Employment Initiatives for an Ageing Workforce (2005)

The National Report on Sweden with eight Case Studies

A project financed by the European Foundation (Dublin) and coordinated by Forschungsgesellschaft für Gerontologie (Dortmund)

Studies in the older workforce and the labour market 2005:1
ISSN 1104-4292
Linnaeus University
School of Social sciences
Sweden
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Gunnar Olofsson
Helene Kratz
Cecilia Svensson

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School of Social Sciences
Linnaeus University
Växjö
Sweden
Preface

In this publication we have assembled eight case studies and a "national report" on Sweden that we wrote during 2005 as part of work commissioned by the European Foundation in Dublin. The Foundation had in the 1990’s and in the first years of the 21st century as one of its objectives to investigate the situation for older and ageing workers in Europe, and to develop policy initiatives on the level of firms and organizations to counteract early exit. One of us, Gunnar Olofsson, came to take part in a number of these projects and initiatives. These included *Combating age barriers* in the mid 1990’s and *Good practices for older workers* (together with Inger Lindborg) in the year 2000. But also participation in the data collection in large Nordic project, led by Jørgen Goul Andersen and Einar Överbye, and as Swedish representative in the working group on older workers and early exit within COST A13, making two reports on Sweden for the Japan Institute of Labour’s Millennium Project in 2000 and 2001. A number of the reports has been published in the series *Studies in the older workforce and the labour market* (ISSN 1104-4292).

This project was financed by the European Foundation in Dublin. The main Contractor was Forschungsgesellschaft für Gerontologie (Dortmund) led by Prof. Dr Gerhard Naegele and Dr Frerich Frerichs. When the Dortmund group searched for someone to do a report on Sweden, I was contacted. With the very qualified contributions of two sociologists with Masters Degrees, Helene Kratz and Cecilia Svensson, this project was set up, the field work undertaken and the company reports written. These reports were then edited by colleagues in the Dortmund team, in order to get them fully compatible with the overall quite detailed guidelines in order to get them published on the internet in the same format as all other company profiles from other European countries. Thus these company profiles were published on a special internet site, set up by the European Foundation, and open for all interested parties to inspect and use as an inspiration for their own initiatives.

In this publication we have assembled the final version of the company profiles, as well as two national reports. One of the national reports gives a summary of the policy setting in terms of existing policies, demographics etc. The other national report summarizes key aspects of the company profiles.
The field work was undertaken by Helene Kratz and Cecilia Svensson as a team. Each of them was then the principal author of four company profiles. Gunnar Olofsson was responsible for the project as a whole, participating in planning the field work, in discussions of the field work findings and problems, as well as reading and editing draft versions of all reports etc. We received valuable comments, linguistic as well as factual, on the different field work reports from the Dortmund group before they were published on the Internet.

Gunnar Olofsson edited this version of the full report.

Gunnar Olofsson, Helene Kratz, Cecilia Svensson

Mail Address:
Gunnar Olofsson
School of Social Sciences
Linneaus University,
S-351 95 Växjö
Sweden

E-mail address:
Gunnar.Olofsson@lnu.se
National Report - Sweden

The ageing workforce in Sweden – Problems, dilemmas, policies

Gunnar Olofsson

I. Perception of demographic/labour market issues in national policy over the last decade and development of national policy concerning an ageing workforce (employment policies incl. legislation, pension reform etc. and influences of EU-policies/programmes)

The economic crisis the early 1990s

Until the early 1990s the labour force participation rates in the age group 50-.64 was quite high in Sweden; markedly so for the age-group 60-64. The labour market situation and the policy framework that produced this result are analysed in Wadensjö 1991 and Olofsson-Petersson 1995.¹

In the first half of the 1990s Sweden experienced an economic crisis that led to a dramatic “shake-out” of older workers from the labour market and a substantial drop in industrial employment. Between 1991 and 1995 a fifth of all males in the age-group 60-64, and a fourth of all males in the age-group 63-64 lost their job or left the labour market. Unemployment and esp. youth unemployment rose markedly in these years.

After the 1994 election the main goal of the new (social democratic) government became the reconstruction of Swedish public finance. This implied cuts in public spending and in public employment, as well as cuts in the levels if not the volume of social insurance spending. This affected especially the unemployment

and sickness benefits. These cuts were key political objectives during the mid 1990s.

*The setting of the of the “ageing workforce problem” in the last decade*

In Sweden there is a broad consensus in the political arena, shared by public officials and by representatives from all the key social partners, that early exit from the labour market must be stopped, and even reversed. This should be seen in a demographic perspective with a rapidly ageing workforce in Sweden (table 1)

*Table 1. Age composition of the Swedish Labour force 1985-2015*

<table>
<thead>
<tr>
<th>Age</th>
<th>1985</th>
<th>1999</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-24</td>
<td>15,9</td>
<td>10,5</td>
<td>11,6</td>
</tr>
<tr>
<td>25-54</td>
<td>69,6</td>
<td>75</td>
<td>70,9</td>
</tr>
<tr>
<td>55-64</td>
<td>14,5</td>
<td>14,5</td>
<td>17,5</td>
</tr>
</tbody>
</table>

*Source: Socialförsäkringsboken 2001*

A series of institutional changes have therefore been put in place during the last decade - esp. with regard to the public pension system. Programmes that opened up new exit routes for older workers have been closed (such as, the Job release scheme, the temporary labour market pension in 1997, the part-time pension scheme in late 2000). There is a clear shift in the public pension scheme that emphasise a longer working life. (See below)

*“Senior 2005”*

During the last few years a Royal Commission has looked into the total situation of the elderly in Sweden (“Senior 2005”). A large part of its work was devoted to the situation of the older workforce. In its final report (which appeared in 2005) the policy focus in regard to the older workforce was how to make it possible, using both sticks and carrots, for those aged 55 and over to continue to work, preferable also beyond 65 years of age. The report looks into the health problems and the firm-internal logic for retaining or excluding the older workers, but also to the social insurance systems, esp. the role of the pension system.
The Commission articulates the need, in societal and economic terms, for a longer working life for more persons. The long term sustainability of the welfare arrangements, the pension system and the rising caring costs for the elderly is summed up in a demand for measures that could prolong the average working life.

The Commission and a number of its reports point to the need for adjusting aspects of the work conditions to the needs and preferences among the older workers, such as diminishing the demands for heavy and stressful work and the need for more flexibility in terms of work organisation. They are also looking for a change of attitudes among both employers and labour force.

In 2004 the labour force participation rate was 81.6% for the 55-59 age-group and 61.9% for those between 60-64 years of age. The unemployment rates for these older workers were 3.5 and resp. 5.5%, that is far below the rates for those below 25 years of age (AKU 2004 - Swedish labour force statistics for 2004, Stockholm 2005).

Why Sweden should increase the labour force participation of its older workforce

The Swedish Policy Consensus regarding the older workforce is that Sweden has too low employment rates in the older workforce. This is regarded as a major social and economic problem in three ways.

First, it is seen a cost problem. Unemployment insurance and other kinds of social insurance schemes for those that retired “too early” are expensive and regarded as a heavy burden (i.e. cost) on society.

Secondly it is seen as a problem of changing norms. The Swedish labour market and social policy regime is built around the “work line”, the axis around which economic growth as well as the character of welfare provision is constructed. Falling employment rates in the older workforce is being seen as having led to a change in the perception of the normal retirement age. The average effective retirement age in Sweden is judged to be 60-61 years. A recent poll among the 45-60 age group showed that a clear majority in this group wanted to retire at 60-61
years (SIFO 2000). This normative change is regarded as problematic and potentially dangerous since it will influence the behaviour of the older workforce as well as the attitudes of the employers towards ageing workers.

Thirdly, it is increasingly seen as a problem for the economic growth in Sweden. Long-term economic forecasts envisage a growth in the labour force in Sweden, which for demographic reasons have to take the form of increasing employment rates among the older workforce (see table 1). This long-term bottleneck problem in the Swedish economy gives rise to proposals to change the pension systems (the public as well as occupational systems). A series of measures is proposed to make it more difficult for older workers to enter those social insurance schemes (such as the disability pension) that make early exit feasible.

