

An attractive seniors policy

A guide drawn up by the Norwegian Association of Local and Regional Authorities (KS)

Kommuneforlaget

© 2008 Kommuneforlaget AS, Oslo

Cover: Renommé Reklame, Oslo

Layout and typesetting: Laboremus Sandefjord AS

Translation: Linguanet sprl, linguanet@linguanet.be

Printing and binding: AIT Otta AS, 2008

ISBN: 978-82-446-1294-4

The material contained in this publication is covered by the provisions of the law governing intellectual property.

Without the prior agreement of Kommuneforlaget AS, the copying of this material or the provision of any other form of access to it is permitted only to the extent authorised by law or by agreement with Kopinor, the Norwegian association representing publishers and authors. Illicit copying may incur a liability to pay compensation or result in confiscation and is also punishable by fines or a prison sentence.

Kommuneforlaget AS

PO Box 1263 Vika

0111 Oslo

NORWAY

Customer and support centre: +47 24 13 28 50

Orders, queries and comments: kundeservice@kommuneforlaget.no

www.kommuneforlaget.no

Foreword

In the publication *Stolt og unik – Arbeidsgiverstrategi mot 2020* (Proud and unique - employer strategies towards 2020) (KS 2007a), the Norwegian Association of Local and Regional Authorities, KS, highlights two main objectives for a forward-looking employers' strategy:

- Municipalities should meet people's requirements by improving the quality and efficiency of their services and developing new solutions in conjunction with users, the inhabitants they serve and partners.
- Municipalities must be well capable of retaining staff and encouraging their development, but should also be competitive on the labour market.

Local governments must have an attractive seniors policy, aimed at encouraging a maximum number of senior staff to continue working for as long as possible. Given the current difficulties associated with mustering a sufficient working population, a *policy that encourages people to keep on working* is the only sustainable option. In addition, the recognition, development and efficient exploitation of seniors' competence are becoming more and more important for municipalities in their bid to guarantee quality, efficiency and renewal.

To meet the aforementioned objectives, employers must:

- contribute towards the ongoing development of senior workers' *competence* and *motivation*;
- come up with *incentives*, both of a material nature and related to the content of their work, so that they can compete with early retirement schemes;
- prevent disability by making positive *adjustments* to working environments, making them healthier places to work.

The letter of Intent regarding a more inclusive working life 2006-2009, the report to the Norway's parliament St.meld no. 6 (2006-2007) "*On Seniors' Policy*", and the new pension reform all underscore the objective of convincing more people to work longer. The aim of this guide is to help local authorities further develop their seniors policy, so that they are able to meet the aforementioned objectives to the greatest possible extent.

The guide is based particularly on two KS R&D reports:

1) *Hvordan bidra til lengre yrkeskarrierer? Erfaringer fra norsk og internasjonal forskning om tidligpensjonering og seniortiltak* (How can people be induced to extend their careers? Findings by Norwegian and international researchers on early retirement schemes and initiatives for seniors), Fafo research foundation 534/2006 (Midtsundstad 2006); and

2) *Noen år til? Erfaringer med seniorpolitikk i seks kommuner* (A few more years? Experience gained regarding seniors policies in six municipalities), Fafo report 2007:28 (Bogen & Midtsundstad 2007).

In this publication, we have focussed on identifying the background factors motivating work on seniors policy and those facts that could contribute towards an even more effectively targeted seniors policy. We also highlight the qualities of good leadership for seniors and examples of positive seniors policy measures. Finally, the guide also pinpoints ways in which local authorities can gain support for and follow up on the objectives and results of seniors policy.

We wish you every success in your efforts to further develop an attractive local seniors policy!

Gudrun H. Grindaker

Director for employer development and competition

February 2008

Contents

Foreword

1 Time for a more attractive seniors policy

The objective of this guide

The term 'seniors policy'

What motivates seniors policy?

A broad approach leads to the best results

2 Positive acceptance and clear responsibility

Which players should be involved?

3 What kind of management do seniors require?

Dedicated management

Empowerment

A global management model

4 Positive instruments for seniors policy

A broad model for measures

Universal or needs-oriented schemes?

Organisational measures

Financial incentives

Seniors policy in Lilleby municipality

5 Follow-up

How to analyse your own situation

Following up on targets and results

Year-wheel of seniors policy

Literature

1 Time for a more attractive seniors policy

The objective of this guide

The objective of this guide is to encourage the further development of a seniors policy by county councils and local councils, referred to below simply as municipalities. The manpower and competence challenges outlined in the KS publication *Stolt og unik. Arbeidsgiverstrategi mot 2020* (Proud and unique - employer strategies with an eye to 2020) (KS 2007a), show how important it is that we succeed in appreciating, utilising and continuing to develop the potential represented by seniors.

By early retirement, we mean both collective agreed early retirement (commonly abbreviated in Norway as AFP) and retirement due to disability, here meaning the inability to work. In this guide, we have focused most trying to lower the proportion of people taking early retirement, because preventing disability has already been extensively discussed in the large body of literature on working environments, the inclusive labour market (commonly abbreviated in Norway as IA) and health & safety and the environment.

The term 'seniors policy'

Some Norwegian municipalities prefer to use the collective term meaning 'life-phase oriented employers' policy' in English and have often opted to adopt different initiatives for each target group. We have decided to use the term 'seniors policy' in this guide because we believe that any efforts made will be more visible, better targeted, more specific and effective if we make seniors an explicit target group. We will argue in favour of an individual-oriented, all-encompassing seniors policy that has been tailored to meet the various needs that *seniors* and *employers* may have (cf. KS 2003). Where some initiatives are concerned, it might be useful to identify the age-groups to which they are meant to apply. That might contribute towards greater predictability for both managers and employees. In this guide, we will limit ourselves to the age limits stipulated in existing collective agreements. Apart from that we will not propose any particular limits.

In our view, seniors policy entails both an individual perspective and a systemic outlook. The *individual perspective* (see Chapter 3) involves *direct dialogue* between management and employees. Appreciation and acknowledgement, new tasks, greater responsibility, new positions, the development of competence, and adjustments to working time and the work situation are just some of the important topics in this dialogue. The *systemic outlook* (see Chapter 4) concerns ways in which employers can develop a set of attractive *general schemes*, which a manager and a senior can implement to ensure that a senior will both want and be able to work for longer. There's no obvious sharp dividing line between the individual perspective and the systemic outlook: they are inextricably linked. We recommend that an employee's immediate superior be made chiefly responsible for adjusting and implementing general schemes to serve the best interests of both senior workers and their employer.

Municipalities employ seniors

The public sector employs approximately 550,000 people, in all, whereby 450,000 of these jobs are in municipalities. In 2007, this accounted for 18.5 percent of all employment in Norway. Even though only just over one person in five works in the public sector, almost every third senior between the ages of 60 and 74 is a public sector employee, according to the Norwegian Labour and Welfare Administration (NAV 2007).

It is important that seniors policy naturally fits together with other life-phase oriented aspects of municipalities' employers policies. Seniors are not alone in seeking an individual approach and individual adaptation. Accordingly, the respective municipality should promote other individual-targeted life-phase policies in parallel with its seniors policy. For instance, the wish for more flexible working hours is widespread among seniors, but studies show that more and more other people would like flexible working time as well (NSD 2007). Thus it is important to offer flexible working time as part of an 'all life-phase policy', whereby employers should this as well if conditions in their municipal activity permit it (see the Working Environment Act, Article 10-2, no. 3).

We define seniors policy as follows: Seniors policy is a set of measures that employers take to exploit and further develop seniors' resources and that will encourage seniors to stay in work for longer.

What motivates seniors policy?

The following four facts are important arguments in favour of further developing seniors policy at the local level, seen from the employer's viewpoint:

1 Manpower

The anticipated low growth rate of the working population in coming years will probably cause a manpower shortage in the long term. At the same time, the years to come will see a large increase in the percentage of the population aged 55-66. The proportion of seniors is higher in the local government sector than in the private sector. Consequently, a large number of municipal employees will soon be able to choose whether they wish to retire (under a contractually agreed AFP scheme) at the age of 62, or rather to continue working. The anticipated average retirement age for someone who is 50 years old today is 61 (Midtsundstad 2006), so motivating seniors to work longer will be very important. In addition, we must try to reduce the proportion of employees who leave the municipal sector on a work disability pension. What is more, starting in 2020, a sharp rise in the number of older people will probably prompt a major rise in demand for manpower in the health and care sectors. An attractive seniors policy will therefore play a vital role in efforts to keep people on in the working population in the foreseeable future. Recruiting more seniors might also be a relevant part of this policy.

