

THE EMERGENCE OF AGE MANAGEMENT IN EUROPE*

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ABSTRACT

This article examines the recent rise in Europe of an interest in age management at both organisational and national policy levels. It discusses the main reasons for this new focus: workforce ageing, the age/employment paradox, the public policy imperatives, the organisational pressures and the goal of equal opportunities or age diversity. Some illustrations are provided of age management organisational strategies. The final part of the article proposes a way forward from the current mainly passive approach to age management towards genuine age diversity in organisations.

Key words: ageing population European Union, mature workers, human resource management, age diversity

INTRODUCTION

The past decade has seen the gradual spread of a variety of age management strategies in public and private organisations in Europe and at national government level. This article focuses on the main reasons for this increasing interest in the consequences of workforce ageing, provides some illustrations of the sorts of measures being taken at organisational level and, finally, sets out some ideas about how the present, rather piecemeal, approach to age management could be transformed into an effective engine promoting age diversity in organisations. Data in the article refer to the 15 countries in the European Union (EU) prior to its enlargement to 25 on 1 May 2004.

ACCOUNTING FOR THE EMERGENCE OF AGE MANAGEMENT

The term 'age management' may refer specifically to the various dimensions by which human resources are managed within organisations with an explicit focus on ageing and, also, more generally, to the overall management of workforce ageing via public policy or collective bargaining (Walker 1997). There are five main dimensions of age management in organisations: job recruitment (and exit); training, development and promotion; flexible working practices; ergonomics and job design; and changing attitudes towards ageing workers (Casey, Metcalf & Lakey 1993). In looking at the factors behind the rise in interest in age management this article focuses mainly on the external drivers of change, although it is recognised that key internal aspects of organisations, especially the human resource and development culture and the existence of high profile sponsors, are crucial in progressing successful age management initiatives (Taylor & Walker 1998). There are five main reasons why age management has moved up the organisational and labour market agendas in recent years: the ageing of the European workforce, the age/employment paradox, public policy imperatives, initiatives by individual employers, and the European-wide drive against age discrimination.

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The Ageing European Workforce

As a result of the continuing decline in fertility in all European Union (EU) countries and the ageing of the post-war baby-boomer cohorts there is an increase in the average age of the economically active population. Between 1995 and 2015 significant falls are taking place in the younger and middle aged populations and a substantial rise in the older age groups. In this period the proportion of those aged 50 and over in the EU workforce will rise from just under one-fifth to nearly one-quarter. In other words, population ageing means workforce ageing. This ranks with the establishment of minimum working ages and the increased participation of women in employment as the most important demographic change in the European labour-force for more than a century. Thus, this is the overarching factor explaining the emergence of age management.

As the workforce ages organisations will need to employ a greater share of workers aged 50 and over. Therefore, a key question for the future is how successfully employers can adjust to this unprecedented change in the composition of their workforces—a question that I will return to. A related issue is that, as a result of the demographic changes underway in the EU, the economically active population is likely to fall over the next two decades (European Commission 2004).

The Age/Employment Paradox

Perhaps workforce ageing by itself is not sufficient to reach the top of the policy agenda, apart that is from a few enlightened organisations and, even fewer, such countries. However, the combination of workforce ageing on the one hand with the development of a European culture of early exit, on the other, has created an imperative for action. Thus it is the age/employment paradox that is the main spur to the involvement of public policy in age management: while life expectancy in the EU has increased by around 10 years since the 1950s, the labour force participation of older male workers (60-64) has dropped from close to 80 per cent to approximately 30 per cent. Now only just over one-third of 55-64 year olds are economically active (Table 1).

