



## **Recruitment and retention (with special focus on youth and elderly employment)**

Europeans are living for longer - up to 9 years longer compared to 1960.<sup>1</sup> While people are living longer, there has been a dramatic drop in the birth rate: The ratio of Europeans over 65 years to the working population has increased from 21% in 1990 to 26% in 2010 and is expected to reach 34% by 2025. This inevitably affects the makeup of the European workforce with a growing need for more women and older people to join the workforce.

Employers are increasingly recognising the value of a diverse workforce and not just as a way of avoiding future labour and skills shortages – intergenerational teams, for example, can contain a real range of skills. However, in order to encourage more people to come into and stay in the workplace, the work on offer must be made attractive to them ie more flexibility for carers of young children and elderly relatives. Social dialogue will be crucial for planning what skills are needed in the future and ensuring the workforce can deliver them – for example unions with their knowledge of the workforce are well placed to advise what working conditions are needed to retain older workers.

The Europe 2020 target is for 75% of all 20 to 64 year olds to be in employment. Across the EU countries the proportion of older people (between 50 and 64) in the workplace rose from 49% in 2000 to more than 56% in 2009.<sup>2</sup> However, while the employment of older workers has gone up in all sectors it is particularly notable in the health, education and social work sectors.<sup>3</sup>

In France nearly one worker in three (32.6%) in local and regional government is over the age of 50 with the average age of a worker in local and regional government now 44.2 years. Overall there are more young workers (aged under 35) in the private sector than in the public sector but more over 50s in the public sector than in the private.<sup>4</sup>

In the UK in public administration, education and health 34.5% of the workforce is aged between 50 and 64 and a further 26.1% are over 65. At the other end of the age spectrum there are 18.3% aged between 16 and 24 rising to 31.8% for those aged 25 to 49.<sup>5</sup>

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<sup>1</sup> Eurofound. Living longer, working better – active ageing in Europe

<sup>2</sup> European Working Conditions Survey 2010

<sup>3</sup> Eurofound. Living longer, working better – active ageing in Europe

<sup>4</sup> Rapport annuel sur l'état de la fonction publique 2010 – 2011 Ministère de la fonction publique (France)

<sup>5</sup> ONS Labour Force Survey 2010 (UK)

It is a similar story in Portugal where figures for local government workers from 2007, 2009 and 2010 show a gradual ageing of the workforce. In 2007 4.9% of the workforce was over 60 rising to 5.6% in 2010. Meanwhile the opposite is true of workers under 30 who made up 12.2% of the workforce in 2007 but this had dropped to 7.5% by 2010.<sup>6</sup>

In Germany figures for across the whole public sector from 2008 show that 6% of the workforce is under 25 and 6.7% is over 60. Those aged 25 to 35 make up 16.8% of the workforce and 55 to 60 year olds make up 14%.<sup>7</sup>

Until very recently it was normal for workers to expect to retire at 65 or earlier and the public and private sector both used to encourage early retirement as a form of restructuring. This has changed with many Member States raising the retirement age and generally pursuing policies that make it financially difficult to stop working.<sup>8</sup>

While Member States are making changes that make it easier to extend working lives there is also increasing pressure to help young workers into the labour market and reduce the high levels of unemployment in this age group. Social partners are increasingly expected to look at how to recruit and retain younger workers while ensuring they hold onto the skills and experience of older workers – at times a conflicting role. In some countries such as France it is felt that there is more focus on the position of older workers to the detriment of younger workers.<sup>9</sup>

### **Young workers**

The economic crisis of 2008 has been particularly hard on young people with young workers generally harder hit by changes in economic trends. They do not have the training or experience that can protect older workers.<sup>10</sup> Even before the economic crisis youth unemployment was a huge concern for the Member States and policies had been introduced to help them.<sup>11</sup> However it should be noted that in many states the current policy of public sector retrenchment means that recruitment opportunities for young people have been greatly restricted.