2 Competence

Seniors often possess extensive experience of both working life in general and their own specific job in particular. Such organisational competence may, for example, include knowledge about who can answer which questions, which solutions have been successfully applied in similar situations in the past, and also knowledge of the respective municipality's or division's user groups or a broad network of external cooperation partners. In addition, with a long working life behind them, seniors have acquired specialist competence in areas that are often not covered by the education system. The large groups of post-war baby-boomers who are now leaving the labour market may expose us to the risk of an unprecedented loss of competence ("the big generational shift"). Employers in the local government sector are particularly at risk, given the substantial percentage of seniors with high levels of competence in this sector.

Seniors' extensive competence often enables them to work smarter. Very few seniors experience problems performing the tasks their jobs entail, and their intellectual capacity does not seem to decline with age. At the same time, there is often a major increase in social competence with advancing age. Unless work entails heavy demands on workers in requiring physical strength or a very high pace of work, age has little effect on productivity (St.meld. no. 6, 2066-2007).

Furthermore, seniors do not switch jobs as often as younger people do, making them a more stable working population. In addition, they often feel more loyal and exhibit a greater sense of responsibility towards the municipal activity that employs them (St.meld. no. 6, 2066-2007).

3 Financial considerations

An AFP (contractually stipulated early retirement schemes) entitles workers to retire at the age of 62 under certain conditions. Most municipal employees will meet the criteria for AFP when they reach 62 years of age. The employer must pay the entire AFP pension. If the employer has 'own risk' in his contract with the pension insurance company, it will have a stronger incentive to reduce the number of employees who sign up for AFP. 'Own risk' means that the employer is billed directly for each AFP retiree. 'Equalisation' means that the bill is calculated on the basis of the average of all municipalities that use the equalisation model (see the section entitled Facts about AFP).

Facts about AFP

- The employer is responsible for AFP.
- AFP is an entitlement and voluntary scheme that any employee meeting the criteria can choose to sign up to.
- AFP early retirement can then be taken between 62 and 65 years of age and the employer must pay the cost involved.
- Employees' AFP pension is equivalent to their future old-age pension from the Norwegian national insurance scheme (as specified found on their annual tax assessment document) + an AFP supplement of NOK 20,400.
- AFP's costs for the employer will vary according to the respective employee's income.
- The KLP (mutual insurance company) has three risk models: 0 percent, 50 percent and 100-percent own risk. The Norwegian Public Service Pension Fund, SPK, has full equalisation. Other companies / an own pension fund bear a 100-percent own risk.

The pension reform starting in 2010

The recent pension reform does not mean that those entitled to AFP will be "penalised" if they have not taken advantage of it before 2010. Transitional rules ensure that no employee will receive a pension after 2010 that is lower than the one they would have received had they taken AFP early retirement before 2010. For those born later (1948 and thereafter), the new scheme will depend on the agreement reached between the social partners and the Government. The pensions conciliation passed by the Storting, Norway's parliament, means that the AFP scheme will be continued, but will be adjusted to the new national insurance scheme as of 2010.

Assuming that an employee's annual salary is NOK 300,000, calculations show that the employer will pay approximately NOK 200,000 a year for each AFP pensioner (Bogen & Midtsundstad 2007).

In the case of disability pensions, only part of the cost is covered by insurance or equalisation. This means that high costs also accrue for persons on a disability pension, because municipalities have to cover the annual adjustment premiums for persons on disability pensions. If the municipality has its own pension fund, it will also have a full 'own risk' for disability pensions.

Employers should also be aware that seniors are, on average, somewhat more expensive to employ. There are two reasons for this: firstly, on average the absence rate due to illness among employees in the 60-66 age group is 2-percent higher than the average for all employees (Arbeid og velferd 2007). Secondly, workers who turn 60 before 1 September of the holiday year are entitled to an extra week off.

At the same time, seniors have a higher threshold than younger workers for calling in ill or taking sick leave with a doctor's certificate (Opinion 2007). In fact, they have a higher than average rate of long-term absence due to illness, but a lower than average rate of short-term absence (KS2007b). For long-term absences longer than 16 days (the so-called 'employer period'), the employer has its sickness benefit payments refunded by the national insurance scheme. Since the collective wage agreement covering the municipal sector guarantees employees considerably better conditions than those provided under the national insurance scheme (higher holiday pay on sickness benefit, full pay, full pension contributions), the employer must expect a long-term absence of one year to cost them, on average, approximately 30 percent of the total annual costs of the job in question.

4 Disability

Retirement on a disability pension is the main reason why employees leave the labour market before reaching retirement age. Physical and psychological strains at work can cause employees to retire on a disability pension. Few employees who cite health problems and job-related stress as significant reasons for retiring early say that opportunities to adjust the pace of their work, the duties assigned to them and their working time would persuade them to stay on in the labour market for longer. This suggests that a good working environment throughout a person's working life is much more important than an offer to adjust their working conditions during the final stage of their career (Bogen & Midtsundstad 2007). Accordingly, ensuring a high standard of **occupational** health, environment and safety is perhaps the most important long-term measure we can take concerning seniors policy. Health is also intimately connected with 'getting on top of' a work situation. Consequently, making employees feel that are competent and 'have what it takes' to perform their duties, are in control of their work situation and are perfectly capable of maintaining positive social relations with manager and colleagues in the workplace might be important for promoting their health.

A broad approach yields the best results

Several factors influence decisions to take early retirement, so the approach taken to seniors policy needs to be appropriately broad (Midtsundstad 2006a). We know that conditions associated with *job content* and the *workplace* are significant for early retirement.

Relevant factors applying to job content might be meaningful tasks, contacts with clients and colleagues, responsibility and authority, an employee's control over their own work situation, the degree to which demands are matched to available resources, time pressure, workload and physical requirements. For example, conditions in the workplace can be affected by organisational factors, cooperation, the working environment, readjustments, downsizing and the personality of an immediate superior.

We also know that *individual factors* such as health, the capacity for work, being 'on top of the job', competence, motivation, well-being, the employee's financial status, recreational preferences and family situation can all affect decisions about early retirement. In addition, we know that seniors' choices are influenced by the structure of the *pension system*.

In one study of AFP retirement in the municipal sector, Midtsundstad concludes that the profession, level of education and gender all play a major role in 'determining' patterns of retirement. Professions associated with a low level of work-related stress and challenging tasks combined with autonomy at work tend to go hand in hand with late retirement rates (Midtsundstad 2006b).

The factors that influence early retirement patterns appear to be quite complex (Bogen & Midtsundstad 2007). Some, but not all, may be influenced by the employer. Since the option of early retirement is largely chosen on the basis of an overall assessment (Steinum et al. 2007), concentrating on improving job characteristics and conditions in the workplace might boost people's motivation to stay in work, prompting employees to assign less importance to the chance to retire on a satisfactory AFP pension.

We are currently witnessing a positive development in attitudes towards seniors on the labour market. Managers now view this group as more attractive source of manpower (Seniorbarometeret 2007b). In addition, the number of persons aged 60-74 who are employed has risen, independently of their level of education and gender (see the diagram below).

The diagram shows that among people aged 60-74, the proportion of those still in work is 2.6 times higher among those with an extensive university education (or equivalent training) than among their colleagues with no more than basic schooling. So the pattern is clear: the higher people's level of education, the greater the chance of them remaining in work at an advanced age. Exactly the same pattern emerges from the figures indicating age-group representation in the municipal sector: the higher the level of education in a specific age group, the higher the representation.

Proportion of employees aged 60–74 still in employment, by level of education
2000 and 2006

	2000	2006
No reply/none	14,9	22,2
Elementary-school level	20,6	25,8
Secondary school	33,1	40,7
University/technical college (undergraduate)	44,5	50,4
University/technical college (longer)	61,6	67,9

Source: NAV2007

What can we as employers learn from this? One interesting approach is to try to identify the 'successful features' of job content and conditions in workplaces typical for employees with a higher level of education and copy them for posts typically filled by persons with lesser qualifications. To take but one example, we believe that self-recruiting nursing and care institutions, but also cleaning departments whose absenteeism is a third of the average for the sector, have managed to do this to a certain extent. These are examples of workplaces that have tried to boost workers' influence and control and ensure that people feel 'on top of their job' by organising on-the-job training and arranging more formal competence development measures. They have also endeavoured to present their employees with challenges as well as offer them support and show faith in their abilities. The Klukstuen nursing home, run by Hamar municipality, is an example of such a workplace (KS 2003).