The dominant characteristic of the labour market profile of older workers in the EU is the steady decline in their employment rates over the last 20 years. The pace of decline varies considerably between countries, particularly between the north and south of the EU, but the trend is both unmistakable and persistent. The level of employment among older workers rests on the interaction between ‘push’ factors, reducing their labour market opportunities, and ‘pull’ factors, such as early exit pathways, which reduce their incentives to remain in or to seek employment (Walker 1985; Funk 2004). It is well known that the dominant factors behind the growth in early exit from employment in the EU are on the demand-related ‘push’ side and, specifically, recession, unemployment and redundancy (Walker 1985; Trinder 1989; Kohli, Rein, Guillemard & Van Gunsteren 1991; Laczko & Phillipson 1991). Indeed, it has been argued that ‘early retirement’ or withdrawal from the labour market brought about through an increase in unemployment is better understood as a form of unemployment rather than retirement (Casey & Laczko 1989).

Early exit as a goal of public policy. On the ‘pull’ side, one of the main engines driving early retirement between the 1970s and 1990s was public policies. Measures such as pre-retirement in Denmark and Germany, disability compensation in the Netherlands and Sweden and the Job Release Scheme in the UK actively encouraged the trend towards early labour force exit, sometimes as a means of substituting younger for older workers. In other words, policy makers regarded older workers as a partial solution to unemployment, particularly mounting youth unemployment. (Of course this was one element of a general policy of labour supply

reduction, which also included action to contract the inflow of young labour market recruits.) Moreover, early exit was a solution that was favoured by both employers, who could reduce the size of their workforces or rejuvenate them with the assistance of public subsidies, and trade unions, which were able to negotiate early retirement packages for their members, many of whom were keen to leave the labour force. The national early retirement (VUT) scheme in the Netherlands, for example, was created by collective agreement.

The late 1970s and 1980s, therefore, witnessed a high level of consensus between European employers, trade unions and policy makers backing the policy of early exit. This does not mean that governments intervened in their national labour markets to the same extent—in fact, differences in the level of such interventions have a bearing on the degree to which employers are now willing to depart from the policy of early exit (Walker 1997)—but the widespread acceptance of early exit was remarkable. Public early retirement schemes were oversubscribed in all European countries in which they were available.

Unfortunately, the policy of early exit entailed unforeseen consequences and, in retrospect, may be viewed as a short-term solution to the pressing economic problem of unemployment, the social and economic costs of which were never discussed openly (Walker 1982) and which, as circumstances began to change, rapidly looked anachronistic. In the first place, the growth of early labour force exit diminished the role of public pension systems as the key regulators of retirement and, thereby, increased the precariousness and exclusion of many older people in the labour market (Guillemard 1993). Thus a whole range of ad hoc institutional mechanisms and benefits were added to the social protection systems of the northern EU states to facilitate the early exit policy and bridge the widening gap between employment and retirement. However, these benefits did not cover all older workers and many were left with little other than basic social assistance. Secondly, the unchecked growth of early exit from employment reinforced the devaluation of older workers in the labour market. As age thresholds were lowered to provide exit routes out of employment this had significant consequences for those ageing workers left in the labour market because it is likely to have affected employers' perceptions of the age at which workers may be considered to be 'too old'—an issue I will return to. Thirdly, for many organisations it meant the loss of experience and know-how. The cost consequences of early exit cannot be described as totally unforeseen, but it seems that the costs were not fully anticipated by either organisations or governments.

Thus, although they were not the only factor, public policies played a significant role in creating the age/employment paradox, which brings me to the third factor explaining the rise of age management.

The Public Policy Imperatives

The success of early exit measures from the 1970s to the 1990s demonstrated at least one thing: the effectiveness of public policy interventions in the labour market. But, recently, there has been a remarkable shift in official attitudes towards early exit in a majority of EU countries. All of those with public early retirement schemes or programmes that facilitate early exit have taken action to curtail or restrict access to them. In other words, policy makers are taking action to change the context in which organisations operate, and those organisations will have to respond to these changed circumstances. The EU itself has played a prominent role in pushing this issue up the policy agenda and the focus on active ageing is likely to become even sharper (Walker 2002; Reday-Mulvey 2005). At the national level, different policies have been introduced—ranging from hiring incentives to publicity campaigns. Examples include the UK's New Deal 50 Plus and Age Positive campaign, hiring

subsidies in Denmark and the National Programmes for Ageing Workers in Finland. Everywhere in Europe this issue is now high on the public policy agenda.