There is also evidence that the crisis has had a negative impact on social partnerships particularly among the countries worse hit. In Ireland, Portugal and Spain national tripartite negotiations have broken down which has prevented social partners introducing measures to help young workers.<sup>12</sup>

Among the EU27 youth unemployment rate rose dramatically between 2007 and 2010 going from 15.4% to 20.7%.<sup>13</sup> Policies aimed at helping young people into work have not tended to focus on finding them quality, permanent jobs but simply on getting them into the labour market. Young people are disproportionately likely to find

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<sup>6</sup> Boletim boep observatorio do emprego publico Dezembro 2011 (Portugal)

<sup>7</sup> Staatistisches Bundesamt, Fachserie 14, 2008 (Germany)

<sup>8</sup> Eurofound. Living longer, working better – active ageing in Europe

<sup>9</sup> Eurofound. Helping young workers during the crisis: contributions by social partners and public authorities

<sup>10</sup> <http://www.un.org/esa/socdev/publications/National-Action-Plans.pdf>

<sup>11</sup> Eurofound. Helping young workers during the crisis: contributions by social partners and public authorities

<sup>12</sup> Eurofound. Helping young workers during the crisis: contributions by social partners and public authorities

<sup>13</sup> Eurostat Labour Force Survey

themselves in precarious forms of employment with minimal employment rights, poor pay and little prospect of advancement or training. These forms of precarious work are no longer just associated with the private sector: the use of outsourcing and short term and long term temporary contracts are now widely deployed in the public sector. Data from Eurostat in 2009 shows 37 % of temporary workers aged 15–24 and 65 % of temporary workers aged 25–29 had a fixed-term contract because they could not find a permanent job.

### **Social dialogue**

Where social dialogue has been successful it has been in developing apprenticeships and these appear to be the main focus of Member States' initiatives to help the young. Germany has not experienced the growth in youth unemployment common to nearly all other EU countries; this is partly because it has experienced a drop in the number of school leavers but also because since 2007 it has had an Apprenticeship Pact – strongly supported by social partners - that has increased the number of apprentice and training positions.<sup>14</sup>

However research shows that collective bargaining at sectoral, workplace or organisational level has not been widely deployed to assist young workers into employment.<sup>15</sup> In fact collective agreements where workers agree to work flexibly in order to protect their jobs during difficult times means that no new recruitment takes places and young workers are effectively locked out.

There are exceptions and although the following examples are not from local and regional government they are still relevant as to what can be achieved. The French publisher Bayard signed a three year agreement in 2010 with five unions committing to replacing older workers as they leave the company with recruits under the age of 30. Deutsche Telekom and Volkswagen have guaranteed employment at the end of training for their apprentices.<sup>16</sup>

Young people also have to struggle with the perception that they do not have the skills that employers require.<sup>17</sup> In Denmark, as in other countries, there is a sense that young people are not prepared enough for the jobs market. In response, employers have formed links with schools and offered young people short internships to make certain types of work more attractive to young people.<sup>18</sup> This ties in with the EU project “New Skills for New Jobs” which as one of its aims sets out to bridge the gap between the worlds of education and work.

### **National responses**

While Germany has the Apprenticeship Pact, and Belgium has financial incentives for employers recruiting workers under 26 years, it is also worth noting that government

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<sup>14</sup> Eurofound. Helping young workers during the crisis: contributions by social partners and public authorities

<sup>15</sup> Eurofound. Helping young workers during the crisis: contributions by social partners and public authorities

<sup>16</sup> Eurofound. Helping young workers during the crisis: contributions by social partners and public authorities

<sup>17</sup> Eurofound. Helping young workers during the crisis: contributions by social partners and public authorities

<sup>18</sup> Eurofound. Helping young workers during the crisis: contributions by social partners and public authorities

policies in place to help young people into work such as subsidised training have been withdrawn due to the crisis in a number of countries such as Ireland and Bulgaria.