*Changes in the public pension scheme*

The public pension system in Sweden has been thoroughly reshaped in the last ten years. The main change is that the new system makes the pensions dependent on all the years individuals have been working and the total sum of wages and salaries they have earned over all the active years. In the earlier system it was enough to qualify for a full pension by working 30 years. The level of the pension was based on the 15 best years. The new system is being gradually implemented. The transition to the new scheme of public pensions has highlighted the need for a longer working life for Swedish wage earners if their future pensions should provide a decent living standard. For most Swedes the new pension system makes it necessary to remain in the labour market up till at least 65 years.

All born after 1954 will be wholly included in the new system. Those born 1938 will get 4/20 of their pension from the new system and the rest from old. Thus those who now face retirement will increasingly become more dependent on the new system. From the older worker and early exit perspective the key aspect of the new pension system is the clear message of a longer work life that is built the new scheme. This is a new institutional embedding of the Swedish “work line”, i.e. is that as many as possible should work, work as much as possible in a given year, work as many years as possible.
The *part-time pension scheme* has been abolished (effectively closed from Nov.30th 2000). This can interpreted in at least two ways. Part-time pension can be seen as way out from work or as a mechanism for keeping a link to the labour market.

The *employment protection* of older workers is in principle still in force. However, it is rather common that trade unions use this legal position of strength to obtain a "trade-off". Unions often accept a retirement package for older workers (as the "price" as well as something good in itself) in order to save the employment of some young or middle-aged workers (a goal).

**II. Relevant actions of social partners and other key actors: Policies and practices**

In the public rhetoric, the work line is emphasised. But the general trend in the private as well as the public sector is to reorganise and reshape the labour force and to shift the age balance of the personnel by sending away their older employees.

Employers, incl. in the public sector, have cut down, rationalised and reorganised their work organisations. They have in many cases used the occupational pension schemes in order to send their older employees “home”. This has occurred in the private sector (e.g. all banks, many industrial firms etc) as well as in the public sector (e.g. the hospitals, the local authorities and many state authorities).

For most firms, and for most agencies in the public sector, it is rational to shed older workers, hiring younger staff and not rehiring older employees, when they change and upgrade their work organisations. Age balance considerations, as well as conceptions of competence and qualifications and their links to age, seem to play an important role in this process.

Moral and public exhortations seem to have little effect. This should be seen in conjunction with a major shift in the perception of the desired and “normal” retirement age (now effectively around 60-61 years). This widely shared expectation of a shortened working life is furthermore made visible, and thereby strengthened, by the choices made by leading politicians as well as well-known CEOs to retire around 60 years of age.
Age-specific or general policies?

Although the older worker problem is a key issue for the Swedish Employers Federation (SAF) they resist any new form of regulation (be they directives from EU or not) and binding rules that could inhibit the initiative of the firms. SAF accepts a general policy with the intention to further “diversity” in terms of ethnic background, gender, age etc but is indifferent or hostile to policies furthering the employment prospects for specific groups (such as women, immigrants, older employees). Diversity policies are acceptable to SAF if they run parallel with an emphasis of what is rational for the company in question.

The Perspectives of the older Workforce - Employer’s views of the older Workforce

In the last few years a series of surveys have been made to investigate the preferences in the population with regard to work, retirement and pension. These surveys show that around 60% of the respondents who have not retired want to retire at around 60. However the closer you get to 60, the numbers who want to retire decreases. This may be interpreted in the following way. It shows a widely shared norm that retiring at 60 is a reasonable expectation, and as a reflection of the already established social fact that half of working population in fact does leave the labour market at around 60 years of age. When approaching 60 years of age quite a few find that they will not get a decent standard of living and/or that they want to stay on for many other reasons (such as the social atmosphere at their job).

When asked about what led persons to leave their job before 65, it is clear that the main reasons are the health status of the persons, the tough working conditions (hard work, stress, heavy demands on your ability etc) and the rather rigid organisational solutions that are offered, as well as the attitudes of the employers towards their older workforce.

Women experience more of psychosocial stress in their jobs and more women than men find their work physically demanding. This seems to be an effect of the tough and drastic cuts and reorganisations in the public sector during the 1990s (health care, child care, old age care etc). If a person has experienced frequent reorganisations in their job this wills lead them to early exit.

A large group among the employed would like to see their last phase in the working life as a gradual and partial exit – more flexible working arrangement,
part-time work combined with part-time pension, less exposure to stress, and continuous reorganisations etc. Quite a few also wanted “softer” and “easier” jobs when approaching the end of their working career. For many older workers development and challenge in their work was a precondition for staying on in the labour market. They wanted less stress and uniformity and more challenge and flexibility. About 65% of a large sample would consider staying longer in work, if this was an option. The preferences in the population do not match the planning needs and preferences of the employers. Most employers face their employees with the “either stay or leave” alternative.

*Employers’ views on older workers*

Surveys have also been done to find out the views and strategies used by employers regarding the older workers. In year 2000 “Pensions forum” made a survey of 200 large employers, evenly divided between the private and public sector. The Swedish National Insurance Board has commissioned a major survey on the attitudes of employers.

These surveys show that employers have a generally low opinion of the value of older employees. Very few employers will hire persons over 50 years. At the same time they appreciate the value of older workers in the work groups, as transmitters of knowledge and their stability and loyalty. Employers in schools and health care, areas where experience is highly valued, have a high regard for their older employees and do hire them. Here the employers’ view of their older workers is rather positive and matched by their willingness to recruit them. In firms with heavy demands on the physical level and/or great expectations on flexibility to shifting demands, the standard view of the older workers is that they lack flexibility, are unwilling to learn new things etc.

Three out of four employers are negative to hire persons over 50 – this may be regarded as the standard view of Swedish employers. This pattern is found in several surveys from the early 1990s and onwards. In firms and establishments where the average age is high, there is a strong preference for younger employees, since employers and firms want a balanced age-structure in their firms. This does however mainly work one way – if there is a dominance of young workers there is no eagerness to increase the share of older employees. That is, the age-balance argument is basically asymmetrical.
Employers are not happy with the new right for individuals to stay on working in their job until they are 67. 34% of them are negative and 41% are strongly negative towards this prospect. One key reason for older workers not wanting to stay in the labour market is that they (correctly) perceive that employers – as well as their colleagues – want them to leave.

III. Status of the issue of older workers in current policy and public debates – identification of future issues (assessment by researchers)

In the public discussion in Sweden the older workforce dilemma is articulated in the following key areas:

- Changes in the public regulation of pensions, sickness insurance, and unemployment insurance by closing or tightening the exit paths and by encouraging and forcing the older workforce to accept to implications of the “work line”. This is set in motion in quite a firm way. There is a growing concern about the rise in long-term sickness absence in the labour force (due to the costs it generates as well as the welfare problems it signifies)

- Encouraging changes in the conditions of work. This takes two major forms. One is a move to increase flexibility of work conditions, e.g. in terms of flexible working hours, part-time work etc. One instrument for this strategy, part-time pension, has been abolished. Employers are encouraged to develop “learning organisations”, that is to make competence development or at least competence maintenance part of the normal design of their firms.

- Finally, changing attitudes towards older workers. Negative images exist in many contexts. However, the most important actors are those that decide about hiring and firing, i.e. the employers in the private and the public sector. Changing the attitudes among personnel departments, educational institutions, and labour market agencies is thus seen as important.

Possible developments

In the Swedish policy setting we find two major strategies.

On the one hand, a strategy of decisive institutional change, where the pension system is changed in a dramatic and systematic way in order to create strong incentives to continue to work longer. Closing some of the exit paths is part of this
strategy. This has and will influence the labour force participation rate of the older workforce.

