

German experience in dealing with the process of demographic change – some results from several projects

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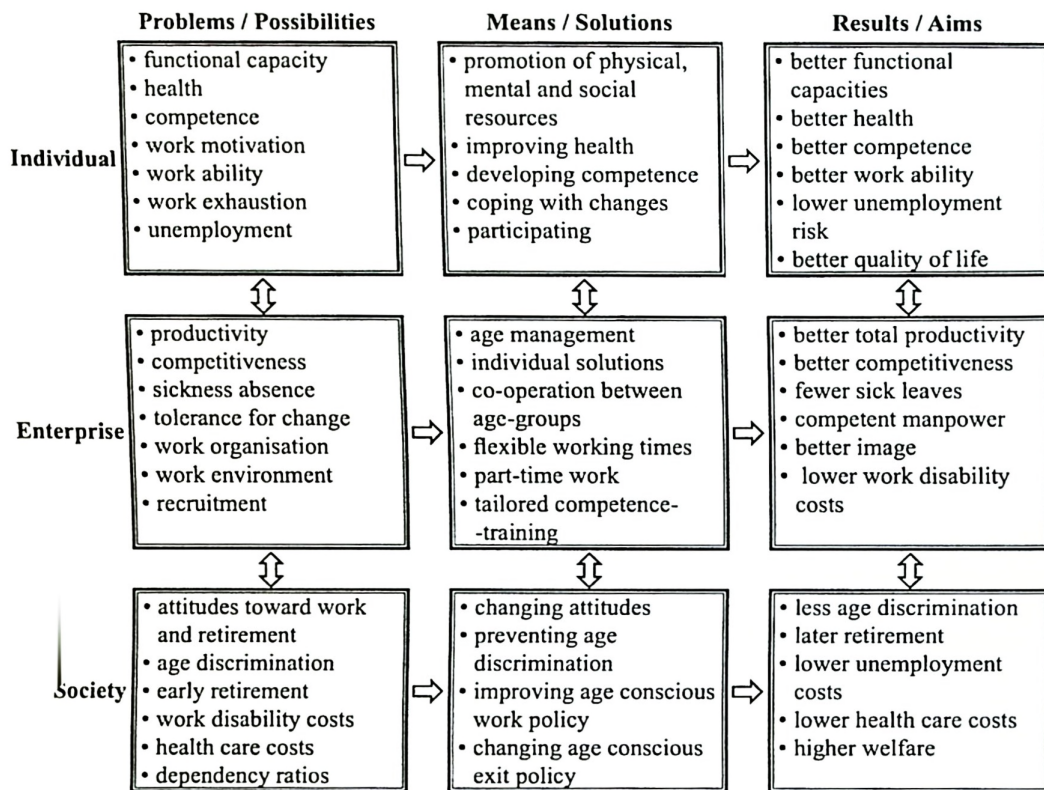
1. Introduction

Today science, enterprises and society have to realize the fact that the demographic change will affect the whole working society. In the future, high requirements are to be expected and met. The consequences of demographic changes and their influence onto the labour market are obvious: An accelerated ageing workforce is to be projected, and enterprises will have to deal with an aged workforce by 2010 at the latest. The target group for the tools and the knowledge generated from several projects in Germany are these in the process of ageing involved companies. Employers and responsible managers of enterprises are an important group for forging future policies. As other advocates of the aged and ageing workers in public we could identify trade unions, governmental actors and the federal work agency. But the key players remain enterprises, who should create new jobs, adapt their recruitment policies and increase the work ability of their ageing manpower by installing specific measures. They have to be well-informed about the subject of ageing workforce and society.

In recent years the demographic situation in most European states – including Germany – has given some cause for concern. The contraction of the population will therefore be characterized by an increase in the numbers of elderly people and a significant reduction in the numbers of people of working age. “This increase in the so-called “old age dependency ratio” (the population aged 60 or over as a proportion of the population of working age) will place a considerable burden on the economics of the European states in terms of pension costs, higher medical bills and lower per capita GDP, and will also further exacerbate skills shortage.” (Boswell et al 2005:8) On the other hand we face extremely high unemployment rates among elder workers going along with an increasing duration of unemployment.

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Figure 1: Orientation matrix – ageing and work



Germany will be seriously affected by ageing populations. It already has a high old age dependency ratio: at 44,3 % in 2003 (Eurostat, 2004:63). This is expected to rise to 77 % by 2050.² It is projected that by 2030 the proportion of the population in Germany who are retired will rise to 35,8 % as compared to 23,5 % in 2000. The labour supply will decrease by an average of 0,7 % per annum between 2010 and 2040. The mean age of employees rose in Germany from 1991 to 1999 from 38,3 to 39,5 years.

2 See www.destatis.de, accessed November 2004.

Due to the age structure of the population Germany will face a growing extend of retiring people. The average pension age in Germany increased because of pension reforms up to 61,5 years in 2004. In comparison to the legal age of retirement of 65 years there seemed to be space for certain measures of lengthening lifetime working period.