The Norwegian Association of Local and Regional Authorities (KS) recommends that municipalities work on the following six measures:

- 1 Developing attractive job characteristics (empower employees by challenging them, making demands and providing support)
- 2 Developing seniors' confidence in themselves (mastery of their job and motivation)
- 3 Developing attractive workplaces (in terms of flexibility, the working environment and the employees' sense of well-being)
- 4 Challenging and motivating every senior to stay in the labour market for longer (a credible desire expressed by the employee's immediate superior to keep a senior who is a valuable, experienced 'old hand')
- 5 Developing and gaining acceptance for attractive schemes that can be largely tailored to individual seniors' and employers' needs (general employment policy and special seniors policy measures)
- 6 Making it more financially rewarding to work for longer (higher pay or bonuses)

The six measures are presented here in order of priority. We believe that no. 1 (empowerment) is the most important and that no. 6 (pay/bonuses) is the least important for the success of such an approach. In fact the latter could even be left out if implementation of the first five factors proved sufficiently fruitful. The first five measures require active leadership. Implementing the last point is not as demanding, but on the other hand it is costly. If placing the emphasis on pay and/or bonuses leads to employers working less hard on the reasons underlying early retirement, this measure might not prove particularly sustainable in the long run.

In Chapters 3 and 4, we will examine these six measures in greater detail.

2 Positive acceptance and clear responsibility

A successful seniors' policy presupposes that a) seniors are appreciated by managers and colleagues; b) the instruments used are seen as legitimate; and c) these instruments are effective and can be adjusted to individual seniors and municipal activities. Work on seniors policy thus requires both widespread cooperation and positive acceptance.

The report *Noen år til?* (A few years more?) (Bogen & Midtsundstad 2007) states that in some municipalities, the introduction of a seniors policy has depended on the concerted efforts made by a few individuals, serving as driving forces. This makes seniors policy vulnerable, and municipalities will have to make sure that the various responsibilities associated with it are clearly allocated.

Which players should be involved?

The following players and responsibilities can be listed:

Politicians

Seniors policy is strategically important to municipalities' future ability to stimulate economic growth. It is therefore important that politicians be knowledgeable about this area, able to formulate overall objectives and make demands for reporting on results. A clear political will be a major driving force in efforts to develop and garner public support for any local seniors policy.

A seniors policy entailing financial measures will often necessitate political decision-making. The funding of initiatives and the potential savings resulting from a lower rate of early retirement must be part of a municipality's financial planning.

Top management

The top management plays an important strategic role in devising the framework of future seniors policy, as well as continuously indicating what an organisation's priorities are. It is difficult to imagine seniors policy being assigned due importance within an organisation if the top management does not clearly delegate management responsibility, define support policy objectives and demand the necessary follow-up and results. The top management's responsibility may be summed up as follows:

- Development of strategic objectives and follow-up on the overriding objectives and results for the municipality
- Serving as a figurehead to publicise and drum up active support for seniors policy
- Holding management talks with the respective unit managers on how to follow up on efforts to attain local objectives.

Line management

Line management is also an important vehicle for objectives and values within the organisation. If line managers effectively use their authority and instruments in their relations with their own employees and work continuously to create the necessary understanding for an active seniors policy, this will influence both attitudes towards seniors policy and the results it attains. The line leadership's responsibilities can be summed up as follows:

- Serving as a role model to publicise and drum up active support for seniors policy
- Holding talks with seniors, concluding agreements and implementing any seniors policy measures delegated to them
- Determining and following up on the attainment of local seniors policy objectives, then reporting on any results achieved.

Trade union representatives and health and safety officers

Trade union representatives and health and safety officers have extensive contacts within their organisation and are key multipliers for seniors policy. Trade union representatives are also responsible for discussing seniors policy initiatives with employers and discussing personnel policy guidelines in committees consisting representatives of the respective parties (cf. the Collective Wage Agreement (HTA), Chapter 3, Article 3.2.3 and the Basic Agreement (HA), Section B, Article 4, Paragraph 3). Since a number of conditions relevant to seniors policy might concern health, the environment and safety, ordinary work on safety regulations and management/staff cooperation on the Working Environment Committee will be relevant to such policy. We can summarize the responsibility of union representatives and health and safety officers as follows:

- To be a listening post and representative of employee interests
- To pass on experience, views and ideas at meetings with the employer
- To play a symbolic role in attracting publicising and gaining support for seniors policy. To encourage discussion of seniors policy at membership meetings.

HR department

The HR department can develop expertise regarding the requirements for a successful seniors policy and therefore has an important role to play in developing, actively fostering and providing advice on such policy. In addition, the HR department can handle a number of professional tasks associated with ongoing efforts with regard to seniors policy. Its areas of responsibility can be summed up as follows:

- Draw up proposals on which areas of overriding seniors policy need to be readjusted and make the necessary preparations for decision-making based on established strategic and annual objectives. Report on selected key figures to the municipal government as a whole, providing analysis where appropriate.
- Provide training, advice and guidance on seniors policy for managers. Develop suitable instruments.
- Establish common training programs for seniors
- Arrange seniors for seniors and dialogue meetings with seniors
- Organise staff surveys and analyse them using filtering for seniors¹
- Provide assistance on issues concerning lighter work, rehabilitation, job rotation, flexible working time, etc.
- Prepare for active use by the Norwegian Labour and Welfare Administration (NAV) and public companies' health departments to make working life more inclusive.

1. Staff polls on bedrekommune.no have this kind of filtering option, allowing for the insertion of background variables for age.

Seniors

The older employees themselves are naturally by far the most important group of people to mobilise. Arranging dialogue seminars or similar events can give seniors an opportunity to provide some input on seniors policy to municipalities. With the help of interviews between the relevant managers and senior employees, instruments can be deployed that are tailored to the requirements of both seniors and their employers. Seniors' responsibilities may perhaps be summed up as follows:

- To make use of the measures contained in seniors policy
- To take responsibility for keeping up with developments in their profession and for managing their careers
- To accept new challenges
- To influence seniors policy through dialogue seminars
- To contribute towards a positive work environment and share competence.

Staff

Other employees' attitudes towards seniors and their acceptance of an active seniors policy is extremely important for determining how seniors view their situation and their workplace. Many of the instruments used for seniors' policy can also directly or indirectly affect the situations of other staff members, so it is important that seniors policy gain acceptance and be understood by all other employees. It is also a good idea to let other staff members have their say when future seniors policy is drawn up, e.g. in the context of a more comprehensive discussion of the organisation's future employment policy.

3 What kind of management do seniors require?

Dedicated management

The Norwegian Work Research Institute (AFI) contacted four 'best practice' undertakings to find out what had made their efforts regarding seniors so successful. The AFI's main conclusion was both simple and demanding:

The common denominator was dedicated management that clearly stated its intention to rely on seniors and whose actions backed up that claim. (Steinum et al. 2007, p. 25)

Several other studies show the same tendency. When seniors choose to continue working, they most often do so because their job is interesting or because their employer clearly wants them to continue. In a survey conducted among employees of the Norwegian national insurance service (*Trygdeetaten*) (Hilsen & Steinum 2006), 61 percent said that being noticed and appreciated by their immediate superior could convince them to stay in the labour market for longer. That was the instrument that received the highest score. Other factors cited as important in the same survey were "clear signals that I am wanted", "the development of competence" and "flexible working time". Consequently, immediate superiors have great potential to influence seniors' decisions about taking early retirement, and a broadly established seniors policy that is subscribed to and practised by the management will become a key factor for success. The AFI asked 1,000 working women what influenced their retirement decisions (Seniorpolitikk.no 2007b). Women make up 76 percent of the working population in the municipal sector (figures for 2006). The results of the study clearly indicate that feeling 'on top of the job', doing 'meaningful work' and feeling appreciated all keep women among the working population, while stress in the workplace tends to squeeze them out.

Factors that women say will influence them to keep on working until age 67 (in percent)

	Age 50-59	Age 60-61	Age 62-70
Being in control and 'on top of' your own work situation	78	67	78
Being noticed and appreciated by your immediate superior	76	66	81
Doing work perceived as challenging and meaningful	73	64	76

Factors that women say will influence them to retire before reaching the age of 67 (in percent)

	Age 50-59	Age 60-61	Age 62-70
Can afford to retire	74	63	51
Want more free time	72	63	52
Access to an early retirement scheme	67	62	41
Physically strenuous job	66	52	49
Job associated with psychological, mental or emotional strain	63	50	54
The responsibility to care for a family member	63	54	56

Source: Seniorpolitikk.no 2007b

Does being a senior give you a certain status?