Although in each EU country there are specific national features to the debate and its policy prescriptions, by far the main pressures behind recent policies towards older workers are political and economic and, in particular, the desire to limit the social security (social protection) costs associated with early exit and, indeed, with public pensions. Policy makers are well aware that the scale of early exit in Europe is unsustainable and, especially as the first of the post-war baby boom generations reach 60 (from this year).

The two key policy imperatives then are the current costs of inactive older workers often receiving sickness or invalidity benefits, and the projected costs of pensions. The latter imperative comprises two elements. On the one hand there is the loss of output and pension contributions resulting from early exit and, on the other, the additional costs of pensions resulting from the increase in longevity (projected to continue to rise over the next 50 years by 4.2 years for women and 5 years for men) (OECD 2004). In global terms, the EU's pension systems are relatively generous (although there are variations between countries in this). The average proportion of GDP devoted to pensions in 2000 was 10.4 per cent, nearly double that for the non-European and affluent OECD countries (Australia, Canada, the Republic of Korea, Japan, New Zealand and the US) at 5.3 per cent (Holtzmann, Orenstein & Rutkowski 2003). If this superiority is to be sustained in the face of demographic changes it will necessitate a combination of increases in taxes, a significant rise in the employment rate of older workers and reforms to the pension systems of several countries (OECD 2004; Reday-Mulvey 2005).

So far, the main response to these pressures with regard to the issue of workforce ageing in the EU countries is a rather passive one, centering on the closure of subsidised early exit gates and, in some, the encouragement of part-time work. Despite the evidence that public policy can have a significant impact on labour market behaviour—for example, the first pan-European study of organisational age management initiatives found that changes in public policy were one of three key factors behind the development of good practice in combating age barriers (Walker 1997)—it is only a minority of countries that are pro-active on this issue. This general passivity is the main reason why the European Commission has been empowered by the EU Heads of Government to collect annual information on the progress being made by each country towards the common EU goal of raising the employment rate of older workers. Since 2001 a section of these National Action Plans (NAPs) on Employment have been devoted to the situation of older workers and, thereby, age management has become the province of the EU, a supra-national body, as well as national governments and organisations.

The specific target set by the EU leaders when they met in Stockholm, in March 2001, was to achieve an average employment rate for older workers (55-64) of 50 per cent by 2010. Table 1 shows how very ambitious this target is for the majority of countries. The other main form of age management taken by the EU as a whole is the attempt to prevent age discrimination by the Employment Framework Directive (2000) which is outlined later.

Table 1: Employment Rate of Older Workers (55-64), 2001

	Total	Men	Women
Belgium	25.1	35.1	15.5
Denmark	58.0	65.5	49.7
Germany	37.7	46.1	29.5
Greece	38.0	55.0	22.5
Spain	39.2	57.9	21.8
France	31.9	36.2	27.8
Ireland	46.8	64.7	28.8
Italy	28.1	40.7	16.2
Luxembourg	24.4	34.8	14.0
Netherlands	39.6	51.1	28.0
Austria	28.6	40.0	17.9
Portugal	50.1	61.3	40.3
Finland	45.8	46.6	44.9
Sweden	66.8	69.4	64.1
UK	52.3	61.7	43.1
EU 15	38.8	48.8	29.1

Source: Eurostat

Some idea of the scope for public policy action can be seen in Table 2 (based on an analysis by the OECD). The baseline (a) assumes that age-specific participation rates remain at their current levels. The later retirement scenario (b) assumes that the recent trend among men towards earlier retirement is reversed and that the 1995 pattern of exit gradually moves back to the 1970 one between 2000 and 2030. As is noted above there is an increasing recognition among EU countries that public policies are required to achieve the change in culture necessary to encourage and enable people to work longer and an explicit policy of active ageing is beginning to take shape (Walker 2002). The Employment Framework Directive and the NAPs on Employment are both expressions of this policy imperative and mechanisms by which its goal can be achieved.