Due to these facts enterprises – especially in regions being affect before others – could not afford to use skills and experiences of their ageing workforce.

2. Future Problems according to the Demographic Change

The demographic change will pose a number of challenges and may cause problems in the future which the companies and municipalities will have to deal with:

- Employees will become older
- It will get more difficult to recruit young and well-trained staff
- The speed of innovations is increasing
- Requirements of working conditions, enterprises and workers are changing and getting faster
- Enterprises and public services will have to manage with their own ageing workforce
- Pensioned workers take their knowledge with them while leaving the company

Risks caused by elderly working people in the companies reach from lack of current vocational training for elderly employees to the absence of age aware management. In addition to that elderly workers are not used to learning and without being backed by the management sometimes fear changes. But due to the need for a management of change there is a request in new qualification by the companies. The question will be whether from the company view elder worker will be integrated in this restructuring process. Another risk is that for many employees the career ends with 45 years and in the following up to 20 years the remain not in the focus of personal development strategies.

According to these abovementioned tasks the following requirements must be met to master the problems evoke from the demographic change:

One major issue will be to preserve the ability to work of an ageing workforce. The demographic change and the ageing workers require sufficient awareness. Accelerated innovation cycles ask for a lifelong learning process, which should be initiated. Furthermore younger and aged workers will have to co-operate in learning

and working situations. An increased awareness of the changes in the future must be developed.

3. How do enterprises value their elderly workers?

Elderly working people are often characterised by their high company loyalty. They don't want to look for other jobs because the danger of unemployment increases after a change if the person doesn't pass the time of probation. Older workers often regard themselves as the carrier of the companies philosophy, career and know-how; sometimes they were involved in the formation of the company and grew up with their enterprise. They use their large knowledge to strengthen their position and also to protect themselves against the younger workers trying to get in their positions. One arising conflict could be that on the one hand they know that they have the experience and the know-how but on the other hand the demand of valuation and the fear of being stigmatised as brakesman.

The following existing paradox situation can be described:

- Often the companies praise the experiences of older workers but in the same time they often indicate that they also can leave the enterprise speedily.
- Often enterprises hold the view that older workers should quit their job to clear a space for younger workers. But often older workers leave their job but this new job is not engaged with younger workers so that these positions get lost in the end.

Another problem is that companies often have the prejudice that older workers are not able to cope with large changes but this problem also contacts younger workers. But there are nearly no thoughts about older workers and how they can use their knowledge, their experience and their informal know-how about the company and can also support a planned sensible reorganisation in difficult times.

4. The Search for Solutions in Germany

In many participating German enterprises one can find similar problems:

- Many companies haven't recognised the effects of the demographic change yet.
- Number of persons who retire is larger than the number of persons who enter the job market.

- Only a few companies employ older working force.
- Age discrimination e.g. less further education, higher rate of dismissals.

Communication and information are very good resources for preventing the problems described above.

The German situation of knowledge management in small enterprises could be characterized as being far from optimal. Knowledge transfer mostly takes place on informal ranks. Cooperation between young and elderly workers is an important aspect. But elderly working people often have fear of losing the job when their knowledge and experience have been transferred to younger colleagues. In these cases it seems to be sensible organising an efficient knowledge transfer and to plan the further career within the company very carefully.

Several models implemented an approach to improve the communication between working persons of different ages. The implementation of new technology in enterprises with a mixed-age staff is a very delicate process, where employers and employees are placed under particular stress. Knowledge management should serve this purpose well.

In several model projects according measures have been developed, which refer to heterogeneous groups focusing on mutual learning. These initiatives seem to be more sensible than events referring especially to the target group of older workers.

The **process of mentoring** enables the dissemination of knowledge which is used and important for the enterprise in the future. Elderly workers which will retire need support in transferring their knowledge. Couples must be supported at with the transferring knowledge and skills. During the process of implementing senior policies, enterprises need support in engaging the appropriate persons and departments and in obtaining knowledge about the consequences.

The results from several models show that unfortunately there seems to be no experience exchange between the enterprises in Germany. This aspect is integrated in the **Smart Region**-strategy, which aim is to organize such activities on a regional level.

Some results according to the appearing problems of the demographic change and under the aspect to provide possible solutions to prevent or solve these problems are:

- Motivation of elderly working people so that they stay longer in their profession
- Impairment of the early-retirement conditions
- Reduced working hours

- Flexible time schedules
- Job rotation
- Part-time work
- Presenting the positive features of older workers as knowledge-bearer
- Career management in the company
- Development of training-modules and life-long training
- Increase of retirement age

All in all the experience from several projects has shown that companies and administration are only hardly encouraged concerning the topic of the demographic change and elderly working people. In most cases it was a very difficult task to find partner companies and was connected with a costly acquisition work. Though the theme of the demographic change becomes more and more important in publicity and politics companies don't seem to focus the upcoming changes. The main reason for this point could be that there are only very temporal close short-term planning horizons of personnel development that maximal comprise the next five years.