It is important that seniors be noticed and appreciated by their municipal administration. How can we show that seniors' competence *is* being valued? In Ringerike municipality, the word "senior" can be added to job titles, which associates them with positive factors, such as experience, competence and independent work.

Do seniors require a different form of management than younger staff members? The answer to this question is probably yes and no. A study entitled the "European Employee Index for 2007" (Seniorpolitikk.no 2007a) shows that senior employees would like to work more independently than younger employees do. Seniors' more extensive experience gives them a broad basis on which to act on their own initiative. On the other hand, seniors may have a particular need for new and more challenging assignments. It is not unusual for motivation to decline if a person performs the same duties over a long period of time. This requirement also applies to highly educated individuals (Steinum et al. 2007). More challenging tasks can also contribute towards seniors being forced to acquire new skills. This can in return generate fresh motivation to keep on working.

Empowerment

The essential formula for good management is to *challenge, make demands* and *support* workers. This formula for good management is based on a situational approach to management where we are determined to mobilise as much as possible of an individual staff member's commitment and resources. The starting point is a positive belief in a worker's willingness to take independent responsibility for tasks and his ability to see a total picture of the organisation's interests. This kind of *co-management* requires that a staff member be familiar with the organisation's objectives, that he or she possess competence in the form of specialisation, experience, values and attitudes and have the manager's trust. At the same time, tasks must be manageable for a worker. He or she can also demand the manager's support and guidance in meeting new challenges. The manager's approach therefore involves active empowerment adjusted to each individual worker and situation. This formula is no less relevant in leading experienced seniors. We know that the things that motivate seniors at work are the same as those that motivate most other employees (Steinum et al. 2007). Looking at the aforementioned factors that convince women to keep working for longer, we see that they are all closely connected to empowerment.

But there are also ways of developing more specific strategies for the management of seniors. Drawing on a series of studies of early retirement from the working population, we can systematically search for management measures that will underpin the conditions that induce seniors to keep on working and curb the circumstances that can prompt them to take early retirement.

A global management model

We will now take a closer look at four different factors that can influence the early retirement rate and how managers can deal with them. These factors can be directly related to the six measures we recommended in Chapter 1:

- 1 Push factors
- 2 Pull and jump factors
- 3 Stay factors
- 4 Stuck factors

Push factors

By 'push factors', we mean circumstances that contribute to push employees out of the working population against their will, the main reason being poor health. Other potential key factors are a bad working environment, poor management, physical and psychological strains, insufficient mastery of the job, or feeling 'unwanted' in the workplace.

Health is probably the most difficult element for managers to influence. Health is connected to genetic factors and the environment in a broad sense of the term. A person's perception of their own health will stem from the perceived relationship between their capacity for work and the demands placed on them. Promoting the use of work tools, improving the organisation of heavy work (e.g. by having people work in pairs), and offering the possibility of doing lighter work are some of the remedies that managers might employ. Opportunities for exercise or other initiatives to promote physical fitness and improve lifestyle may also have some effect. But for someone who has been exposed to a stressful work situation for long periods of their working life, the offer of fitness training at a late stage in their career will have little significance. Providing employees with a completely safe and healthy working environment throughout their entire career will probably have the greatest impact on their health. As a result, systematically paying attention to health and safety and the environment must be a part of any long-term thinking on seniors policy.

The picture is somewhat more complex where psychological strains at work are concerned. Here, a great deal will depend on the respective individual's subjective perception of their situation. For example, one study shows that a hectic atmosphere at work can actually encourage people to remain longer, because they are constantly drawn along by their sense of 'community' in the workplace (Steinum et al. 2007). But any readjustments that entail a high degree of uncertainty about their future tasks and the skills required of them may contribute to push people out (Midtsundstad 2006a).

Accordingly, good management during any restructuring will entail:

- clearly stating a wish to see the senior stay on;
- providing as much information as possible about the forthcoming changes in their tasks and the skills required of them;
- motivating and supporting the development of competence that is relevant to coping with changes.

A culture of early retirement in the workplace can also contribute to push people out. Managers can influence this culture by:

- clearly voicing their expectation that seniors will stay on;
- increasing the staff's awareness of the need for seniors to keep on working for as long as possible;
- effectively 'selling' a seniors policy within the respective municipal administration;
- discussing the 'performance culture' in the workplace with employees in a bid to encourage more tolerance of differences, e.g. regarding IT skills;
- trying to eliminate any prejudices against seniors by providing information on their situation.

Managers themselves can also be influenced by prejudices. A few widespread prejudices about 'theories-in-use' are presented below in the column headed "Myths and preconceptions". The column headed "Observed facts", on the other hand, presents the findings of several different scientific studies (Seniorpolitik.no 2006). It can be useful for managers to examine their

Myths and preconceptions	Observed facts
Performance at work diminishes as a person grows older.	There is no connection between age and performance at work unless the job imposes demands on staff's reaction time, physical strength, etc.
Seniors are less productive.	On average, seniors are just as productive as younger people. Seniors' experience and acquired expertise compensates for any age-related weaknesses.
Seniors have difficulties learning anything new.	Seniors do not learn less well, but they do learn rather differently from younger people. Seniors are primarily interested in learning things that are useful on the job.

own fundamental assumptions about the seniors for whom they bear managerial responsibility. Theories-in-use can also be discussed with employees in the workplace. What are our prevailing views?

Pull and jump factors

By 'pull-and-jump' factors, we mean factors that contribute towards workers being motivated (pulled) to leave the working population, or various personal desires for more free time that prove stronger than the wish to continue working (and give rise to the desire to 'jump'). The potential of receiving a satisfactory AFP pension helps pull a worker out of the working population. A desire for more leisure time (to devote to travel, hobbies, friends, boats, country cottages, etc.) and a wish to spend more time with family members (e.g. grandchildren, a spouse who has already retired, parents who need care, etc.) may induce an employee to want to 'jump' out of the working population.

Managers may find it useful to try and reduce the 'pull' of a good pension scheme by increasing the financial rewards of staying on or by floating the possibility of combining a partial AFP pension with part-time work, or allowing seniors to work fewer hours for no reduction in their salary. Awarding a seniors subsidy for better adaptation of the work place is also an instrument that might help to lower the attraction of a favourable pension scheme and increase the attraction of continuing to work. All experience gained so far suggests that personal dialogue concerning a seniors bonus and adaptation will enhance the effect of these measures. Such dialogue can result in a credible valuation of these measures that is not achieved if they are presented as passive, more or less automatic, or rights-based schemes.

Stay factors

By 'stay factors', we mean the qualities of the job and workplace that encourage seniors to stay on. Solem (2007) argues that in the long run these are the factors that will be the most effective instruments for seniors policy. Moreover, work on stay factors does not require additional resources or special funding.

What should managers try to develop to bolster stay factors? The following elements are frequently described in the professional literature (cf. for example Jacobsen & Thorsvik 2002, Bogen & Midtsundstad 2007, Martinsen 2007, Steinum et al. 2007, Kuvaas 2008):

- create support for objectives and values;
- evaluate and follow up on results;
- support and advise employees;

- assign responsibility and encourage seniors to feel 'on top of' their job by delegating tasks and empowering them;
- enable employees to influence their own work situation to a great extent;
- ensure that employees are assigned various duties;
- create good conditions for employees to learn by giving them challenging assignments, setting requirements and providing forums for learning:
- leave employees scope for flexibility and giving them opportunities to adapt their working time;
- encourage professional pride in employees' work and in the organisation to which they belong;
- develop a working environment characterised by good relations and smooth cooperation.

Stuck factors

By 'stuck factors', we mean factors that make it difficult for employees to retire on an AFP pension, even though that is what they might actually like to do. Circumstances that can force employees to remain 'stuck' in the working population include extensive debts, a low income and a limited social life outside the workplace.

Employers must be familiar with these factors that bind employees to the workplace, but this must not lead them to pay less attention to seniors. 'Stuck factors' may entail running the risk of having employees choose to stay on who are not particularly motivated. We believe that the particular measures employers should implement in such instances are especially closely linked with the 'stuck factors' described above

4 Positive instruments for seniors policy

A broad model for measures

According to Chapter 3 Article 3.2.3 of the Collective Wage Agreement (HTA), municipalities must develop instruments to motivate employers to keep on working longer before retiring. As examples, the HTA cites adjustments to working time and job-related duties, paid leave of absence, a flat-rate pay increase and cash payments. Its provisions also stipulate that employers must discuss alternative measures with union representatives, i.e. that seniors policy measures are to be formulated in cooperation with union representatives. Agreements on the application of specific measures may subsequently be made with individual employees. Union representatives must only be briefed on the agreements that have been concluded.

