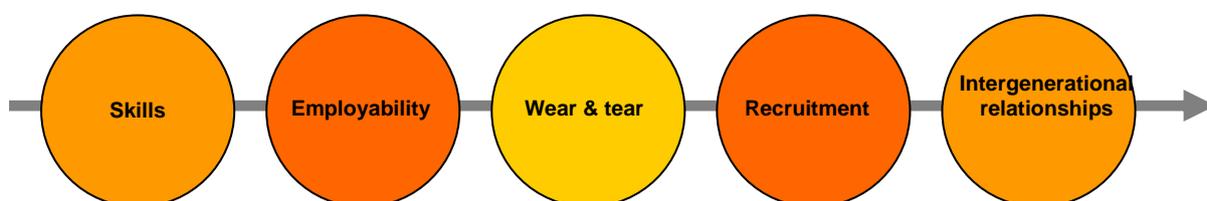
- Autonomous     Available     Mature     Expert     Operational  
 Expensive     Less efficient     Not flexible     Obsolete     Less dynamic

According to you, what are **the brakes on older workers' employment**?

According to you what is **the added value of older workers**?

According to you, what kind of **positions / functions / assignments** are particularly adapted to older workers and why?

### 3. Existing practices



#### A. Skills

In your company, are there key or critical skills?     Yes     No

If yes, what type(s) are they?

- Skills of intellectual nature (exploit information, solve problems, exercise a critical judgment, implement one's creative thinking etc.)  
 Skills of methodological nature (use efficient working methods, exploit ICT etc.)  
 Skills of personal and social nature (structure one's identity, cooperate etc.)  
 Skills of communication nature (communicate in an appropriate way etc.)

If yes, are they mainly held by older workers?     Yes     No

**Retirements**

According to you and from a general point of view, the mature workers that reach the age of retirement in your company:

- Are happy to leave the active life and to be able to dedicate more time to their personal blossoming;
- Would like to work longer but fear that regulation changes become more restrictive in the future;
- Would like to work longer and are looking for new options to go on with an activity, either economic or social;
- There is no trend.

**B. Skill “maintenance”**

In your company during the last 2 years, the training offer for older workers has been:

- Similar to what has been offered to other age groups and everyone benefited from it in the same way;
- Similar to what has been offered to other age groups but in reality, few mature workers used it.

The training fields to which older workers take part in are mainly:

- Technical
- Based on new information and communication technologies
- On management
- Other fields, to specify:
- There is no trend.

Is career management specific to age groups?  Yes  No

If yes, how?

**C. Wear and tear & working conditions**

Did you make some working condition adjustments specifically aimed at older workers? Tick the appropriate boxes:

	Yes	No
With regard to furniture (ergonomics)	<input type="checkbox"/>	<input type="checkbox"/>
With regard to computing equipment	<input type="checkbox"/>	<input type="checkbox"/>
With regard to noise pollution	<input type="checkbox"/>	<input type="checkbox"/>
With regard to handling of heavy loads	<input type="checkbox"/>	<input type="checkbox"/>
More flexible working time	<input type="checkbox"/>	<input type="checkbox"/>
Functional mobility	<input type="checkbox"/>	<input type="checkbox"/>
Orientation towards expertise / consultancy / internal training positions	<input type="checkbox"/>	<input type="checkbox"/>

Do you currently work on working condition improvement projects aimed at older workers?

Yes  No

If yes, can you describe them?

**D. Recruitment**

Do you pay attention to the evolution of your age pyramid?  Yes  No

If yes, how?

If no, why?

Have you already hired a person over 50 years old?  Yes  No

If yes, how many during the 5 last years?

Are you ready for hiring people over 50 years old in the upcoming years?  Yes  No

If no, why?

**E. Intergenerational relationships**

Among the following techniques, which one are used in your company to favour skill and knowledge capitalization and transfer between generations? Tick the appropriate box:

	Not used	Used in a formalized way	Used in a spontaneous way
The creation of teams according to experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The identification of good practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mentoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Training to experience transfer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Do you think that intergenerational cooperation in your company can be a vehicle for tensions?

Yes  No

Comments:

**4. Prospects**

Thank you for ticking the proposals which, according to you, can play a positive role in terms of employment of older workers:

- Part time work
- Time sharing work
- Continuous training
- The development of more attractive working contracts for older workers
- A better communication on age diversity benefits
- A better communication on the valorisation of experience
- Financial support
- Tax reduction
- Intergenerational teams

According to you, what are the priority fields to improve career ends and to mobilize people beyond 60 years old:

- Content and interest of work
- Time and work organisation
- Career unfolding
- Hardships associated with the mental load of the job
- Hardships associated with the physical load of the job
- Meaning and aim of work
- Access to retirement
- Mobility
- Knowledge transfer
- Other, to specify:

**5. Free comments**









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