Other attempts to help young people find work have focused on labour market reforms and are generally deeply unpopular with social partners and the wider public. Italy is arguing for extensions on probation periods for open-ended contracts, while Spain is changing the legal protection of young workers and the Swedish government is in discussion over introducing greater wage diversification for young people. Trade unions meanwhile have focused on the need for employers to provide good training opportunities for young workers.<sup>19</sup>

### **Young workers in the future**

There is already concern in local and regional government about what will happen when the economy starts to recover and the shortage of young people means they will be difficult to recruit. Local and regional government is not among the highest paying sectors although it is widely seen as offering good access to training and other good terms and conditions.

Research carried out in France focused on young people who started work in 2004 and found an unusually high proportion of them in employment in the public sector – a development put down to the desire to have relatively secure work in a difficult jobs market. However if their primary motivation is job security it cannot be assumed they will stay in the sector when the labour market improves. However even more worryingly the report found that even in the current climate the young French workers in the public sector are least likely to be found in local and regional government – they make up less than 20% of the workforce here compared to 55% in central government.<sup>20</sup>

### **Older workers**

Older workers are increasingly expected to work up to statutory retirement age or beyond. Older workers have in fact fared much better than young workers in the recession and in some countries such as Austria, Belgium, Hungary, the Netherlands and Sweden there are in fact more older workers in employment now than before the crisis began. However even among these countries there are major differences in employment levels with 60% of 60-64 year olds in employment in Sweden compared to below 20% in Belgium and Hungary. Generally when older people are not well represented in the workplace it is because of past policies of encouraging early retirement.<sup>21</sup>

### **Problems faced by older workers**

Older workers are increasingly seen as loyal, experienced and dependable and as highly attached to their work. ILO figures for the UK show that workers aged 50 to 64 have spent on average 13.7 years in their current employment, compared with those below 50 with an average of 6.3 years.<sup>22</sup> However, there is still the prejudice that they

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<sup>19</sup> Eurofound. Helping young workers during the crisis: contributions by social partners and public authorities

<sup>20</sup> Rapport annuel sur l'état de la fonction publique

<sup>21</sup> Eurofound Impact of the recession on age management policies

<sup>22</sup> Labour Force Data for UK (Quarter 2, 2010)

are not interested in advancing their skills, they are not open to change and are simply passing the time till they can retire.<sup>23</sup>

The most common form of discrimination at work is age discrimination – reported by 3% of workers.<sup>24</sup> Older workers are also less likely to receive training – 30% of workers aged over 50 had paid training compared to 36% of those in the 30 to 49 year age group. This gap is narrowing however with older workers 7% more likely to receive training now than 15 years ago.<sup>25</sup> One of the preconceptions that workers are poorer performers than young workers has been found to be untrue and when they are less productive this is generally because they have not been offered training. They are just as capable as any other worker to learn new skills and where they may have less physical or cognitive ability they compensate by tapping into their years of experience.<sup>26</sup>

Older workers are also less likely to be involved in new organisational developments.<sup>27</sup> It is hardly surprising that many older workers retire early simply because they do not get job satisfaction from their work.

### **National policies**

Different national agendas will drive policy developments for older workers but there is a widespread trend across the EU towards increasing the retirement age. An increased retirement age, pension reform and the removal of early retirement incentives means many older workers will have no choice but to work for longer. In Sweden there are built in incentives in the pension system to postpone retirement, in Belgium the required years of economic activity has increased from 20 to 30 and in the Netherlands early retirement schemes now face higher levels of taxation.<sup>28</sup>

As well as financial incentives to keep employees in work for longer, many EU governments have also run targeted campaigns to encourage employers to keep older-aged workers in employment. For example offering financial incentives to get them to stay longer, gradual or phased retirement schemes, options for flexible working and awards to companies that demonstrate ‘age management best practice’.<sup>29</sup>