There has been little systematic evaluation of various seniors policy measures. We can therefore reach few definite conclusions about the impact of specific measures. But as stated above, positive effects are not achieved by implementing a single measure. Rather, several measures need to be combined in a broad package (Steinum et al. 2007). At the same time, the actual process of gaining acceptance for, developing and implementing these measures is important. The conclusion reached by Steinum et al. (2007) can be translated as follows (p. 6): *"The 'best in the class' stand out above the actual measures"*.

With respect to the measures that have actually been evaluated, Midsundstad (2006) maintains that the following can be said to contribute towards seniors being willing and able to continue working:

- reductions in work-related stress, such as time pressure and workload;
- flexible working time arrangements;
- general improvement of the working environment;
- employees feeling better 'on top of' their job and experiencing greater 'job satisfaction';
- opportunities for rehabilitation and various health-promoting measures;
- a good occupational health service;
- good management ;
- development and upgrading of employee competence throughout an employee's entire working life.

If we ask employees themselves what would encourage them to work longer, the following responses predominate, according to Midsundstad (2006):

- shorter working hours, flexible working time arrangements or other measures that make it easier for them to combine work with retirement;
- financial incentives, such as bonuses or salary supplements that go towards their pension;
- a better working environment or other changes, such as greater autonomy at work, less demanding work, and a chance to adjust the pace of work and the tasks to be performed to the employee's own needs and wishes;
- a management team that is aware of individuals, encourages them to develop and indicates that they are valued in the workplace.

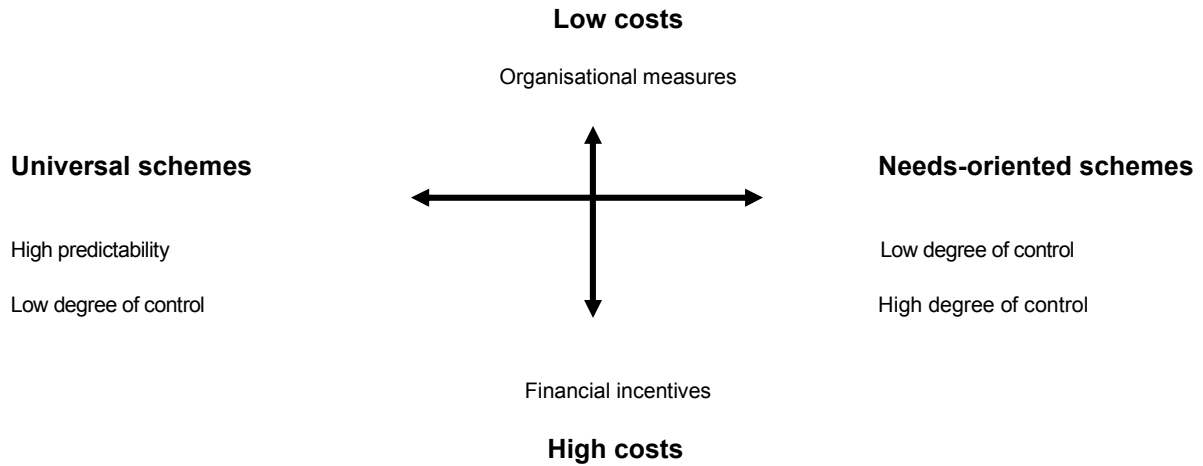
Circumstances that can induce employees to postpone their retirement	Employees who planned to retire before the age of 67 (in percent)
Shorter working hours	30
Employer wants them to continue	27
Less hectic pace of work	24
More flexible working time arrangements	24
Different duties at work	20
Adjustment of the physical working environment	20
Courses and further training	9

Source: KS 2007c

The Norwegian Centre for Seniors Policy (CSP) received the following replies in a study that covered the entire labour market. The responses were received from employees who planned to retire before reaching the age of 67:

In the strategic task of developing a package of measures, it can be useful to sort or classify the various instruments involved. One way of doing this is to divide them into instruments of an organisational nature (like the 'stuck factors' referred to above), on the one hand, and instruments intended as financial incentives (for example, salary and pensionable bonuses), on the other. When working with instruments it is also important to assess whether they should be universal and apply to everyone, or only apply them if needed.

The following model can be used as a planning instrument:



Universal or needs-oriented schemes?

There are many advantages to universally applicable schemes. They are easy to promote and implement. We do not need to impose any conditions on them or provide complicated explanations of why some workers are allowed to participate in a scheme while others are not. This can be an asset when employers want managers and staff to have a thorough knowledge of their organisation's seniors policy and actively implement it. There will often be widespread acceptance if everyone is entitled to the same benefits. Universal schemes are thus regarded as fair. For employees and union representatives it can also prove very important that universal schemes provide a high degree of predictability. In addition, we know that plans for the final stages of people's careers are often made years before a person actually decides to retire. High predictability makes it very likely that an instrument will be included in seniors' assessment of their situation. Accordingly, high predictability also benefits the employer.

The weakness of universal schemes is their low level of control by the employer. There may also be a risk of some measures not proving effective if they have to apply to everyone. Instruments then assume the appearance of rights and can also turn out to be costly...and have little effect. The complexity of the municipal sector, with its many different services, professional groups, operational models etc., within the same municipality means there should be careful consideration of whether instruments for seniors policy should be needs-oriented or universal. Bogen and Midtsundstad word one possible reservation as follows:

You apply expensive measures to a number of employees who would very likely continue working in any case. The cost of applying the most expensive measures to many or all employees may thus exceed any potential savings the municipality could make by achieving a lower rate of early retirement. (Bogen & Midtsundstad 2007, p. 11)

On the basis of so-called 'employee circumstances', in specific cases the employer might not want to encourage seniors to continue working as long as possible, or he may not see itself deriving any advantage from so doing. Such exceptions to seniors policy might be due to a combination of several factors (frequent absenteeism, for example, or low productivity, some staff's lack of interest in upgrading their skills as required, or undesirable attitudes towards clients). In such cases it is assumed that the employer has been more than accommodating in providing guidance for the employee and has fully complied with his obligations under the Working Environment Act and the Agreement on Inclusive Working Life. Such considerations can make it easier for the employer to justify taking measures based on needs-assessments.

We do not believe there is any clear-cut answer to the question of whether instruments should be universal or applied according to a needs-assessment. We recommend instead that each municipality discuss this issue in relation to each of the instruments it intends to apply and examine the respective measures in context.

Some existing measures are regulated by collective wage agreement and apply only to teachers. Municipalities must decide whether it is practical for teachers to participate in all measures that apply to seniors as a group, or whether the collective agreed reduction in the number of hours that older teachers are obliged to teach takes sufficient consideration of teachers' needs and should therefore exclude them from participation in other measures for seniors. In general, we believe it is important for municipalities to clearly justify the choices they make and for the measures taken to be based on the objective of persuading seniors to keep on working for as long as possible. This will prevent potential dissatisfaction caused by the coexistence of divergent schemes.

It is also entirely appropriate to combine universal and needs-oriented solutions. For example, many municipalities provide a financial framework to enable all seniors to adapt their workplace and work situation, whereas the way in which the money is spent is adjusted for each individual.

We will now describe a number of organisational measures and financial incentives that are used by several municipalities today, placing particular emphasis on measures that have yielded positive results. We believe that all of these instruments can have a positive impact on early retirement rates. Under organisational measures, we include measures that will often require special funding, as well as those that do not require any special funding. Under financial incentives, we discuss only those schemes that generate pensionable income or bonuses for seniors.

Organisational measures

Seminars for seniors

Many municipalities offer seminars or courses for all seniors, to give them the best possible basis on which to plan the last stages of their career. In this context, some municipalities offer personal counselling based on the amount of pensionable income earned by the respective individual. The aforementioned seminars are intended to promote municipalities' seniors policy and encourage seniors to keep on working for longer. They could also handle practical topics, informing seniors about opportunities for further career development or providing them with additional knowledge about ergonomics.