On the other hand there is a series of policy possibilities, measures adapting jobs to the demands of individual flexibility (part-time work), as well as laws forbidding employers and unions to agree on mandatory retirement at 65, an increasing government pressure on employers to enter more actively into the rehabilitation arena (such as re-organising jobs to fit older workers and those who have had long spells of absence due to sickness, to train them for other tasks etc). This rehabilitation policy is now a key government priority. Since this policy shifts much more of the economic cost of rehabilitation on employers it may also, paradoxically, increase the exit pressure.
Eight Case Studies

1. AerotechTelub AB
2. Elmhults Konstruktions AB
3. Färs and Frosta Sparbank
4. The County Council of Kronoberg
5. The Education Department in the City of Malmö
6. OKG
7. Rapid Granulator AB
8. Volvo Cars Torslanda
Case Study no 1: Training, development, health and well-being and recruitment – AerotechTelub AB, Sweden

A. Organisational background

AerotechTelub is a consulting firm, part of the Saab Group, one of the world’s leading high-technology companies, with its main operations in defence, aviation and space.

AerotechTelub PLC offers technical services and solutions within a wide technical area. The company has a workforce of about 2000 people that are spread on 15 different places in Sweden. The main offices are situated in Växjö, Arbo- ga, Linköping, Östersund and Stockholm.

The company has during the last decade faced a number of changes and owner exchanges.

The company is led by management director and is organised in 7 relatively freestanding divisions. Large parts of the activity of the company are tied to the local place as well as some measures and initiatives, for example health- and keep fit measures.

75% of the workforce, who mainly consists of white-collar workers, has a university education of two years or more. The share of women in the company is 20%. The frequency of staff turnover has during the last five years been 5-6%.

The average age within the company is 45 years and the age structure is presently relatively even. The development of the age structure during the last five years is illustrated in the graph below.
60% of the workforce is affiliated to trade unions. Representatives of the trade unions are part of management and work environment committees.

The overall HR policy is that the company’s profit shall be reflected in great investments in the workforce, in terms of education, development, health and keep-fit measures.

**B. Description of the original initiative**

AerotechTelub is a high technology company, with the knowledge of the employees as its main commodity. The company is since a decade continuously undertaking large investments in the workforce in terms of education and development. Regular development of the employee’s competence is seen as a necessary factor for success. It is also viewed as crucial for the company’s profitability and competitiveness.

The initiative is built on a policy of offering constant possibilities of development for the employees. The aim is two folded: (1) to secure the competitiveness of the company (2) to be an attractive employer. The company aim to be an attractive employer and strive to attract new employees with initiatives for individual development.

A large proportion of the company’s profit is reinvested in the workforce in terms of education and development assignments. A budget is allocated every year and all employees are entitled to an average sum of 14 days of education per year. The education should be established firmly in the activity of the com-
pany and the services that they offer. How much of these resources that each employee receive varies from year to year. Some of the employees might be object for extensive measures for some years and less other years. All employees are entitled to participate in these investments and the company put particular emphasis in that it goes to the whole of the workforce.

An education manager with the overall responsibility for the education and development measure is organised centrally within the company.

That the employees participate in the program are a joint responsibility of managers and employees. The plan for development of each employee is handled at regular individual discussions that take place at least once a year. A retrospect and follow-up of education and development assignments as well as a plan for the coming year is made. The company particularly puts the importance of the workforce own engagement forward. The employees are supposed to take active part and give suggestions and initiatives.

A gender dimension has not been considered, either in the design or in the implementation process.

It is important to notice that this initiative is not dictated for specific age groups. However it is not discriminating for older employees.

C. Development of the initiative

The initiative of investments in continuous education and development of the employees has not gone through any larger changes or modifications, either in main focus or way of working. The individual development discussion between manager and employee is still the main basis in the planning and structuring of the investments. However the size of the budget for this measure might vary a little every year.

The main effects of the initiative are that the company can keep up their competitiveness and profitability. The employees are estimated to benefit from the education and development investments that they have acquired, which have led to more and better business for the company.
The initiative has also had personnel policy repercussions in that the workforce is satisfied and experiences the company as a generous and attractive employer. It has also in particular had positive effects for older employees, who have increased their employability through these measures.

One difficulty that has been identified is to get the employees to engage actively and take responsibility for their own competence development. An engagement for the individual development has to a greater extent been seen by newly employed. Those who have been working within the company for a long time have in some cases showed less interest in the measure.

There were no critical incidents affecting the shaping or functioning of the initiative. The company emphasizes the importance of that the work with this kind of measures needs to be longstanding.

AerotechTelub has also during recent years undertaken recruitment of older employees because of a supply of labour with long and profound technical education. This recruitment can be seen as part of the strategy to receive and increase the knowledge and competence of the company. These employees have mainly been recruited as activity consultants. This surplus of competence is mainly a result of great closures within the Swedish defence. The newly recruited possess as a result of long service within the Swedish defence, which is one of AerotechTelubs largest customers, profound activity knowledge as well as environment and system knowledge. The newly recruited are between the ages of 45 to 60 years old.

The company has identified this supply of labour as an asset since the new employees require short training or acclimatization periods. Fewer expenses for introductory education and increased competence within the company are some of the effects that have been identified by the company.

**D. Good practice today**

AerotechTelub is presently undertaking great investments in their workforce in longstanding measures aimed at develop knowledge and competence, stimulate the active engagement in keep-fit activities and to increase health and well-
being. The measures are directed towards the whole of the workforce but have above all led to good results for older employees. AerotechTelub has also recently undertaken a recruitment of older workers.

AerotechTelub is still carrying on large investments on the workforce in terms of continuous education and development. The purpose is two folded – partly for business economic reasons, partly for personnel policy reasons. The initiative aims at securing the competitiveness and profitability of the company and to attract new employees by large investments in the workforce. The company strives to be an attractive employer. The initiative is built on the policy of the company to offer the employees constant possibilities of development. A constant development of the employee’s competence is seen as a decisive factor for the success of the company.

A large part of the company’s profit is allocated for the initiative. A budget is earmarked for investments in education or development assignments for the employees that are established firmly in the activity of the company and the services that they provide. In 2004 20 million SEK were staked on these kinds of measures. Every employee is entitled to an average sum of around 14 days of paid education a year. The employees can furthermore participate in various forms of development assignments. All employees are entitled to participate in these investments and the company put particular emphasis in that it goes to the whole of the workforce.

That the employees participate in the investments are a joint responsibility of managers and employees. The plan for development of each employee is handled at regular individual discussions that take place at least once a year, where a retrospect and follow-up of education and development assignments as well as a plan for the coming year is made. The company particularly puts the importance of the workforce own engagement forward.

The main effects of the initiative are that the company have kept up their competitiveness and profitability. The employees are estimated to benefit from the education and development measures that they have received, which have led to more and better business for the company. The initiative has also personnel policy repercussions, for example in a more satisfied workforce who experiences the company as a generous and attractive employer. It also has positive effects
for older employees in particular who have increased their employability through these measures.

AerotechTelub has since a few years increased the investments in the workforce by an extensive program for health and keep-fit measures. The company has a swimming pool and sports centre where the workforce can participate in a varied range of activities, from water gymnastics and fitness training to relaxation exercise. A large part of the activities are directed at easing and preventing inconveniences in back or shoulders caused by the work. The keep-fit measures are totally paid for by the company and the range shall offer possibilities for everyone.

The company is also affiliated to the company health service. All employees have recently undergone an extensive medical examination paid by the company. The aim was foremost to do an early discovery of problems and to be able to put in measures at an early stage.

The health- and keep-fit measures mainly aim at creating good health and to prevent work related ill health. The extensive investments have also a personnel policy purpose in the company’s ambition of being an attractive employer.

The health- and keep-fit measures are estimated to give good effects for the workforce in terms of an increased wellbeing and less work related inconveniences. It has above all had good effects for older employees. The company sees the low absenteeism rate and the low rate of staff turnover as measurements of the success of the strategy.