Older workers will have benefitted from general anti-discrimination policies and skills development in the workplace. In several Member States older workers are now a distinct group in diversity policies. This move has influenced initiatives and regulation in Austria, Latvia, the Netherlands and Sweden. The idea is that someone’s age does not influence restructuring although in fact in the Netherlands, Sweden and Latvia older workers receive more protection during a collective redundancy. However the Netherlands also has introduced a policy where seniority is no longer a way of accruing extra days of annual leave thereby making it cheaper to employ older workers.<sup>30</sup>

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<sup>23</sup> [www.epsu.org/a/6092](http://www.epsu.org/a/6092) 2009

<sup>24</sup> Changes over time - First findings from the fifth European Working Conditions Survey

<sup>25</sup> Changes over time - First findings from the fifth European Working Conditions Survey

<sup>26</sup> [www.epsu.org/a/6092](http://www.epsu.org/a/6092) 2009

<sup>27</sup> European Working Conditions Survey 2008

<sup>28</sup> Eurofound Impact of the recession on age management policies

<sup>29</sup> Eurofound Impact of the recession on age management policies

<sup>30</sup> Eurofound Impact of the recession on age management policies

Of course all of these changes run contrary to the current pressure to cut jobs in local government with older workers one of the main candidates to go.

### **Challenges facing the health and social care workforce**

In the current climate resources for local and regional government are being continuously cut, which leaves local and regional government with new and greater obligations to maintain quality local public services.

A report on the health and social care workforce, carried out by EPSU, gives a strong indication of recruitment and retention problems that lie in store if no considered action is taken. Recruitment and retention is already difficult in this sector because of low pay, the low status of caring as an occupation and poor working conditions.

The majority of the workforce are low paid women. The workforce is also ageing in many countries as young people are reluctant to enter the sector. In some countries, at least half the workforce is aged 50 or above – an alarming figure for one of the fastest growing economic sectors in Europe.

A framework of actions signed by EPSU and the healthcare employers' association HOSPEEM in 2010 calls on social partners to work with national, regional and local authorities when developing policies relating to the healthcare workforce, for example, to support lifelong learning, training, internal job mobility, and provision of management and organisation skills. "The key to maintaining a sufficient workforce in the face of the impending retirement of the "baby boom"/post-war generation is, to educate, recruit and retain young practitioners while reinvesting in the mature workforce," it states.<sup>31</sup> Improving training opportunities is one of the priorities of the EU initiative "Youth on the Move" in its drive to improve youth employment.

### **Action taken in the gas sector**

There are now examples of age management policies in most sectors with some sectors particularly driven to find solutions to an ageing workforce because of a specialised workforce approaching retirement en masse.

In 2009 the European social partners: EUROGAS, EMCEF and EPSU launched a project to look at the implications of demographic change on skills and competencies in the gas industry. While this focused on the gas industry many of the points are equally relevant to local and regional government.

Successful strategies on age management, demographic ageing and competences in the gas sector

1. Take a strategic approach to age management, training and skills development.
2. Create training and skills development opportunities for the whole workforce, including older workers.
3. Remove age barriers and implement a culture of equality and diversity.
4. Put in place new methods for providing and delivering education and training to workers.
5. Create a learning organisation by embedding a culture of learning in the organisation.
6. Address the career development of older workers.

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31 [http://www.epsu.org/IMG/pdf/Care\\_Services\\_Older\\_People\\_Europe\\_ExecutiveSum.pdf](http://www.epsu.org/IMG/pdf/Care_Services_Older_People_Europe_ExecutiveSum.pdf)

7. Develop programmes of job rotation and redeployment for older workers.
8. Implement knowledge management and knowledge transfer programmes.
9. Put in place complementary policies on age management: health and well being in the workplace and flexible working time.
10. Develop programmes for attracting and retaining younger workers.
11. Put in place methods for forecasting future skills and employment.
12. Develop the social dialogue in the workplace, and integrate age management, training and skills development into collective agreements and workplace partnerships.<sup>32</sup>

### **Action taken in the insurance sector**

As elsewhere, the insurance sector wants to allow experienced, motivated staff to continue in their careers while attracting new talent. In order to do this many insurance companies are rethinking their employment strategy to attract and retain workers.