Table 2: Workers Aged 45+ as a Percentage of the Labour Force

	1970	1995	2030 ^a	2030 ^b
Denmark	36.4	34.0	37.3	46.3
Finland	31.5	34.2	36.9	44.2
France	32.9	30.7	39.1	47.7
Germany	33.1	31.5	40.3	50.4
Italy	30.5	29.5	43.0	50.6
Netherlands	29.7	26.6	33.5	45.1
Spain	32.6	27.2	44.6	54.1
Sweden	39.3	38.6	40.7	45.7
UK	37.9	33.8	38.7	46.1
EU15	33.5	30.5	40.5	48.2
USA	27.7	25.0	28.9	27.9

a = low scenario b = high scenario

Source: OECD (1998)

Employers and Age Management

Regardless of what national and EU policy makers do, the focal point for age management and adjustment to workforce ageing has to be the individual organisation, firm or plant. Recent European research has revealed significant shifts in the attitudes of employers towards older workers, the fourth factor in the emergence of age management. Some employers are reassessing the consequences of early exit. It is being seen by some as a waste of experience and human resources and of the investment they have made in the workforce. Others see roles for older workers in training younger people, or in preventing skill shortages. The pan-European research mentioned previously found 160 examples of good practice in the employment of older workers, ranging from small changes in job recruitment advertisements, through to comprehensive age awareness programmes (Walker 1997; Walker & Taylor 1998). In the UK some private sector employers have even constructed a positive 'business case' for employing this group. This 'business case' is built upon five points: the return on investment in human capital; the prevention of skill shortages; maximising recruitment potential; responding to demographic change; and promoting diversity in the workforce (Walker 1995; 1997).

Despite the clear signs of change, good practice in the employment of older workers remains a minority pursuit. Progress is slow and haphazard and often relies on a conducive human resources (HR) culture and the existence of a champion (usually HR Director) within organisations to doggedly promote the issue or a specific initiative. Thus, the answer to the critical question posed earlier as to how successfully European firms are adjusting to workforce ageing is: a few have done so highly successfully, but the majority have yet to face up squarely to the issue. This means that there is a need for public policies to encourage and support change among the majority.

Social Justice and Age Management

Despite the obvious shift in the EU countries policies towards early exit, the reality of the labour market experience of large numbers of older workers in most countries is still exclusion from employment. Older workers tend to occupy a relatively low status in the labour market, experience discrimination with regard to job recruitment and training and are disproportionately represented among the long term non-employed (Walker 1997; OECD 2004). The most common method of reducing future pension costs—raising pension ages—merely emphasises and extends the exclusion experienced by older workers.

Therefore, the final reason why age management has emerged in Europe is to tackle age discrimination and ensure that older workers have a fair access to the jobs that are available. Although the primary driver behind this policy is economic—the general EU imperative to raise employment rates—it also reflects the EU's social agenda emphasising equal treatment, justice and fairness, and combating social exclusion (European Commission 2000). Thus the Employment Framework Directive, passed in 2000, outlaws discrimination on grounds of age (and religion or belief, disability and sexual orientation) in access to employment, self-employment and occupation; vocational training and guidance; and the membership of organisations. The majority of EU countries incorporated the Directive into their national legislation by the deadline of December 2003, but the following countries were granted extensions: Denmark (one year), Belgium, Germany, the Netherlands, Sweden and the UK (all three years).

In practice, however, evidence on age discrimination is difficult to piece together because much of it is hidden and indirect. Moreover, older workers claiming age discrimination are often accused of using it as a convenient excuse. Evidence suggests that it is an endemic and

persistent feature of European labour markets. For example, when the general public in Europe was asked about this issue a huge majority recognised the existence of age discrimination (Walker 1993).