The company plans to erect a gender dimension in the health- and keep-fit measures, since women are overrepresented among the absent due to sickness. The company is presently working on an inquiry of why they are overrepresented and believes that changes in terms of an increased range and adjustment of activities for women might be required in order to meet women’s needs.
Case Study no. 2: Recruitment and health and well-being – Elmhults Konstruktions AB, Sweden

A. Organisational background

Elmhults Konstruktions AB (from now on referred to as Elmhult) is a family owned company within the manufacturing industry, located in Älmhult a small town in the southeast of Sweden. The company, which is a PLC, was founded in 1974. It manufactures truck and crane spreaders for the handling of containers, swop bodies and trailers. A management director leads the company. Subordinated to the management director the activity is led by purchasing managers, production managers and marketing directors.

The company employs around 120 people of which just a small proportion is women. The company has since 1992 expanded greatly and the number of employees has increased with 82%, from 22 to 120 people. The average age among the employees is around 40-45 years and a large proportion of the workers are between the ages of 35 to 40 years. The share of white-collar workers is 29%. The level of educational attainment is generally low within the company.

Only around 30% of the workers are affiliated to a trade union, which in the Swedish perspective is a very low proportion. There is no local workplace union, which together with the low degree of affiliation makes the role of the trade union weak. Representatives of the employees, who have been selected by the workers, participate in the collective bargaining.

Because of their knowledge and experience the company esteems older workers. This mirrors in a constant recruitment of workers over 55 years old.

B. Description of the original initiative

Elmhult started in the mid 1970s as a small-scale company. In 1992 the company moved to new factory buildings and an extensive phase of expansion began. There has since 1992 been a constant increase in the number of employees and a large proportion of the recruited workers have been people over 55 years old with long professional experience from the industrial sector.
Older workers have mainly been recruited for manufacture work. The aim is foremost to obtain valuable and solid competence in the industrial processing. Older workers are, according to the personnel manager, through their long professional experience possessing knowledge and skills that cannot just be acquired through education. This knowledge leads to a larger professional certainty and independence that is considered as very valuable.

The company has also in the recruitment process strived for an age balance within its workforce. The present age mix has therefore to a great extent determined the age of the new recruits.

The recruitment of older workers has also, according to the personnel manager, been determined by coincidences. The company’s demand for labour with professional experience has coincided with a supply of people in the local area with this kind of competence. Elmhult has through the recruitment of older workers received a good reputation. Although the company since 1992 rarely has advertised posts a constant stream of older people have applied for jobs within the company. This is mainly due to a spread of information through informal contacts.

The personnel manager is responsible for the recruitment without much influence from trade unions. Elmhult has not in their recruitment explicitly expressed a wish for older workers.

Qualifications and competence have been the major selection criterion, which has favoured older workers and resulted in that older people with solid experience have been selected.

The positive benefits that have been identified by the company are that older workers can manage most types of tasks within the industry and that they do not require any periods of acclimatization. Costs for training have thus been reduced. Older workers also find quick solutions to problems due to their professional experience, so that they can perform their work more independently. Elmhult is further experiencing that older workers have lower turnover rate and that they have a strong loyalty to the company. They also more easily tend to find satisfaction in less stimulating tasks.
The company puts forward how the initiative in the future might have consequences in terms of higher absenteeism rate, especially in higher age groups.

C. Development of the initiative

The recruitment of older workers has since 1992 in terms of extent and purpose been relatively similar. Neither has any changes in the employment procedure been taken. The recruitment of older workers has throughout the years mainly been governed by the development of the company. An increased demand for products has led to requirements for more labour. One important aspect to emphasize is the fact that Elmhult expanded during a period when a lot of other industries faced an economic regression. The supply of experienced and qualified labour is thus a result of the fact that a lot of people were laid off.

The effects of the recruitment can in most parts be seen as positive. By employing workers with solid experience the company gained important competence and reduced costs for training and acclimatization. Older workers are considered to do a great contribution in the manufacturing, above all in terms of solving problems. The recruitment has also, in some of the working parties where the workforce has become more diverse in terms of age, resulted in increased efficiency. This is mainly a result of older workers acting as supervisors and keeping the younger employees in order. Another result of the strategy is that the organisation culture to a great extent is characterized by a positive attitude towards older workers. People with long professional experience are highly appreciated and valued within the company by management as well as employees.

The strategy has also had effects for the older workers in particular. Some of those who were recruited ended unemployment. Others who are living in the local area reduced their journey to work and esteemed a higher well-being.

There are mainly two important aspects to bring out in relation to the recruitment of older workers at Elmhult. One of them is the importance of informal networks and the local connection of the company. The local position of the family owned company is strong and it has been located in the area for more than two decades. The company has throughout the years, without any active strategies, had a steady number of people applying, mainly as a result of access
to informal networks. For example the company recently had three applicants to a post that has not yet been formally advertised.

The supply of labour in the local area has to a great extent been people over 55 years old, which made this age group overrepresented in the company’s workforce.

D. Good practice today

Elmhult is presently carrying on both initiatives that are directed to the whole of the workforce as well as age-specific ones. Some of these, which above all have had positive effects for older workers, will be presented below.

The strategy to pay attention to qualifications and competence when recruiting and to require an age balance between younger and older workers within the organisation is still used by the company in relation to recruitment. This strategy favours older workers in particular since they often have long professional experience and they are as a result to a great extent still recruited by the company.

Older workers are mainly recruited for manufacture work. The aim is foremost to obtain valuable and solid competence in the industrial processing. Older workers are, according to the personnel manager, through their long professional experience possessing knowledge and skills that cannot just be acquired through education. This knowledge leads to a larger professional certainty and independence that is considered as very valuable

Elmhult recently employed 10 older workers and plan to recruit a few more this year. However the extent of the recruitment is still governed by the development of the company. Elmhult has however during recent years as a result of the ambition of an age balanced workforce aimed at a rejuvenation of its workforce when recruiting white-collar workers.

The positive benefits of the strategy are that older workers can manage most types of tasks within the industry and that they do not require any periods of acclimatization. Costs for training have thus been reduced. Older workers also find quick solutions to problems due to their professional experience and can perform their work more independently. Elmhult is further experiencing that older
workers have lower turnover rate and that they have a strong loyalty to the company. They also more easily tend to find satisfaction in less stimulating tasks. Elmhult is today carrying on extensive health- and keep-fit measures for their employees. The aim of the measure is to prevent ill health and to encourage the workforce to engage in their health and well-being. All employees are allotted 2000 SEK a year that can be used for training or keep-fit measures. The workers can themselves choose what type of training they want to exercise and where they want to perform it. The company only require that the employees prove that they have trained at least 10 times per season, 20 times per year.

The company also works actively for an early discovery of industrial injuries. The strategy aims at preventing ill health and to facilitate for the employees to stay in work longer by various types of measures, for example massage, ergonomic adjustment of the workplace through lifting equipment and wrist support. People that have troubles are directly referred to the “Health-ring”, a company that offer occupational health service. The personnel manager is also herself to a great extent trying to inspire the employees to engage in their health and to train and keep-fit.

The premier effect of the health and keep-fit measures is that the absence due to work related inconveniences has been reduced. Instead a mentality has developed within the company, where the employees themselves to a great extent are active and take responsibility for their possibilities to stay in work full time. A lot of workers change tasks during their working day on their own initiative to be able to stay all hours.

Elmhult also gives workers close to the pensioning age possibility to gradually wind down working time. These kinds of solutions are established individually after the employees’ own desires and have juts been used by a few. The aim of the initiative is foremost to facilitate for the workers to be able to manage to stay in work until the regular pensioning age at 65 years and to prepare them for a smooth transition. Only seven employees have retired since the start of the company. Elmhult is further positively inclined to offer workers possibilities to work longer than the regular retirement age at 65 years. This has however not yet been used. When the company needs extra reinforcements, pensioned employees are often called in.
Case Study no. 3: Comprehensive approach – Färs and Frosta Sparbank, Sweden

A. Organisational background

Färs and Frosta Sparbank was formed in 1989 and is located in the south of Sweden. The bank was transformed into a PLC in 1999. The bank is to 70 percent owned by the foundation “Färs and Frosta Sparbank” and to 30 percent by FöreningsSparbanken. It is since 1998 freestanding although it possesses a cooperation contract with FöreningsSparbanken. The bank is with 132 000 customers and 19 bank-offices ranging over 8 communities the largest freestanding savings bank in Sweden.

