

# **GUIDELINES FOR BUSINESSES AND MANAGERIAL STAFF**

**SUSTAINABLE  
MEASURES  
FOR ACTIVE  
AGEING AND  
KNOWLEDGE  
TRANSFER**



**EUROPEAN MANAGERS**



# FOREWORD

Dear Reader,

These guidelines are presented to you by CEC-European Managers, the voice of more than one million managers throughout Europe. We would like to assist you in your daily work by suggesting you dedicate some attention to a major challenge of the coming years: an ageing society. We would be happy if we could start a dialogue with you on what each one of us can do to provide action in due time to ease the many effects this development will have on our society and workplaces. Please give us some feedback if our guidelines have been useful for you or if you would like to add your own ideas and remarks. Thank you for answering to [info@cec-managers.org](mailto:info@cec-managers.org)

Annika Elias  
President, CEC-European Managers

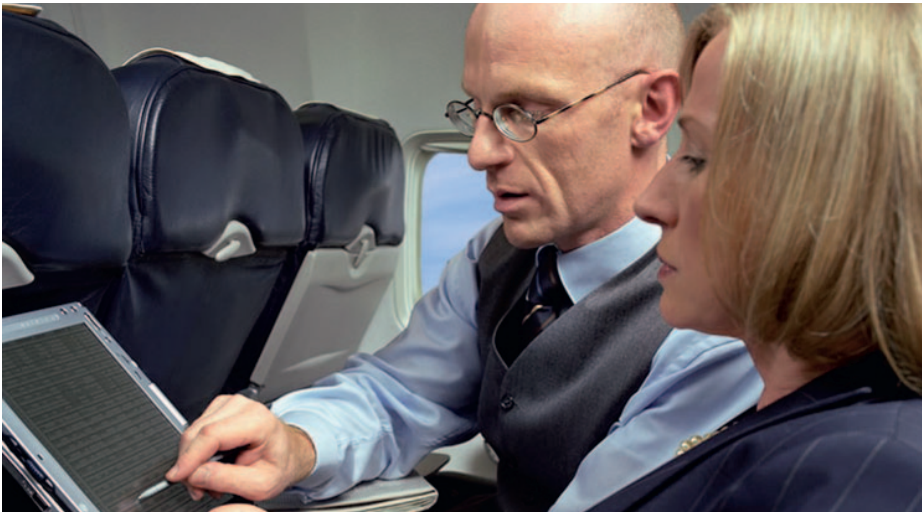


# 1. ARE YOU AWARE OF ACTIVE AGEING AND KNOWLEDGE TRANSFER?

---

The EU 2020 strategy for smart, sustainable and inclusive growth emphasized the importance “of promoting **a healthy and active ageing population** to allow for social cohesion and higher productivity”. One of the priorities of the EU 2020 strategy is to reach an employment rate of 75% for the 20-64 age bracket through a greater involvement of older workers (55-64) and put forward concrete measures to facilitate the creation of second career opportunities. Unfortunately, the previous goal for this age bracket set for 2010 by the Lisbon agenda (an employment rate for the age group 55-64 of 50%) has not

been met. On the other hand, the age structure of the EU population is evolving rapidly and radically. Current demographic trends pose many challenges to the European Union as a whole and to the Member States. A profound change is taking place in the **balance between the number of younger and older people**. The whole workforce is expected to age and decrease in size, falling from approximately 310 million to 250 million by 2050, whereas the old age dependency ratio is expected to increase from its current levels of 25.4% to 53.5% in 2060.



The number of people over 50 years old will rise by 35% between 2005 and 2050 in Europe. In many countries older workers will make up 30% or more of the working-age population.



In this context, it is essential for policy makers to adopt adequate solutions that are capable of ensuring that Europe keeps up with the global **competitiveness** race while preserving the European social model and its **sustainability** and fairness to all generations.

Promoting active ageing measures is one of these. Active ageing means offering older citizens the oppor-

tunity to continue participating in the society, regardless of their age. When it comes to the labour market, implementing active ageing measures means allowing for a **longer presence of older workers at their respective**

**jobs.** Along with the easily predictable positive consequences on the employment rate of the elderly, longer careers also provide another valuable asset, which becomes increasingly important as we progressively shift towards a skills-based economy: the transfer of knowledge. Knowledge is a complex result of personal experiences, notions and practice that has a great importance in organizations, as it complements (and

sometimes replaces) the other traditional means of creating and sharing valuable, operative information. Even though workers of all ages can participate in (and benefit from) this exchange of information, older ones generally retain the knowledge that risks going to waste once these are replaced and no effective measures for passing it onto younger generations of workers are taken.