Older workers represent a smaller share of new hires than of total employment. An OECD analysis shows that, among workers aged 45-64, their hiring shares range from around one-quarter to one-half of their employment share, whereas for younger workers (15-24) it is more than twice their share of employment. In other words, many firms who employ a significant number of older workers nevertheless tend not to hire them. The OECD's multivariate analysis reveals that employer preferences for younger job candidates is one of the reasons why older people experience longer spells of unemployment and lower earnings once they are re-employed (OECD 1998).

Research in the UK has demonstrated that employers often hold stereotypical views about older workers and that these influence recruitment, training and promotion practices. The stereotypes found to have the closest relationship with actual employment practices are: older workers are hard to train; do not want to train; lack creativity; are too cautious; cannot do heavy physical work; have fewer accidents and; dislike taking orders from younger workers (Taylor & Walker 1994; 1998). Against these deeply ingrained stereotypes the scientific evidence shows that older workers are, on average, as effective in their jobs as younger ones—though of course there are variations in performance between jobs (Warr 1994; Warr & Birdi 1998). Older staff have fewer accidents than younger ones and are less likely to leave an organisation voluntarily. Their average net cost to an employer is similar to that of younger staff. As well as common stereotypes of older workers, the behaviour of employers towards this group is sometimes based on myths about the operation of the labour market. For example, it is thought that compulsory retirement is necessary to support the progression of younger workers and that there is a fixed number of jobs in the economy (the lump of labour fallacy).

In sum, there is a substantial body of evidence, particularly in the UK, to show that people in their third age are frequently discriminated against in the labour market (McEwan 1992; Drury 1993; Walker 1993; Ginn & Arber 1996). The case for public policy intervention to combat this age discrimination rests on both social and economic factors. On the one hand, it creates stigma, social exclusion and the denial of full citizenship, while on the other, if older people are discriminated against purely on grounds of age they are denied the chance of making an economic contribution. The ageing of the workforce reinforces these moral and economic imperatives for action against age discrimination.

TOWARDS THE AGE DIVERSE WORKFORCE

These are the five main factors behind the emergence of age management in Europe and the increasingly more urgent imperative for active responses to workforce ageing. Future competitiveness in the private sector and efficiency in the public sector will rest increasingly on the performance and productivity of ageing workforces. In other words, a great deal depends on the maintenance of work ability among ageing workers, and their efficient utilisation by employers. There is a danger, however, that both organisations and governments will choose relatively passive, short-term and low cost options.

Based on decades of experience in EU labour markets the proven shortcomings of passive and short-term responses to workforce ageing are threefold. First, passive policies which centre on social protection are likely, at best, to confirm age discrimination and, at worst, will

encourage it—as was the case throughout the EU in the 1970s and 1980s. Second, if public policy begins and ends at the closure of the early exit gates and the raising of pension ages (i.e. is a one-dimensional Exchequer-led policy) it will increase the social and economic exclusion experienced by older workers. Thus, in most EU countries, there is a lengthening ‘limbo period’ between the age at which older workers leave paid employment and their pension age. For some this is a period of acute poverty, psychological distress and hopelessness. The third defect of passive, short-term responses to workforce ageing is that they are only remedial and do not solve or prevent the underlying problem. The key issue is the maintenance of individual work ability (Ilmarinen 1999). Paradoxically work itself is both a major cause of ill-health and disability, as well as being an important source of health gain, in terms of activity, self-esteem and social contact (Wilkinson 1999). But, unless the ill-health-producing and disabling aspects of employment are reduced then chronological ageing will continue to be accompanied by physical and mental ageing. Unless the factors which limit work ability are mitigated, as well as combating the access barriers to employment, then it will not be possible for active ageing to be achieved widely and, therefore, nor will the age diverse workforce become a reality. To put it another way: if the health and work ability of workers is maintained then they will be more able and, in all probability, more willing to extend their working lives.