The bank is led by a bank management and a board of directors. A representative of the employees is included in the bank management. The present 19 bank-offices are divided into 9 units. A bank manager and a deputy bank manager lead every unit. The bank has today around 225 employees of which 60 percent are women. The average age is 46 years and one fifth of the employees are between the age of 55 and 60 years. The number of employees has since 1998 decreased with 32 percent, from 330 to 225, mainly through early retirement schemes. The frequency of staff turnover was in 2004 1,36 percent. Most of the employees have upper secondary education and the proportion of academics is low.

The trade union has representatives of the employees in every decision-organ. 91 percent of the employees are affiliated to the Financial Sector Union of Sweden, which make them influential.

The general HR-policy of the company is to be an attractive employer for all age groups. The bank has currently various initiatives and measures directed towards all employees as well as specific age groups.

B. Description of the original initiative

In the late 1990ies a lot of banks in Sweden were affected by the bank-crisis and became forced to economy and reorganization measures. Färs and Frosta Sparbank was however at this time in a phase of expansion. In 1998 the bank in-
creased with two new offices in Skåne, a province in the south of Sweden. A special personnel policy was applied during the recruitment. This policy stated that half of the new recruits should be people over 55 years old with experience from the bank-sector and that the other half should be people under the age of 30 with an academic degree. The bank also worked for promoting an even distribution in terms of sex on the new bank-offices. During 1998 the bank took on 25 people of which more than a half were over 55 years old.

The initiative was introduced and run by the bank management and supported by the trade union. The management director mainly drew up the content and design of the initiative after consultation with the bank management. The purpose of the measure was foremost to create diversity in terms of age, knowledge and competence within the workforce. The initiative was also aimed at enable transference of knowledge between employees. As a result of releases of manpower within the big Swedish banks there was at that time an abundant supply of labour with long and qualified experience from the bank-sector. These banks had in a systematic way laid off older employees through early retirement schemes. This supply of labour was identified by the bank as an important resource to take advantage of. Older employees were seen as an asset in the investments in good customer relations, mainly because their experience from the bank-sector was supposed to inspire confidence.

In the contract of employment the new recruits undertook to share their experiences and knowledge. The idea was that older employees should mediate their experience to the young newly trained employees and that they in return should share their knowledge in economics and computers.

This was the first time that Färs and Frosta Sparbank applied a pronounced policy for taking advantage of competence among older employees. Since the effects of the policy were experienced as positive by the management as well as the trade union and the employees the initiative came to be the basis for a continuous work for integration in terms of age and transference of knowledge.

The personnel manager describes how these kinds of questions were made topical within the bank through the initiative and how the attention of both management and workforce were drawn to the benefits of such strategies. The bank received a lot of positive PR in various contexts and is to a great extent still as-
associated with this personnel policy. As a result of the platform that was laid in 1998 the following initiatives have probably had a greater impact.

C. Development of the initiative

The personnel policy was applied during the recruitment wave in 1998 and 1999. The bank started in the end of the 1990ies to notice the general trend in the bank-sector. This trend was characterized by an increase in the demand for technical services along with a decrease in the use of traditional banking transactions. The recruitment of new employees ceased and the bank started to review their existing set of branch offices. The need for investment in Internet services and technical solutions for the customers was identified. As a result rationalizations were made. A decision of termination was taken and between the years of 2000 to 2004 the number of branch offices was halved. Färs and Frosta Sparbank also noticed a need to reinforce the bigger community bank offices with more certified advisors. No employees were made redundant. The bank instead established a special pension program for employees around the age of 60. This program was composed of an offer of 73 percent of the salary until the pensioning, usually before the regular retirement age of 65 years. A lot of employees accepted this offer and made an early exit usually at the age of 62 years.

The effects of the personnel policy can in most parts be seen as positive. The diversity in the workforce directly resulted in positive effects on the work environment in terms of team spirit within the recruited working parties. The initiative also brought about important results for the company in terms of profitability and competitiveness. The bank received a lot of positive PR through the pronounced personnel policy and as a result of the publicity it also gained new customers. The most important effect was however that questions concerning diversity in terms of age and transference of knowledge were raised within the bank. The management as well as the trade union and the employees noticed that the bank in various ways gained by active strategies for integration in terms of age. A way of thinking, based on these ideas, was spread within the organization. The initiative has also in a longer perspective led to a positive view upon older employees within the organization. People over 55 years old are to a great extent respected and appreciated within the bank. Their knowledge based on experience is by the bank identified as a valuable and indispensable asset.

Even though the personnel policy only was applied during a limited period of time the fundamental ideas of the initiative have been used in other measures. In
the beginning of the 21st century a mentor program was started. Employees with long experience serve in this initiative as instructors to both younger employees and trainees.

An essential learning from the personnel policy was that the ideas of transfer-ence and diversity in terms of age also could be used in other measures and pro-grams with a good result. There is in diversity in terms of age and experience a built-in platform for mutual competence development, which companies can gain from. One organisation feature that ought to be put forward is that relations between employees and between management and employees are characterized as very friendly and informal. The management director is for example often asking his employees for advice in company related matters. This is probably a feature that has contributed to a greater penetration of the initiative. It is also important to put forward the strong embeddedness of the bank in the local area. The foundation association that holds the largest ownership of 70 percent is annually using parts of the dividend to support both companies and people in the local area. In 2004 the foundation association shared 11 million Swedish crones. This contributes to a strong position of Färs and Frosta Sparbank in the cities and communities where the bank has customer shares and offices, which probably had a positive impact on the initiative.

D. Good practice today

Färs and Frosta Sparbank strives to be an attractive employer for all age-groups. The company policy is aimed at facilitate and support older employees to stay until the regular retirement age at 65 years and to safeguard the competence that they are possessing. This is carried out through different initiatives directed to-wards both older employees and the workforce in general. Two of these, a men-tor program and a special program for employees over 55 years, will be further introduced below.

The bank is since year 2000 carrying on a mentor program. The program is based on the idea of enrichment in terms of age that was developed in the origi-nal initiative. All newly employed are given a mentor who shall guide the novice towards personal and professional development. The bank also has a particular trainee-program for newly educated.
The competence that older employees have gained through their long experience is highly appreciated by the bank. The mentor program can be seen as one way of trying to transfer this knowledge. The initiative is built on an idea of reciprocity where young employees can contribute with valuable knowledge in economics and computers. Employees over 55 years are chosen as mentors and a great interest to participate have been identified within this group. Five people over 55 years old have hitherto been chosen as mentors. The task is considered as important and stimulating for older employees who get a chance of development both personally and theoretically. The program has contributed to a culture within the bank characterized by understanding and mutual respect between young and old employees. The bank has also identified positive organizational effects in terms of effective acclimatization periods and maximum use of competence.

The bank is also currently running a special program for employees over 55. The aim is to make the bank an attractive employer for all age-groups, safeguard the competence of all employees and actively stimulate older employees to stay until the regular retirement age at 65 years. By keeping the employees for a longer time the bank retain valuable competence. The program began as a consequence of growing awareness in the bank of an ageing workforce in addition to an increased rate of work within the bank-sector. The changes in the Swedish pension system, which complicated for the employer to offer early exits for large groups of employees, also forced the bank to start thinking in new ways. The fact that about 20% of the employees in the bank are between the age of 55 and 60 years was also a contributing factor.

The program was initiated and run by the trade union. One part of the personnel program consists of measures for the competence development and individual development plans of older employees. The competence of the employees is seen as a decisive factor for customer relations and investments in competence development for all employees has been identified as an important factor for success. It is registered in the program that the bank, during the annual development discussion with employees from the age of 55, shall put particular emphasis on the individual development plan. It is important to motivate and support employees to continue their work and develop their competence. Special resources for competence development have been allocated within the bank.
The program directed towards older employees also contains initiatives aimed at motivating. Every employee over 55 years old is offered to participate in a special motivation-program, which contains bank theory as well as seminars on health and development.