## 2. WHY ARE MANAGERS CONCERNED AND HOW ARE YOU AFFECTED?

---

Let's start from a practical example: the total managerial and professional workforce in Germany is predicted to shrink from 6.1 million in 2010 to just 4.7 million in 2040, a decline of almost 25% over 30 years. It is paramount to understand how this particular social group will be affected by demographic change. Within businesses and organisations, managers assume both a leadership and a bridge-building position as mediators between the ownership and workforce. In mastering the challenges of demographic change, it will be the central task of managers and professionals to define, communicate and implement **suitable strategies** for active ageing and knowledge transfer between the generations within their respective companies.

Managers also play a crucial role as those who develop strategies on how to improve the quality of workplaces. The dialogue between managers and workers should be a continuous process, because managers have the authority to arrange work processes and individual work tasks. All decisions and changes in the work organization go through their hands. They are also responsible for health

and safety matters, including risk assessment.

Because adapting work to one's abilities, skills and state of health should be a continuous and dynamic process, based on adequate risk assessment, adapting work to older workers' health status and needs should not be an additional burden. For all these reasons **the awareness** of managers and supervisors of age-related issues needs to be improved.



### 3. WHO IS RESPONSIBLE OF DEVELOPING MEASURES FOR ACTIVE AGEING AND KNOWLEDGE TRANSFER?

---



The first responsible actors can be managers themselves. Acting from within companies in a position of leadership, they have the possibility to influence and even control all the internal aspects of human resources management and can actively promote **age mainstreaming** into the HR policies of their respective companies. The same consideration applies to knowledge transfer – it is managers who have sufficient decisional autonomy

and a comprehensive view over the company to launch internal programs for promoting the mutual exchange of knowledge and fostering intergenerational dialogue.

But if we look at society as a whole, public authorities and all concerned stakeholders have to contribute to the development of such measures. Policy-makers, at all levels and degrees, have to realize the urgency of the situation and adopt an **age-oriented approach to legislation**, providing for instance support to those companies that introduce age-friendly policies in their internal practice or setting platforms for the exchange of best practices among economic actors. Trade unions, NGOs and social partners can play their role too, focusing on how to improve **collective awareness** of the effects of the demographic challenge on society and mobilizing the social groups concerned.

**BEST PRACTICE: ABB**, the Swiss multinational operating in robotics and electronics, includes the management of age-related issues in its internal training schemes for managers.

## 4. WHAT ARE THE CONSEQUENCES IF ACTION IS NOT TAKEN NOW?

A responsible manager always acts in a **proactive** way. Anticipating problems and finding suitable solutions should be part of the regular activity of any manager, and this becomes even more significant when it comes to envisaging practical answers to an issue which risks threatening the good functioning of the economic actors in which managers and other executive professionals play their specific role.

But managers are not answerable to their respective working environment only. As the members of an active and conscious component of our society, managers have specific obligations to the community they live in. It is a matter of **collective responsibility** for managers to react to large-scale problems such as the one we are discussing, as the consequences of not intervening can be very hard. An abrupt interruption of working activities, maybe imposed on individuals who still feel able of contributing to the society, is generally the way retirement is actually implemented in concrete terms. This situation represents

a huge change in the life pattern of the retiree and has potentially disruptive effects on the psychological and overall wellbeing of the individual.



Besides the human costs paid by those who suddenly feel “expelled” from the labour force, we must also take into account the huge social and economic costs connected with an insufficient policy attention to the ageing of population. Generous provisions on early retirement, the lack of incentives for older workers to continue their careers and other similar policy decisions have inevitable harmful effects on **public finances**, especially in the current scenario of economic crisis, and have serious ethical implications in terms of **intergenerational equity**. Health and welfare systems would severely be under strain, too, as they could risk collapsing under the weight of an excessive demand of treatments that is not adequately financed because of the decline in the number of active contributors.

## 5. DO YOU KNOW THE MAIN AREAS OF AGE MANAGEMENT?

The goal to increase employment rates of older workers and to extend working life creates new challenges for work-life balance in the future. Allowing more flexibility and enabling workers to choose between working and non-working periods due to family responsibilities is an important factor for adjusting working life to the needs of workers today.