Some reasons to understand the companies attitude towards our target group could be that the distinguishable demographic variances will be recognizable not until 10 years. The opinions concerning the performance ability of elderly working people are strongly influenced by stigmatisation and deficit presumptions.

5. Experience of Good Practice in Germany

Since the middle of the 90th, models of good practice have been implemented in several branches, regions or companies. Although most of them have been successful we even today face two problems. On the one hand these models have been documented and their used methods described. But in most cases they had not been evaluated systematically. Due to this fact the existing gap between successful programmes and the question why they have been successful couldn't be closed. On the other hand we are still facing huge transfer problems. The transfer problem is still unsolved. Disseminating good practice is considered to be the most efficient way. Other companies should be animated by them to follow these examples of crucial measures to maintain and increase the employability of an ageing workforce. Therefore transfer strategies were constructed as a kind of publicity campaigns with an additional consulting approach. First steps tried to reach interested companies by a broad information campaign with well informing internet contents.³ The products of these campaigns offered even exact

3 For example: www.demotrans.de.

instruments to be installed after being adopted onto the company needs. How many companies have used these instruments is unknown.

The key issue of convincing companies to implement measures of improving the employability of elderly workers was often solved by existing contacts. The fact that these models had huge amounts of money to spend played the sometimes door opener.

After a period of basic research and development of methods and instruments the phase of transfer should follow. But from today's view this strategy failed. Implemented good practice is not widespread. The next step was to focus nearly only good practice a vivid examples of participating companies. The products of this period were mostly case studies⁴ which should accelerate the transfer of measures.

The qualitative improvement during those times was that vivid companies gave examples which should animate other enterprises to copy the implemented measures. The main effect of changing the strategy was that other enterprises are more willing to implement successful measures. They had been successful under comparable circumstances and similar problems. Therefore especially employer's organisations⁵ promoted these projects using their reputation to transport the issue of demographic change. The main focus changed from analysis to implementing evaluating specific measures in small and medium-sized undertakings (SMU).

Two examples of measures should be described in deeper manner:

First **age-awareness seminars** for managers as an often implemented form of sensitizing measures should be described. Age-Awareness Programme covers the sensitivity of managers themselves. An important part plays the exact knowledge about the age structure of the company, the several departments and further trends.

From this point on facts about the company's demographic development and necessary conclusions should be developed. A crucial precondition for a successful sensitizing of decision makers will be to provide them with facts about the performance, strengths and weaknesses of elderly workers. A next step could be the transfer of results from new models for elderly workers in other companies.

To estimate their efficiency the **evaluation** of measures for older workers existing in the own company has to be installed. Under the aspect of sustainability the backening of permanent promoters is evident. But the methodical knowledge in questions of development of measures and planning of their realisation is a process of learning.

⁴ See www.demografie-initiative.de.

⁵ See www.proage.de.

However, the different methods of implementation should be tailored to the individual needs and conditions of each company.

According to the field of occupational training for ageing employee's one future aim should be to **train the trainer**. Some projects focused on develop models to train occupational trainers and sensitize them how to work successfully with elders. Seminars that sensitise and inform trainers include the following aspects:

The sensitization of the trainer himself starts with providing him with facts about the demographic development. Facts about performance, strengths and weaknesses of older (elderly) workers – as well as on the management level – should be part of the training. Including biological facts concerning learning and kinds of elderly learners, questions of the motivation of elderly learners should be answered. Good practise examples concerning age-related courses should be transferred from other projects.

As a result of the aforementioned training activities the development of age-related didactic measures for their own classes is crucial. Therefore the proofed effectiveness of different methods should be discussed and adapted onto the learning situation. Learning on the job with a certain amount of repetitive parts will help to build up motivation and deeper understanding of contents.

These two examples of implemented measures show how widespread the range of a holistic approach has to be. But this holistic approach seems according to the German experiences the most efficient way to deal with the effects of the demographic change. Isolated measures will correspond with the complexity of the demographic change.

Conclusion

The creation of age awareness will still remain one of the most important objectives in Europe in the next years. Especially small and middle-sized companies have to cope and create with this change. The knowledge of the changes within the age-constitution of the staffs doesn't suffice: There is a need in models and methods which help employees, politics, management, unions and workers' councils to form consciousness and to encounter the demands of the future creatively. The emphasis on the work must be concentrated in fields like creating awareness to prepare all levels as companies, institutions and politics of the consequences in connection with the demographic change.

To keep in mind the satisfaction of elderly employees with work is one of the key issues while struggling for increasing work ability. The implementation of a new work model may cause the elderly to feel more satisfied with their working environment and

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