The program also contains measures that only people over the age of 58 can enjoy. One of these consists of an offer to reduce working hours to 80 percent with 90 percent of the salary preserved and the occupational pension unchanged. The reduced working hour is supposed to be divided in the organization without loading the other employees. Those employees that cannot enjoy this because of special circumstances are entitled to three days off a year for recreation. The de-escalation is aimed at increasing the possibility of the employee to control both the working and living situation.

Effects and results of the personnel program are yet hard to identify since it only has been running for half a year. Those who have reduced their working hours to 80 percent are however satisfied.

There are in addition to this at the time being no planned measures or initiatives specially directed towards older employees at Färs and Frosta Sparbank. The management however as well as the trade union put emphasis in the importance to continue with programs directed towards older employees.
Case Study no. 4 : Flexible working practices – The County Council of Kronoberg, Sweden

A. Organisational background

Health care is the county council of Kronoberg’s most important responsibility and approximately 85 percent of the county council’s activity is devoted to medical and health services. The council operates 24 medical centers, public dental services at 15 district clinics and three hospitals, of which one specializes at psychiatric care. Besides that the council supports culture activities, public transports etc. The council is a organizational unit of the county of Kronoberg and is a politically governed organization.

The council is the largest employer in the county of Kronoberg with 5280 employees of which 80% are women. The five largest personnel categories are nurses (28%), assistant nurses (15%), doctors (9%), keepers (9%) and administration (8%). The average age is 47 years. Nearly 20 percent of the work force is between 50 to 59 years of age. Nearly 28 percent of the workforce is over 55 years of age, of which more than 11 percent are over 60 years of age. The county council expects many employees retiring within a period of 10 years. The staff turnover is 6.7 percent.

Future problems with the personnel supply have been identified. An investigation shows that 40 percent of the employees in health care will leave the labor market within a period of 15 years. The county council is therefore dependent of its older employees both regarding competence and staffing.

The dialogue with the trade unions is characterized by co-determination and the trade unions are involved in initiatives regarding the problems of future labor supply.

B. Description of the original initiative

The initiative started in 2002 as a measure to ensure future personnel supply and to counteract loss of labor. The most important identified problems within the organization are increasingly absenteeism, early and rising retirement rates. The main causes for early retirement are regarded to be problems with ill health and
a trying workload. In addition absenteeism among older employees (55+) is higher than average.

The HR-department was given the commission and the project was expected to carry on for two years. The overall aim with the initiative was to create a longstanding work organization and a longstanding leadership to bring about an improved work environment with reduced absenteeism. Furthermore this should result in increased opportunities to prolong the working life for older employees.

The aim has more concrete been to practically try the Age Management approach to improve the work ability for older employees, over 55 years. By means of the approach the county council was aiming to create a positive attitude from the work management regarding the view of their own, and other peoples, ageing. The approach furthermore was aimed at increasing the work management’s ability to create individual solutions in view of considering older employees strengths and weaknesses and however result in a more individual based leadership that would benefit all employees– irrespective of age.

One hospital, the psychiatric clinic and the county council’s service unit with responsibility for food and cleaning participated in the initiative. These sections were chosen due to their disparate alignment. The main target group was managers at the participating units and totally there were among 70 managers at all levels that participated.

The initiativ included four days of education and support from mentors. The education included what form of knowledge the managers need to enable the employees to stay in work until retirement age, how to bring the tasks into line with age and the importance of the development of lifestyle and competence. The mentor support was carried out as individual discussions including 50 minutes with one of the external consult. Each manager chose the matters to be addressed during the discussions.

It was the council’s former personnel director that initiated the method that was used in the project. The Age management (AM) approach is a researched based HRM strategy. The council engaged two external consults from Age Management Sweden PLC, a company, which since the year 2000 has introduced the
AM approach on the Swedish labour market. A project leader was appointed on part time. There was no explicit gender dimension included in the initiative.

The council executive board, trade union representatives and highly placed officials have been gathered two days to get access to the same education and information as the participating managers. All employees within the participating units have been invited to an information meeting. There has been a continuous dialogue with the council’s central trade union representatives.

The total cost for the project was estimated to reach 328 500 Euro. About one third of the project was financed by government subsidies and the county council itself financed the remaining part.

C. Development of the initiative

Commissioned by the county council the project was evaluated by the local university. The evaluation was carried out through interviews with 12 managers involved in the project and interviews with other interested parties such as employees, politicians and trade union representatives etc. The project also started with an attitude survey among the managers about the views upon older employees. At the end of the project the survey was followed up.

The most important outcomes of the project are that issues of an ageing workforce were made topical within the county council. At the same time the attitudes towards older workers have been affected in a positive direction. The evaluation shows that the most rewarding content of the project, according to the participants, was the individual discussion with the educators. The managers were then given an opportunity to discuss everyday problems and received useful advices. This was experienced as strengthening. Another effect of the original initiative is that the strategies to keep employees are carried out in a more structured form.

The personnel manager of the county council’s two general hospitals emphasizes that through changed attitudes the opportunities for older workers to share competence development have increased. Competence development for older workers was previously often neglected based on the attitude and assumption that it was not profitable to commit on competence development for older employees.

One problem that affected the project in a negative way is criticism against a top-down implementation strategy. The managers that participated in the project
states that their knowledge about personnel work was not utilized. The project was initiated highly in the organization and the managers were not given the opportunity to participate in the design of the project. This was regarded as the organization’s lack of confidence for the managers and it contributed to a pending attitude to the project.

The evaluation also shows that the managers involved in the project noticed a contradiction between the aim of the initiative and the county council’s other personnel policy. The fact that the county council is forced to decrease costs and for example to reduce access to the local occupational health group is a direct contradiction to the aim of the original initiative. These internal circumstances created difficulties to carry through a personnel-promoting initiative like this.

Other actors within the organization emphasize that the initiative encouraged creative solutions at the same time as the county council’s organization culture and hierarchic system seem to decrease the managers’ own power to act.

To create favorable conditions to introduce the ideas of Age management the project leader notices that the organization has to make clear how the ideas can be implemented in the practical work.

The project was finished in October 2004. The county councils’ intention is that the knowledge that the project has generated should forth live and be implemented in the ordinary activity.

D. Good practice today

The county council of Kronoberg has formulated an all-embracing mode of actions for the continuous work with age management. The measures are an immediate response to the original initiative. The council has continued with a comprehensive strategy, which includes various initiatives:

- **Competence development for managers** - As a way of securing that the original initiative is implemented in the everyday activities a plan for the managers’ forthcoming competence development is being prepared.

- **Pensioners as substitutes** - At one hospital and the psychiatric clinic all employees at 64 years of age receive a special discussion about the opportunity for the employee to continue to work as substitutes even after retirement.
discussion at the age of 55 years - will be further introduced below.

Mentorship - at one hospital transference of competence is carried out in a structured way.

Counteract closure effects - to prevent that employees are barred from the labour market due to insufficient or old competence the county council aims to raise the competence level within all personnel categories.

Learning centre – through establishing local learning centres, close to the workplace where modern technique is used, the employees can profit from the formal education and other competence development in their own tempo and in a flexible way.

Validation - to prevent that the employees are trapped in one particular work category or at one special employer the council is planning for validation of experience based knowledge.

Career and advice centre - as a way of facilitate the career planning for all employees the council is planning for a career and advice centre.

Revisions of different policy documents - policy documents are currently revised in accordance with the message in the original initiative with age aware and individual based management.

Some of these measures are in the first place implemented in parts of the organisation i.e. pensioners as substitutes, discussion at the age of 55 years and mentorship while other measures are implemented in all the councils' organisation.

One of the measures, discussion at the age of 55 years, will be further introduced below.