Receiving support from the NAV

The Norwegian Labour and Welfare Administration (NAV) can provide several forms of support to persons who are on sick leave or at risk of a work disability. Some of this assistance will also be relevant for seniors. Those we can list here are:

- The employer can receive an *adaptation subsidy* to compensate them for the additional expense associated with making necessary adjustments, trying out or training persons for new duties at work, or in connection with practical assistance required by the employer (reserved for companies participating in the IA (inclusive working life) programme).
- IA undertakings can be fully or partially refunded by the NAV for any expenses associated with the use of the Occupational Health Service (BHT). This applies if the BHT's work helps employers avoid sick leave or if persons on sick leave or persons with a reduced capacity for work are brought back to work.
- If employees need special *aid or tools* to do their work, they can apply to the NAV for financial support.

Seniors seminars in Ringerike

Ringerike municipality offers seniors seminars to people who have reached the age of 60. These seminars affords an overview of current seniors policy measures in the community, pension conditions, and so forth. The local authority uses its own experts and hired speakers.

Consultation in Sandnes

In 2007, Sandnes municipality invited all its 800 seniors, aged 55 and above, to a consultation meeting on the development of the next generation of seniors policy. The local authority had already decided to expand the financial framework for seniors policy. In the consultation phase, seniors themselves were asked to help formulate the measures to be taken. 550 seniors, divided into two groups, took part. During the first half of the meeting, seniors were asked to describe their ideal seniors policy and their ideal workplace for seniors. During the second half, the seniors were asked to provide specific input regarding the further development of the general provisions already in place in the municipality. All the groups' responses were collected, and a special working group made up of members of both groups drew up a new seniors policy based on these proposals.

Some municipalities use seniors seminars to further develop seniors policy.

Drammen municipality invited seniors to brainstorming meetings, asking participants to propose various measures under the following headings:

- Measures with financial consequences, starting at age 55;
- Measures that have financial consequences, starting at age 62;
- What contributions can individuals themselves make?

These measures were subsequently systemised as the basis for a new seniors policy action plan in the municipality.

Hordaland county council used a model for contribution-based development work (Midsundstad 2006) to gain acceptance for a life-phase-oriented personnel policy. Among other things, that model places the emphasis on classifying measures according to responsibility and then making the participants jointly responsible for implementing them in their own workplaces.

Appraisal dialogs with seniors

Dialogs with seniors are a form of appraisal that is normally offered to all seniors. Typically, such interviews focus on the employee's career over the next two to five years. Any wishes and needs that could motivate the senior to keep working for longer are defined and discussed in the light of the employer's requirements. The adaptation and use of the general provisions of seniors policy provisions are important topics covered during these interviews. In many municipalities, a meeting between a senior and a manager is held when policy measures are put into effect. This applies particularly to financial measures. The encouragement to accept fresh challenges and acquire new competence are also topical issues.

Some individual studies of appraisal dialogs show that no more than approximately half of all employees find them useful (Kuvås 2008). Even though seniors interviews might often be better targeted than traditional appraisal interviews, there is every reason to carefully consider what it will take for such interviews to function well. We believe that one of the most important potential improvements to these interviews would involve freeing them from questionnaires and letting them take place on an open basis. That would increase the likelihood of the conditions of greatest concern to seniors actually being brought up and discussed.

Flexible organisation and the possibility of different tasks

The possibility of allocating different tasks to seniors is a measure that many municipalities have paid special attention to, one example being a special scheme (SFS 2213) whereby a senior teacher acts as a mentor and guide for younger teachers during some of the hours freed up by reducing their number of obligatory teaching hours.

One life-phase project in the school sector looked into the effects of development work in eight schools that had concentrated on improving the quality of and extending teachers' professional careers. (Midsundstad 2006). The study's conclusions showed, among other things, that flexible organisation, teamwork and good support structures all increase the likelihood of teachers feeling 'on top of' their work situation and consequently deciding to continue working for longer. The opportunity to take account of their own experience and compare it to that of their colleagues was also significant. However, flexible organisation and well coordinated management are essential if this approach is to succeed.

Studies of flexible working time in the health and care sectors (Gautun 2002) describe positive experience regarding a sense of community and solidarity, feelings of empowerment and well-being, absenteeism through illness and adapting working time and leisure time. Numerous models are in use in this sector today: so-called 'negotiated shifts', 3 + 3 shifts, residential shifts, so-called 'oil-platform workers' shifts, annual shifts, flexible working time and shifts that are tailored to the needs of the respective municipal activity and individual. Experience has shown that the introduction of flexible working time in the care sector necessitates complicated changes that have to be worked out by highly committed individuals. A transitional period and broad involvement by staff are also essential.

Kvinnherad municipality has decided to allow seniors to request the transfer to different positions involving less responsibility when such positions become vacant, while retaining their current salary levels. The intention behind this initiative is to make it easier for seniors who hold positions of great responsibility or who are under heavy work pressure to extend their careers.

In Ringerike municipality, mobility is a special concern for seniors policy. Arranging job rotation and the possibility to audit courses are among the responsibilities of unit leaders charged with achieving seniors policy results.

Milestone interviews in Kvinnherad

In Kvinnherad, the annual appraisal interviews are called 'milestone interviews' once an employee reaches the age of 58. The interviews emphasise the long-term perspectives for the respective senior's career. The senior employee's wishes for changes are discussed, including the duties assigned to them, their working time and equipment, so that the senior involved is willing and able to work for longer. Any changes must be geared to what is realistic for the municipal activity concerned. An agreement is reached between the manager and the employee, signed and sent to the appropriate salary administration. A senior's supplement is then awarded on the basis of the factors discussed during the interview. The municipality is launching the senior's supplement as early as at the age of 58 because it wants to pursue an offensive seniors policy and motivate employees earlier on in their careers to opt to keep on working for longer.

Possibility for senior teachers to perform different duties

Starting from the beginning of the calendar year in which they turn 55 and 60 respectively, teachers are entitled to reductions of 5.8 and 12.5 percent in the number of hours they teach annually. These reductions entail redistributing responsibilities during the ordinary working year. The redistributed time is used for pedagogical work, whereby it is assumed that this will lighten the teacher's overall workload. The arrangement is voluntary for teachers and agreed between the respective headmaster and teacher.

Bonus time– use of recreational interests in Bergen

In Bergen municipality, those who choose to postpone taking their AFP pension are given the opportunity to spend 20 percent of their working time pursuing recreational interests. The respective working hours is called 'bonus time'. The precondition is that the recreational interests pursued can be of use to the services offered by the municipality.

This contribution is meant to supplement ordinary services and increase their quality. The idea behind this scheme is that the use of hidden resources provides additional energy and heightens well-being, thereby helping to extend the working relationship between the individual employee and the municipality. In other words, the place where this bonus work is done is given an extra boost, heightening the quality of the service it provides.

The examples from Bergen are highly diverse. For example, there's an engineer who runs a band and also an Internet café for older people, a driver who takes senile clients receiving home services for outings, and a teacher who teaches mothers with immigrant backgrounds to speak Norwegian.

Employees who are entitled to take an AFP pension can apply for bonus time by filling out a special form. Applicants must obtain the signature of their immediate superior. After a joint preliminary meeting, the applicant is interviewed before an agreement setting out their bonus-time duties is concluded. Any workplace that releases a senior worker under such circumstances is reimbursed for the cost of substituting them.

Developing competence

Employee's qualifications must develop continuously if they are to feel 'on top of' their work. Several studies show that insecurity or a feeling of being unable to meet their job's requirements can prompt staff to opt for early retirement. This risk appears to be particularly high in the case of restructuring and introduction of new technology that results in the allocation of new duties (Midtsundstad 2006). One out of four AFP-retirees, for example, said that a lack of IT skills was a contributing factor in their decision to retire. (Centre for Seniors Policy 2007a). Consequently, it is important to ensure that seniors are guaranteed opportunities to upgrade their skills and that they are able to put their new skills into practice. Molde municipality decided to offer computer training to all seniors who had reached the age of 55 as a special seniors initiative.

One principle of Ringerike municipality's seniors policy measures is that individual employees, whether young or old, bear the main responsibility for maintaining or developing their level of competence. At the same time, managers have a special responsibility for ensuring that seniors can take part in supplementary training programmes to the same extent as younger employees.

In its checklist for good seniors policy, the Centre for Seniors Policy recommends that employers keep track of seniors' real skills so that they can be effectively exploited and that employers can devise a strategy for offering employees opportunities to develop their skills and move forward in their careers, regardless of their age. Seniors interviews could be one forum for discussing how best to apply real competence and considering individuals' further training and development.

Grace period

Several studies show that a considerable number of AFP retirees turn out regretting their choice (Midtsundstad 2006) to stop working, so Andebu and Askøy municipalities have introduced a grace period. Accordingly, if AFP retirees change their minds, they can return to their former jobs within a certain time limit.