In 2008 the European insurance sector social partners decided to include the issue of demography in the work programme of the Insurance Sectoral Social Dialogue Committee in order to create a framework to ensure their sector is attractive to new recruits and existing employees.

One of the focuses of their work programme was work/life balance because it is of particular importance to women who often have either caring duties for children or elderly relatives. They also looked at flexibility on the grounds that older workers value the opportunity to take on alternative and less demanding work arrangements.

In terms of health and safety the aim was to support the physical and mental health of the employees. The social partners believe that employers can assist through initiatives such as exercise, nutrition and stress management advice, employee assistance helplines and medical screenings.

The next step in their programme was to promote the statement to trade unions, employers and associations in the sector through meetings, joint presentations or addressing it as a theme in collective bargaining. This was followed up by monitoring initiatives and the publication of a booklet on best practice.<sup>33</sup>

### **Examples within local and regional government**

#### **Sweden, Kiruna Regional Administration**

Kiruna Regional Administration has switched from encouraging early retirement to doing the utmost to prolong working lives. It started this process by using external consultants to map out attitudes to an ageing workforce by interviewing a small group of managers and employees. The findings were then used to conduct seminars with managers and union reps. The aim was to raise awareness of the issue of ageing in the workforce and managers said they found it helpful in the everyday management of employees.

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<sup>32</sup> [www.epsu.org/a/6092](http://www.epsu.org/a/6092) 2009 Toolkit on demographic change, age management and competencies in the gas sector in Europe

<sup>33</sup> The demographic challenge in the European insurance sector. Joint statement by the European Social Partners. [http://ec.europa.eu/employment\\_social/dsw/public/actRetrieveText.do?id=8822](http://ec.europa.eu/employment_social/dsw/public/actRetrieveText.do?id=8822)

Kiruna now has an age management policy that aims to develop skills in older workers and make them adaptable to new roles.

For example, additional thought is given to who is asked to complete new tasks. There is discussion over whether more training could be given to an older worker, or if the ageing employee would prefer to continue with something else. An example of this has been the way in which employees in the construction permits department dealt with changes in regulations. Some of the older workers worked together on the elements of the regulation that remained unchanged, while the younger workers focused on the new aspects. All workers over 50 have discussions with their managers on age management issues every year.

The administration also approaches the issue of intergenerational knowledge transfer by using older employees as training mentors - which research shows is rewarding for both the older worker and the younger worker. At times of budgetary constraint it is also a cost effective way of training employees.<sup>34</sup>

### **UK, Cambridgeshire County Council**

Cambridgeshire County Council uses a flexible retirement policy which means that employees of a certain age can ask to have their hours permanently reduced by 20% or more. They can alternatively take on a role with less responsibility to a position at least two grades lower.<sup>35</sup>

The council also promotes flexible working arrangements which were developed in response to national regulations. This policy was initially just open to carers of young children but it is now open to carers of adults so it more likely to be used by older workers.

### **Conclusion**

Demographic change means employers will have to learn to recruit and retain young workers while keeping hold of their older and more experienced workers. Employers wanting a diverse and sustainable workforce need to engage with workforce planning and think about what future skills they will need and what their current workforce offers.

If local and regional government is going to attract and retain the best workers it must be seen as a good place to work. Employers trying to keep older workers in employment will need to think about their working conditions, what they are asked to do, their training and their health. Young people need to be offered training and career advancement and to make them consider the sector in the first place work experience for school age children could be considered.

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<sup>34</sup> Eurofound: Impact of the recession on age management policies

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