In spring 2004 the county council of Kronoberg implemented a special discussion at the age of 55 years. The discussion can be described as a way of planning for the rest 10 to 12 years of the working life at the age of 55. The initiative was implemented at the council’s service unit with responsibility for food and cleaning.

The background for the initiative is that the council has identified future problems with the personnel supply. An investigation shows that 40 percent of the employees in health care will leave the labor market within a period of 15 years. The county council is therefore dependent on its older employees both regarding
competence and staffing. At the same time the organization is dealing with increasingly absenteeism, early and rising retirement rates. The main causes for early retirement are regarded to be problems with ill health and a trying workload. In addition absenteeism among older employees (55+) is higher than average.

The aim of the initiative is to keep older employees in work and thereby prolong the working life of all employees. When an employee reaches the age of 55 the manager and employee carry out a special discussion. The discussion focuses on preparing a plan for the coming 10-12 years of working life. The personnel manager describes the special discussion as a way of shedding light over the last years of working life and noticing the employee’s thoughts of how to end their working life. Concrete the discussion can be about if the employee has any desires about the last years of working life, for example if the employee is aiming for changed working tasks. The target group are all employees reaching 55 years of age. Since the start of the initiative about 30 employees has carried out a special discussion. The discussions are asked for and appreciated by the employees.

At the same time as the personnel manager notices the positive outcomes for the employees to be further recognised by the employer he believes that it would be able to include the issues in the regular personnel development discussion. The manager further points out that the issues discussed during the special discussion at 55 years of age should be noticed during the employee’s whole life course. During the implementation process all interested parties were continuously informed. There were no explicit problems during the implementation process and today the initiative is incorporated in the ordinary activities. There is no explicit gender dimension included in the initiative.

Outcomes and consequences of the discussions at the age of 55 years:

- The outcomes of the discussions at 55 years of age are over-all positive. In the perspective of the older employees the discussion at 55 years of age improves the feeling of being noticed and recognized by the employer. It is experienced as a directed discussion focusing on further matters than those taken up in the regular development discussion. The special discussion is also noticed as positive because it focuses at a longer period of time and not just the nearest future.
- One special discussion has resulted in two persons, one kitchen assistant and one cleaner, switching work with each other.

- One negative effect of the initiative is that it can create expectations that the employer cannot live up to.

- It is too early to say how the initiative is affecting the organization as a whole and if the expected effects, such as prolonged working life, are achieved.

The discussion at the age of 55 years can be described as a continuation of the original initiative since it was introduced at the end of the original initiative. The plan is to continue with the discussion at 55 years of age and if the experiences continue to be positive the concept will be implemented in all the councils’ organization.
Case Study no. 5: Flexible working practices – The Education Department in the City of Malmö, Sweden

A. Organisational background

The city of Malmö is the largest employer in the city with totally around 19,300 employees. There are 3,518 employed teachers in the city of Malmö of which 70% are women. 476 or nearly 14 percent of the teachers are in the age group over 60 years.

One of the most important strategies for the city of Malmö is the personnel policy. The comprehensive policy is primary focused on creating engagement among the city’s managers and employees. Securing the future personnel supply is also stressed as an important feature of the personnel policy.

The city of Malmö has a special HR-policy regarding age structure in the municipality. Malmö is aiming for age diversity and integration between age groups. The organization stresses that different generations’ values mixed can create dynamic work places that promote development and renewal.

The social dialogue is described as well working and the relation between the employer and trade unions is characterized by co-determination.

B. Description of the original initiative

During the later part of the 90s Malmö had some problems with recruiting teachers. At the same time the number of children and youths involved in the school activity increased. According to the calculations done 1998, 28 percent of the teachers in Malmö were retiring within a period of ten years and children between 7-15 years would increase with 14 percent. The city of Malmö aimed to reduce the number of teachers that had early retirement and to create conditions for the teachers to work until retirement age.
Therefore the work called ‘the project of generational change’ started and in 1998 a group composite of different parties were appointed. The group had broad support in the city of Malmö and cooperated with the employment service, the county labour board, the school of education, personnel managers and those responsible of activity in the city of Malmö. With the identified future problems of personnel supply there were consensus in the work group that comprehensive, both short- and long term, measures were needed.

Gradually the design of the project stood clear. The original initiative consisted of three parts: the 50-teacher project, supplementary training and measures for older teachers. The 50-teacher project meant that 50 newly graduated teachers were employed over the budget limits. The employed teachers received mentors support the whole first year and a full holiday salary. The second part, supplementary training, meant that around 30 part time employed teachers without formal teacher education received competence-raising education.

The aim of the third initiative for older teachers was to make use of the older teachers’ competence and to support older employees to stay until the regular retirement age. Focus was to create roles at the school suitable for older teachers and more concrete to bring the tasks into line with the older teachers needs. This aim was fulfilled with the following measures:

- Reduce the part of teacher work that, according to work environment and personnel surveys, often stresses and tire the teachers i.e. the meeting with the pupils, teaching and the situation in the classroom. The reduced teacher work should be a part of the duty and never over 50 percent.

- Compensate the reduced part of work with other real, asked for and qualified tasks. An important feature of the initiative was that the compensating tasks should not be pseudo-tasks. Teachers involved in the project for example take responsibility for the library, the development of workshops, school administration, environment issues, mentor for new teachers, issues of school development, competence development of colleagues, intern consults at the organization etc. The teachers are in most cases trained for their new tasks.

The target group was teachers over 60 years. There was no explicit gender dimension included in the policy.

The first year 1.9 million Euro was allocated to finance the project. Respectively school applies for subsidies to fill the vacancy.
C. Development of the initiative

The original initiative has largely remained in place. The scope of the initiative has however increased. The first semester there were five teachers involved in the project and at the time being about 45 teachers are involved. The initiative has reached high status and all involved actors agrees upon that the initiative has been a success and contributed to many valuable effects for the city of Malmö as well as for the individual teacher. Some changes have been done regarding the target group. In 2005 the age intervals has changed from 60 years to 62-65 years. This because its regarded to be to early to cut down the work load from 60 years. The city aims to focus on the teachers who are closer to retirement age. The initiative is also popular and raising the minimum age for access to the initiative is also a issue of priority.

The most obvious outcome of the initiative is that the city of Malmö at the time being has no shortages of labour supply among teachers. Even though other factors also affect the personnel supply the personnel manager believe that the initiative has had a great influence over the improved situation.

The most important outcome of the initiative for the older employees is that the older teachers have been offered to work with tasks where their competence has been made use of. The employees have become healthier and able to work until retirement age. In this way the work career has ended in a positive way. The initiative spread security among all employees that they have an opportunity to work until retirement age even if they can not handle the regular teacher work.

The absenteeism rate has been reduced during the period of the initiative. Statistics show that the absenteeism rate for teachers in general subjects at the education department has been reduced from 4.47 percent in 2002 to 3.5 percent the same period in 2004. Other factors, such as health promotion, active rehabilitation and improved work environment, have contributed to this improvement but the initiative should be regarded as one contributing factor.

The initiative also contributed to an increased quality for the schools involved in the project. I.e. the schools have been able to provide more and smaller groups with students in need of extra support. In a number of cases the initiative also
meant that an employee has special responsibility for development of the environment work and the equality work.

The initiative has also resulted in positive effects of the personnel policy of the city of Malmö. Before the initiative expressions of dissatisfaction against the city of Malmö as an employer were common. The negative attitude among the teacher collective has radically changed in a positive way and actors involved in the project mean that the initiative to a great extent has contributed to this improvement. The city of Malmö has thereby become a more attractive employer for teachers and other categories of personnel at school.

The initiative also has received attention outside the organization and the organization has received a lot of positive PR in various contexts. The initiative has been mentioned in the media with for example articles in Dagens Nyheter (4th Mars 2004) and Sydsvenska Dagbladet (31st Mars 2002). The initiative has also been used as a good example on national level. For example the Prime Minister mentioned the initiative as a good example as he inaugurated a conference on work environment and economy.