A well-being measure for all

In Nedre Eiker, undertakings with employees who are 62 years of age or older can receive up to NOK 10,000 for well-being initiatives benefiting the entire workforce. The municipality's personnel forum, which consists of the HR department and an executive officer from each other department, allocates all seniors policy funding on the basis of agreements and requests.

Reductions in working time

As we have seen above, reducing working time is a much-coveted metode. A reduction can be achieved in the first place by having a senior retire on a partial AFP pension, provided the employer can arrange for them to fill a part-time post. In this solution, the employer incurs the costs for the AFP share. Partial AFP is not often used in the municipal sector. Some municipalities' senior policies contain provisions that exclude seniors from other benefits, such as a senior bonus, if they take a partial AFP pension. Others have opted for the proportional curtailment of specific benefits.

The other possibility is to allow a senior's working time to be reduced while they retain full pay. The reduction in working time can vary and some municipalities have chosen to increase it gradually, with rising age. This measure entails high costs and can result in a need for replacements in some posts. When companies have not been able to afford replacements, this measure has been seen as problematic, both by seniors themselves and their company (Midtsundstad 2006). This measure should not be implemented before a worker reaches the age of 62, because a reduction in working time before then entails the individual occupying a less than full-time post, which reduces the basis for calculating their pension. After the age of 62, this measure is seen as a seniors policy measure pursuant to the Collective Wage Agreement (HTA), Chapter 3 Article 3.2.3, and does not influence the basis for calculating a pension.

From an employer's point of view, this measure clashes with the principle that an employer does not pay out wages without securing any obligation to work in return. In a collective agreement affecting teachers, for example, the number of hours to be taught is reduced, but not their work obligation. Nevertheless, many municipalities have made use of reduced working time on full pay and claim to have positive experience of it.

Leave of absence for study for employees over 55 in Klepp municipality

Klepp municipality has introduced a three-month paid sabbatical for persons aged 55 and over, based on specific criteria. In addition, the municipality has approved the following measures, among others:

- Seniors retain their full salary in a 90-percent job after reaching the age of 62.
- An annual seniors bonus of NOK 20,000 is paid to those who remain in a full position after turning 62.

Seniors supplement in Ringerike and Stord

Ringerike pays a supplement of NOK 10,000 which can be spent on adapting the workplace of anyone who has reached the age of 62. The supplement is paid out only once per employee.

Stord municipality also pays out an annual supplement of NOK 10,000, but this goes to everyone who is 62 or over. This supplement can be spent in various ways by agreement, but so far everyone has chosen to spend the money by taking additional holidays.

Needs-oriented seniors subsidy in Skedsmo

Skedsmo municipality annually allocates subsidies of up to NOK 25,000 per employee aged 62 and over, to be spent on specific measures. The seniors subsidy can be used to pay for replacement in weekends, to hire relief workers and to pay for extra days off.

The municipality's seniors policy also includes two other measures that require needs-assessment:

- The possibility for employees entitled to AFP to individually assess the possibility of working only 80 percent of the time from the time they reach 62.
- Adjustment of duties adapted to seniors.

The last measure for reducing employees' working time is to entitle them to take a certain number of days off. This option is also widely used in the municipal sector. Some local authorities give seniors the right to take holidays within the framework of a seniors subsidy.

Seniors subsidy

A seniors subsidy is a subsidy that can be spent to adapt the workplace and the work situation to seniors' requirements. To distinguish this from the adjustment subsidy granted by the NAV, we have used the term seniors subsidy. Examples of areas where it can be used include shorter working days, hiring extra help for a certain period of time, working fewer night shifts, or reducing the floor space to be cleaned. In most municipalities, the seniors subsidy is based on an agreement reached between a manager and a senior. Managers and seniors often enjoy great freedom regarding how these funds are spent. Some municipalities use the subsidy as a universal instrument, while others use needs-assessment as the principle on which it is allotted. This instrument will have the greatest effect if it is awarded on the basis of a positive dialogue between manager and senior.

Financial incentives

It is now well documented that many employees in the municipal sector are influenced by financial incentives. (Steinum et al. 2007). Financial incentives in the form of pensionable salary or bonuses seem to have the greatest effect on low-income groups in the municipal sector. Those who express the strongest wish to retire early seem more oriented towards such 'external' remuneration, whereas those who wish to continue working seem more intent on the 'internal' reward associated with doing what they perceive to be a meaningful job.

The costs of implementing pensionable salary and bonus measures are generally high. If you pay out a bonus, such a payment will only have an impact during the year in which it is awarded. If the employer chooses to pay a pensionable salary, the effect of the supplement will last as long as the employee lives. Life-expectancy today is about 78 years for men and approximately 83 for women.

If the salary supplement is taken from the budget set aside for local negotiations under Chapter 4 of the Collective Wage Agreement (HTA), (or falls within the limits that the employer has already decided to impose for negotiations in Chapters 3 and 5), it does not lead to higher future pension costs in the same way, because all salary supplements granted within these frameworks already go towards the employee's pension.

Seniors bonus and pensionable pay supplement

Seniors bonuses are widely used in the municipal sector and were first introduced in 2001 by Stord municipality, which today offers incremental seniors bonuses of NOK 12,000, 24,000 and 36,000. Pensionable pay supplements are also quite widely used, with the amounts varying, often starting at NOK 25,000.

Some municipalities allow teachers to participate in all the measures used. Others have imposed certain exceptions, which they justify by saying that teachers already have good, effective seniors measures in the shape of reductions in their number of obligatory teaching hours. Sandnes municipality has calculated that the value of reductions in the teaching obligation per senior teacher amounts to an average of approximately NOK 61,000 per year (calculations done in 2007). Publicising the cost of various measures might help to demonstrate that it can make sense to draw some distinctions in how these various instruments are used.

Universal schemes are most common with respect to seniors bonuses and pensionable pay. However, Sørumsund municipality is carrying out a wage appraisal combined with local negotiations. If the manager and employee agree, a pay supplement of NOK 10,000 can be awarded to seniors aged between 62 and 66. This means that the pay supplement is taken out of the local budget for the employees that are covered by Chapter 4 of the HTA.

Several municipalities have decided that employees prefer to 'take the money' when faced with a choice between money and other alterations, such as holidays or part-time work (Bogen & Midtsundstad 2007). Even though the majority of seniors asked state in surveys that organisational conditions such as adjustments and reduced working time are theoretically more important than pay in persuading them to stay in work for longer, in practice they often choose otherwise. Bogen and Midtsundstad recommend in this context "*that municipalities should to a greater extent assess what effects different measures will have in relation to different occupational groups' needs and current work situation*" (Bogen & Midtsundstad 2007, p. 12). One key consideration here would be to weight measures in such a way that money will not be preferred when other instruments would undoubtedly be more suitable as a means of persuading seniors to keep working for longer.

Higher pensionable pay and senior bonus in Ringerike

In Ringerike municipality, seniors can receive a pensionable pay increase of NOK 2,500 per year from the time they reach 62 until they turn 65. In addition, the municipality has introduced a senior bonus of NOK 15,000 per annum.

In Nedre Eiker seniors can choose between the following three options:

- Fewer working hours on full pay (a reduction in working time of up to 10 percent)
- A senior bonus of NOK 12,000 from the age of 63 until 67.
- An annual pensionable pay increase of NOK 2500 from 63 until 65. After that, this increase is replaced by a senior bonus of NOK 12,000.

Seniors policy in "Small town" municipality

The diagram shown below is based on the planning models described above and we have included some of the measures discussed. Small town municipality has concentrated on needs-oriented organisational measures. In all, 12 measures are included in the model. The municipality has not introduced a universal seniors bonus or pensionable pay supplements; instead it has introduced a seniors stipend, which kicks in at the age of 55, to strengthen skills development. In addition, a pensionable pay supplement based on valuable seniors' skills can be obtained through local negotiations. The seniors' subsidy is equivalent to the reduced teaching requirement granted to teachers and can be taken either in full or partly converted into time off. Small Townmunicipality also has arrangements for a partial AFP pension combined with a part-time job.

Pay assessment during local negotiations based on valuable senior competence

5 Follow-up

How to analyse your own situation

Knowledge of your organisation's own challenges and key statistics is an important prerequisite for an effective seniors policy. This kind of knowledge can also raise awareness and motivate initiatives. Several kinds of data are relevant to seniors policy. The following figures can be regarded as key statistics:

- Figures indicating the age distribution in the municipality in question
- Figures on early retirement on AFP
- Figures on early retirement on a disability pension
- Figures detailing turnover
- The average additional cost to the employer of one AFP pensioner
- Sum total of costs incurred for the AFP group.