Opportunities for **gradual retirement** and the need to provide for care obligations both point to the importance of greater flexibility in the organisation of work and, in particular, in working time, which itself is strongly linked to the wish for a gradual move from work to retirement. **Redesigning individual working tasks** according to the strengths, needs and capabilities of older workers is crucial to secure the ability, well-being and productivity of the employees. For example, managers in charge of human resources could adopt the practice of placing older workers in those management areas that are less stressful than other business sectors with sales targets and profitability goals. Furthermore, dealing with people who experience decreasing physical capacities is mainly an issue for highly demanding jobs; about 30% of jobs in Europe today involve

poor work postures, the handling of heavy objects or repetitive work.



The need to adapt individual working tasks to age clearly applies to managers too. A gradual transition from managing positions that imply a great decisional power to consultancy and supervision roles, focusing on the definition of the company strategy rather than on its precise daily administration could be one example of a successful age-mainstreamed measure tailored on the needs of professionals. **Flexible career paths** that adapt to the evolution of needs, capacities and resources of an ageing worker (be it a manager or not) are necessary if society wants to keep this workforce on the labour market longer.

**BEST PRACTICE:** *BMW, the German car producer, has been adopting since 1994 a programme allowing its workers and employees to apply for an unpaid sabbatical period (up to 6 months per year).*



## 6. HOW CAN YOU ADAPT THE WORK ENVIRONMENT TO SPECIFIC AGE-RELATED NEEDS?

---

To adapt the patterns of work to age means modifying the actual distribution of working tasks and the organization of working time. This can be done through measures like, for instance, decreasing individual physical workload, introducing short breaks in work processes and taking account of health risks when scheduling shift work and flexible working arrangements.



But these changes cannot be enough. The **environment** in which people live - housing, transport, access to public services - has a major impact on their ability to perform in an active way their role in society. More broadly, older workers also need that their workplaces evolve with them, and become more adapted to their needs. Offices and other working spaces should be conceived in such a way as to be “friendly” to a large pool of possible users, as the age span of workers using them is set to increase significantly over the years.

**Flexibility** should therefore become a principle to follow in the organization of the work environment. This goes hand in hand with a global rethinking of the way **public spaces** are designed and defined for common use, an issue which once again involves public authorities and all those (including stakeholders) concerned with the planning of urban and rural spaces. In fact, accessible outdoor spaces, buildings and transportation systems as well as adapted housing and physical activity facilities can become a key in promoting independent living and participation in society for longer times.

## 7. KNOWLEDGE TRANSFER BETWEEN GENERATIONS: HOW COMPANIES CAN BENEFIT FROM AGE DIVERSITY?

---

Transferring knowledge among members of the same organisation has become a core element in the management of complex structures like companies, especially in times of high specialization like these.

**Knowledge**, much more than simple information or data that can be easily stored, exchanged and transmitted, has a distinct individual and subjective component, and its creation and application are strongly influenced by the “human factor” that is specific to

each company. This “human factor” is renewed periodically, as generations of workers follow one another, but it’s vital for the company to retain all of this immaterial capital that is knowledge.

Knowledge transfer should not be seen as a one-way process though, as it is not only older workers who pass onto younger ones what they know. Younger workers can help the elderly adapt to new technologies,



new theories and business methods, and can assist them in incorporating these new features in their working practice. This **bidirectional flow of information** becomes even more central as the number of generations coexisting at the same time within a company is increasing (and will continue if active ageing measures in the working environment start spreading among companies). In this light, it is essential that **training** schemes put in place by companies to update the workforce follow the evolution of their age structure, therefore allowing older workers too to continuously upgrade their competences and participate to the process of contributing constantly to the enrichment of the company knowledge.

Managers can play a double role in ensuring that knowledge transfer is correctly managed within their companies, as they often represent the end extremity of the “knowledge

chain” of a company. Among the possible measures to be taken, managers could focus on setting **mixed-age working teams**, in order to avoid the risk of creating “age-ghettos” in companies and ensure that the circulation of knowledge reaches all departments and is evenly spread among all internal sectors. **Mentoring** programs could also represent an effective solution, as they would at the same time help improve mutual esteem between colleagues and strengthen personal relations in the working place.

**BEST PRACTICE:** *One of the most performing models of Audi, the sport coupé R8, is produced in the German factory of Neckarsulm. The production of this model is quite complex, as it requires much manual work from the most skilled and experienced workers. For this reason, mixed-age working teams are implemented on a regular basis.*





This document has been printed with the support of the European Union. The sole responsibility for the content of this document lies with CEC European Managers. The Commission is not responsible for any use that may be made of the information contained there in.