In order to meet the challenges of workforce ageing in an active way designed to promote age diversity in employment and to sustain productivity, Europe needs a comprehensive age management strategy. When the concept of age management was applied to organisations in the pan-European Age Barriers project it found a continuum of good practices, stretching from very limited and narrowly focussed measures to more comprehensive ones (Walker 1997; 1999). It was concluded that, rather than the present reactive stance adopted by most employers, an integrated age management strategy would be the most effective approach. This should encompass both preventative measures (such as life-long training and job redesign) and remedial ones (such as special training for older workers). Its focus would be on the whole working life and not only on its later part, with the chief aim of neutralising the present negative ways that ageing impacts on employment prospects.

Good Practice in Age Management

What is ‘good practice’ in age management? In general terms good practice in the employment of older workers consists of combating age barriers, whether directly or indirectly, promoting age diversity and providing an environment in which each individual is able to achieve his or her potential without being disadvantaged by their age. Age diversity is one component of a broad approach to diversity that is in the process of becoming a new business imperative. The benefits of diversity are said to include improvements in organisational performance, motivation of staff, stimulation of creative thinking, attracting a wide range of talented staff, enhancing corporate reputation, lower absenteeism and reducing litigation risks (Gardiner 2004). Apart from the promotion of social justice in the labour market—the creation of a level playing field—age diversity enables the creation of heterogeneous teams with complementary mixtures of experience and new perspectives, the transmission of skills and know-how across generations, the motivation of older employees and the avoidance of recruitment/retirement waves.

In order to achieve good practice in age management, policies do not necessarily have to be labelled ‘older worker’ policies—there may be general HR strategies that are of particular benefit to mature employees. For example, in the UK, a system of annualised hours has proved to be particularly helpful to ageing workers with caring responsibilities, but it is not intended as an older worker-specific HR strategy. Good practice is perhaps most usefully

defined with specific reference to the five main categories of age management introduced earlier, as illustrated in the following:

Job recruitment and exit. Good practice in recruitment means ensuring that older workers have either equal or special access to the available jobs and that potential applicants are not discriminated against either directly or indirectly, for example, the absence of age bars and other discriminatory mechanisms in advertisements and other methods of recruitment. Another example is positive discrimination in recruitment to overcome age barriers. For example, the RAPID steel company in Sweden has specifically targeted older workers in its recruitment in order to avoid skill shortages. With regard to job exit, good practice means the absence of arbitrary age bars and the provision of a flexible range of options, including partial retirement.

Training, development and promotion. Here good practice means ensuring that older workers are not neglected in training and career development, that opportunities for learning are offered throughout the working life and that positive action is taken where necessary to compensate for discrimination in the past. Examples of policies and practices designed to achieve these ends include the creation of a learning environment at the workplace; ensuring that training is available regardless of age; and making training 'older worker friendly' by tailoring it to the learning methods and experience of older employees, or by providing special courses to redevelop the ability and enthusiasm to learn. For example, Keller (Germany) has introduced a specially designed IT skills training course for older workers.

Flexible working practices. Here good practice may be defined as affording older workers greater flexibility in their hours of work or in the timing and nature of their retirement. Of course such flexibility may benefit younger, as well as older, employees (as with annualised hours) but, specifically, with regard to older people, such flexibility may be an important method of retaining this group in employment or provide an attractive feature for recruitment purposes. Certainly there is evidence of a desire on the part of older employees for greater flexibility in working practices and, therefore, good practice consists of accommodating these wishes as far as is practicable in different organisational settings. Examples of such flexibility include gradual retirement, flexibility over retirement age (including the possibility of working beyond normal retirement age) and the provision of training to older workers in community programmes, and short-term work placements. For example, Fidisco in Belgium allows older staff to work two days per week less than other staff without loss of earnings or to convert these reduced hours to holidays.

Ergonomics/job design. Good practice with regard to job design may take the form of preventative measures or those intended to compensate for physical decline. On the preventative front there is a wide range of ways in which work induced illness and disability may be prevented by improved job design—for example, by the elimination of heavy lifting or violent twisting movements, the provision of beneficial lighting and seating. For those ageing workers that are experiencing physical decline it is possible to modify the workplace in order to assist them to maintain their productivity and, therefore, to remain in employment. For example changes in lighting levels to compensate for poor eyesight, or alterations to workstations in order to avoid arduous bending and reaching. In Finland, Ruoka-Saarioinen Oy has invested in a project aimed at adding one or two years to an employee's working life.