These key statistics can be calculated annually and included in the municipality's annual report.

However, an ability to project trends into the future will also be important if we are going to successfully employ long-term strategic thinking. An analysis of the kinds of competence we are going to need in the future will also be important in this context. In 2008, the KS launched a tool that can meet some of these analytical needs. The instrument was dubbed the Employment Tool (*Sysse/settingstøytøyt*).

Following up on targets and results

It is important that municipalities set clear, preferably quantified objectives for seniors policy, and establish routine ways of following up on developments and reporting on the attainment of targets. Bogen and Midsundstad (2007) found little evidence of such developments in the municipalities they studied. Clear objectives and good reporting can motivate staff and managers alike, systematise efforts at improvement and provide important control information that can be used to correct policy and the deployment of instruments when necessary.

In Sandnes municipality, you can follow daily developments in the number of employees over the age of 62 who take AFP early retirement. The respective figures appear on the computer screen in the municipality's balanced scorecard system and the results are reported annually to the municipality's political decision-makers, among other ways by means using the kind of diagrams indicated below.

KS employment tool

KS has launched an employment requirements tool that can be used to chart recruiting needs for the next 10 years. The instrument is based on accessible personnel data from the PAI (Staff Administration Information System) register, data on absences and on the local population. Financial data can also be entered if required. KS feeds this data into a calculation model. The municipality is given access to the model along with its data, and also a number of reporting options in the form of a spreadsheet.

The analysis is carried out for the 30 most widely occurring employment categories in the municipality.

By using this tool, municipalities can obtain answers to the following questions, among others:

- How many man-labour years does it need to provide services to the population in the future.
- How many employees and which competences can the municipality count on retaining over the next few years.
- How many employees and what skills does the local authority need to recruit to maintain its current level of services?

Ambitious targets in Sørums

In 2001, Sørums municipality set itself the target of keeping 60 percent of staff who reach the age of 62 in its employ until they were 65. This objective was achieved in 2004. The municipality now has a new target: 90 percent of those who turn 62 should keep on working until the age of 65. When this paper was written, Sørums was well on the way to attaining that objective, with 9 out of 10 people in that age group currently working.

	A	B		
2002	118	81	A:	Number in the target group
2003	150	69	B:	Number on AFP
2004	178	83		
2005	192	95		
2006	204	91		

Sandnes municipality has been able to document a positive impact from its seniors policy. Whereas the number of seniors entitled to AFP has risen during the period under review, the number who have retired on AFP has remained at more or less the same level. The municipality has also calculated the financial consequences of its seniors policy.

Sandnes municipality has also made projections into the future concerning the number of its employees aged 62-67 and has ascertained that their number will more than double between 2007 and 2012, rising from 239 to 499 staff.

Year-wheel of seniors policy

A municipality can systematise work on seniors policy by using a year-wheel diagram. The year-wheel diagram for "Small Town" municipality, which we have constructed below, is ambitious and comprehensive. In it, we have gathered instruments and routines from many different municipalities.

Targets for each results unit in Ringerike municipality

Ringerike municipality sets targets for each of its seniors policy results units. Here are a few examples:

- Increase the average age' of leaving the active working population by 2 years.
- Increase participation in training initiatives for employees aged 50 and above.
- All employees must have the computer skills their jobs require.

The results units have considerable freedom regarding how objectives are achieved. Individual results units themselves decide when to publicise their seniors initiatives in a bid to achieve seniors policy goals.

Clear targets in Molde municipality

Molde municipality's long-term objectives are to postpone the average retirement age by 2 years and to reduce the percentage of those entitled to AFP who actually take AFP to less than 20 percent.

Seniors policy year-wheel - Small town municipality	
January	Senior conference with dialogue seminar. Further development of seniors policy. Presentation of studies. Seniors interviews.
February	Staff study – analysis based on age groups. Separate partial report on seniors. Analysis of key statistics for the previous year assessed against established targets; partial report on employee survey and presentation of reports sent to the respective unit managers.
March	Analysis of results, partial report and report presentations are covered at: a) an informative meeting with the chief union representatives in accordance with Section B §3-ib of the Basic Agreement for the Civil Service); b) a meeting of the management group. Issues sent to the joint management/union representatives committee and/or any political measures are prepared
April	Issues are submitted to the joint employers' and union representatives committee and/or the Working Environment Committee (AMU) and political measures are prepared, giving an overview of the recruitment situation, a breakdown by age, statistics on early retirement (the achievement of targets) and detailing experience with the local seniors policy. The approval of any proposals for adjusting seniors policy is based on the dialogue seminar.
May	The recruitment situation, breakdown by age, statistics on early retirement and experience with the local seniors policy are included in the <i>annual report</i> .

September	Target figures for early retirement for the municipality as a whole and its largest units are set. Any adjustments to seniors policy instruments that require financing are added to the draft budget.
December	Target figures for early retirement and the proposed financing of measures is approved in the budget.

Literature

- Bogen, H. and Midtsundstad, T. (2007): *Noen år til? Erfaringer med seniorpolitikk i seks kommuner*. Fafo report 2007:28. (The report can be downloaded from: www.ks.no: <http://www.ks.no/templates/Page.aspx?id=44620>)
- Gautun, H. (2002): *Når fleksibilitet fremmer fellesskap. Nye arbeidstidsordninger innen pleie- og omsorg*. Fafo report 339.
- Hilsen, A. I. and Steinum, T. (2006): *Fortell meg at jeg er ønsket!* AFI report 2/2006.
- Jacobsen, D. I. and Thorsvik, J. (2002): *Hvordan organisasjoner fungerer*. Fagbokforlaget.
- KS (2003): *Individet i fokus på arbeidsplassen*. Kommuneforlaget.
- KS (2007a): *Stolt og unik. Arbeidsgiverstrategi mot 2020*. Kommuneforlaget.
- KS (2007b): *Fraværstatistikk 2005–2006 – PAI – Kommunale arbeidstakere*. Kommuneforlaget.
- KS (2007c): Study from the Center for Seniors Policy cited on www.ks.no under the following URL: <http://www.ks.no/templates/Page.aspx?id=44620>
- Kuvås, B. (ed.) (2008): *Lønnsomhet gjennom menneskelige ressurser. Evidensbasert HRM*. Fagbokforlaget.
- Martinsen, Ø. L. (ed.) (2007): *Perspektiver på ledelse*. (2nd edition). Gyldendal
- Midtsundstad, T. (2006a): *Hvordan bidra til lengre yrkeskarrierer? Erfaringer fra norsk og internasjonal forskning om tidligpensjonering og seniortiltak*. Fafo report 534. (The report can be downloaded from: www.ks.no: <http://www.ks.no/templates/Page.aspx?id=37227>)
- Midtsundstad, T. (2006b): *Pensjonering før fylte 65 år. Tidligpensjonering og bruk av AFP innen KS' tariffområde 2002–2004*. Fafo report 509.
- NAV (2007): *Arbeid og velferd*. No. 4 – 2007. Labour and Welfare Directorate.
- NSD (2007): «Viktigst med interessant og trygg jobb.» *NSD-Nytt* 1 / 2007.
- Opinion (2007): Aksepterte årsaker til syke-fravær – holdninger i de fem nordiske landene. A study for the Nordic Council of Ministers , August/September 2007. URL: <http://norden.org/pub/velfaerd/arbets-marknad/sk/TN2007594.pdf>
- Seniorpolitikk.no (2006): *Bis forsteinede syn på eldre arbeidstakere*. URL: <http://www.seniorpolitikk.no/bis-forsteinede-syn-paa-eldre-arbeidstakere-.380495.html>
- Seniorpolitikk.no (2007a): *Seniorer er selv-stendig – juniorer vil coaches*. Newsletter 03/07.
- Seniorpolitikk.no (2007b): *Effektiv senior-politikk er gratis*. Newsletter 05/07.
- Senter for seniorpolitikk. (2007a): *Norsk seniorpolitisk barometer. Yrkesaktiv befolkning*.
- Senter for seniorpolitikk. (2007b): *Norsk seniorpolitisk barometer*. Editorial in *Arbeidslivet*.
- Steinum, T., Hilsen, A. I. and Bull, H. (2007): *Kunnskapsstatus for programmet FARVE. Tema: Å øke den gjennomsnittlige avgangsalderen*. AFI memorandum 10/2007.
- St.meld. no. 6, 2006–2007). *Om senior-politikk*.