Changing attitudes within organisations. The introduction of good practice in recruitment and training within organisations rests on the commitment of key personnel, such as line

managers and recruitment staff. Therefore, changing the attitudes of such staff towards older workers may be a vital prerequisite to the development of good practice towards older workers. Aspects of good practice in this sphere would include a positive approach to combating ageism and dispelling the way this is associated with ageing workers by, for example, the presentation of evidence from a variety of sources demonstrating the benefits of employing and investing in this group. Such evidence may include examples from within the organisation or from other similar ones or the results of more broadly-based scientific research. As well as raising awareness about the need for good practice in the recruitment and training of older workers, there may be a need for special training in equal opportunities and age diversity, with reference to age, or in the particular needs of an ageing workforce, age awareness training. For example, Volvo Penta in Sweden has introduced a programme to change its employees' attitudes towards older workers and the attitudes of older employees to internal mobility.

In sum, age diversity at the workplace rests on active age management. A key dimension of this is the quality of work: this must be improved if work ability and employability are to be maintained. In Europe the labour market withdrawal rate of older workers in low quality jobs is up to four times higher than that for those in high quality jobs (Reday-Mulvey 2005). To rectify this means better educational qualifications, ensuring access to continuous vocational training, improvements in health and safety, making work organisation and working time more flexible, promoting diversity and making career progress possible. Some illustrations have been provided of the specific age management measures needed within organisations to create an age diverse workforce and the following summarises the key dimensions:

- Developing (ageing) employees, career planning
- Continuous training, plus occupational recycling and promotion
- Flexible employment schedules
- Age-mixed teams
- Job re-design, ergonomics and function identification
- Maintaining and promoting good health and capacity
- Promoting age diversity (avoids recruitment/retirement waves)
- Age awareness/combating age discrimination
- Intergenerational collaboration (e.g. tandem training).

Age management and age diversity should be the concern of all the key actors in the labour market, including government, employers' organisations and trade unions. At the heart of this concern is the employment contract: the relationship between workers and employers. If employers have a duty to create the conditions in which individuals can manage their own careers and ageing, then workers themselves have a parallel duty to take advantage of all opportunities to improve their work ability. The two sides of the age management coin can be illustrated as follows (based on Reday-Mulvey 2005, p. 70):

Age Management in Practice

Workers' Work Ability

- Educational qualifications and skills
- Ability to work in teams
- Ability to work autonomously
- Commitment to continuous training and lifelong learning
- Flexibility and mobility

Work Environment

- Age awareness
- Flexible work organisation
- Flexible working time
- Diversity (equal opportunities)
- Career planning, promotion
- Continuing training
- Healthy and safe working conditions

CONCLUSION

This article has emphasised the need for action in preparation for workforce ageing and has highlighted the deficiencies of mainly passive or reactive approaches at both plant and national levels. There is no doubt that EU countries have begun to address the age/employment paradox, but mainly by curtailing early exit subsidies. Also, European research shows that a minority of organisations are already leading the way in adjusting to workforce ageing. The fact that those in the vanguard include some of Europe's most prestigious commercial companies and major public authorities indicates the importance of this issue. However, despite the measures that have been introduced at organisational, national and EU levels, the prevailing labour market experience of many older workers is discrimination and, therefore, an age diverse work force does not exist outside of a relatively small number of organisations.

To achieve the goal of age diversity what is required is an EU-wide strategy for age management. Reflecting national differences in policy and labour markets, this strategy would be designed to reinforce and extend the development of good practice already underway, here and there, and to galvanise all of the key actors in the prevention of the negative effects of ageing at work and, vice versa, of work on ageing. Such a strategy would enable the EU to respond more effectively to workforce ageing and would also begin to make the idea of active ageing a reality.

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