In the beginning the project had a bit of a sluggish start. The first semester there were about five teachers involved in the initiative. Some of the teachers offered to participate in the project were a bit insulted and interpreted the offer as a deterioration of their teacher performance. The project therefore had a quite low status in the beginning. As the years gone by the project has become more popular and reached a higher status. At the time being the teachers are asking to participate in the project and see the benefit for it in their own organization.

The personnel manager emphasizes that one of the success factor for the initiative was the implementation process, which had a broad co-operation and was characterized by an open and creative climate. The traditional more or less conflictual relationship between the trade union representatives and the employer was abandoned and the proposals were for example always introduced as common.

Other important factors that have affected the initiative in a positive direction are the allocated and directed means for the initiative and also the political and trade unions support for the initiative. This is seen as a condition for success. From 2000 to 2002 535 000 Euro was yearly allocated to finance the project and from 2003 to 2005 750 000 Euro was yearly allocated.
D. Good practice today

The city of Malmö is aiming to be an employer for all age groups. The initiative for older teachers is still continuing and has largely remained in place. The initial reasons for the project were labour market shortages. During the later part of the 90s Malmö had some problems with recruiting teachers. The city of Malmö therefore aimed to reduce the number of teachers that had early retirement and to create conditions for the teachers to work until retirement age.

At the time being there are no shortages of labour supply among teachers in the city of Malmö. On the contrary there is a surplus of some teacher categories. The fact that the initiative for older teachers is still continuing can be regarded as a paradox with the surplus of teachers in mind.

But the experienced gains with the project override this paradox. The reasons for the initiative have thereby changed from a initiative dealing with issues of personnel supply to a initiative existing because of the experienced positive effects of the personnel policy.

The aim of the initiative for older teachers is to make use of the older teachers’ competence and to support older employees to stay until the regular retirement age. The target group is teachers from 62 to 65 years. Focus is to create roles at the school suitable for older teachers and more concrete to bring the tasks into line with the older teachers needs. This aim is fulfilled with the following measures:

- Reduce the part of teacher work that, according to work environment and personnel surveys, often stresses and tire the teachers i.e. the meeting with the students, teaching and the situation at the classroom. The reduced teacher work should be a small part of the duty and never over 50 percent.
- Compensate the reduced part of work with other real, asked for and qualified tasks. An important feature of the initiative is that the compensating tasks should not be pseudo-tasks. Teachers involved in the project for example take responsibility for the library, workshops, school administration, environment issues, mentor for new teachers, issues of school development, competence development of colleagues etc. The teachers are in most cases trained for their new tasks.

The group working with the design of the project does no longer exist. The initiative is incorporated in the regular activities. In 2005 750 000 Euro was allocated to finance the project.
Outcomes and consequences of current initiative:
The most obvious outcome of the initiative is that the city of Malmö at the time being has no shortages of labour supply among teachers. Even though other factors also affect the personnel supply the personnel manager believe that the initiative has had a great influence over the improved situation.

The most important outcome of the initiative for the older employees is that the older teachers have been offered to work with tasks where their competence has been made use of. The employees have become healthier and able to work until retirement age. In this way the work career has ended in a positive way. The initiative is spreading security among all employees that they have an opportunity to work until retirement age even if they can not handle the regular teacher work.

The absenteeism rate has been reduced during the period of the initiative. Statistics show that the absenteeism rate for teachers in general subjects at the education department has been reduced from 4.5 percent in 2002 to 3.5 percent the same period in 2004. Other factors, such as health promotion, active rehabilitation and improved work environment, also contributed to this improvement but the initiative should be regarded as one contributing factor.

The initiative also contributes to an increased quality for the schools involved in the project. I.e. the schools are able to provide more and smaller groups with students in need of extra support.

Positive effects of the personnel policy of the city of Malmö have also been identified. Before the initiative expressions of dissatisfaction against the city of Malmö as an employer were common. The negative attitude among the teacher collective has radically changed in a positive way. The city of Malmö has thereby become a more attractive employer for teachers and other categories of personnel at school.

The initiative has received attention outside the organization and the organization has received a lot of positive PR in various contexts. The initiative has been mentioned in the media with for example articles in Dagens Nyheter (4th Mars 2004) and Sydsvenska Dagbladet (31st Mars 2002). The initiative has also been
used as a good example on national level. For example the prime minister men-
tioned the initiative as a good example as he inaugurate a conference on work
environment and economy.
Case Study no. 6: OKG, Sweden

A. Organisational background

OKG PLC was formed in 1965 and is a company within the nuclear power industry, solely devoted to electricity production. OKG, who perform 10% of the Swedish electricity production, is situated on the east coast. The company who produces electricity through nuclear power owns and operates a nuclear power plant, which consists of three nuclear reactors. OKG is owned by two other major electricity groups.

The company is organised in 10 different units. 1100 people are busy at the nuclear power plant. 850 of these are employed at OKG. The age distribution of the workforce is presented in the figure below.

![Age distribution 2004-12-31 OKG](image)

*Source: Interview human resources, OKG.*

The company is presently facing a phase of alternations of generations. The average age within the company is 45 years and around one fifth are over 55 years old. 18% of the employees are women. The proportion of white-collar workers is 70%. The level of educational attainment is generally low within the company. However a large proportion of the older employees possess unique specialist competence acquired through experience from construction, modernization and rise of effect of the nuclear reactors.

The level of affiliation to trade unions is high and the trade unions have great influence on HR policies and measures.
The company aims at diversity in terms of age, sex and nationality in their overall personnel policy. The company applies since 2002 active strategies for handling an ageing workforce and the phase of alternations of generations.

B. Description of the original initiative

OKG is since 2002, on the management’s initiative, carrying on an organized long-term program for transference of competence between employees. One of the reasons is that a large number of the employees are starting to approach the retirement age, which is viewed as a threat since many of the older employees possess unique competence within the nuclear power industry.

The program aims at securing competence within important and strategic areas. It also has a long-term purpose in creating a work environment where competence development shall be a natural part of everyday work.

The target group of the program is mainly employees aged 56 years or older. OKG has identified two different roles in the transference situation, which are called doyen and disciple.

OKG has established structural forms for the transference of competence. The measure consists of plans for the transference of competence on two levels.

- Plan for transference of competence on unit level
  The resource managers, who are responsible for personnel and competence matters within the respective unit and have liability for 10 to 25 employees, have a central role in the implementation of the program. They decide which competence that shall be considered as so strategically important that transference or other measures should follow and who shall be doyen and disciple. The resource managers also have the overall responsibility for analysing the need of competence on unit level. This need is described in a specific plan along with the number of employees who are or might be of importance for any measures of transference within the coming five years (both doyen and disciples) and the time, in percentage of the post that doyen/disciple shall allocate for transference.
• **Plan for transference of competence on the level of doyen/disciple**

A specification of each case of transference is made in a joint plan for doyen and disciple/s. The resource manager has the utmost responsibility for the realization of this plan. The plan shall consist of the following areas: doyen and disciple, plan for time and resources, competence that shall be transferred, methods and way of working, plan for activities and follow-up. The length of a transfer period shall be at least three years.

Usual forms for transference are parallel duty and role take over. Parallel duty means that doyen and disciple work side by side and thereby transfer important knowledge. The other form of transference means that the disciple steps into the role of the doyen during his/her supervision.

OKG had in 2002 145 employees aged 56 years or older of whom 40 employees were estimated to be of importance for measures of transference. The majority of these are men. However some of the disciples have been women.

The responsibility to make a compilation of all cases of transference is placed on the HR department that also has the overall responsibility to keep the work together. The trade unions have received regular information of the initiative but have however had limited influence on the design of the measure.

**C. Development of the initiative**

The program was started in 2002 and is supposed to be a long-term initiative. Because of the age structure of the workforce issues of an ageing workforce and transference of competence have been topical and prioritised questions within the company during the 21st century.

The work began with a mapping of all employees aged 56 years or older. In the next phase a selection was made by the resource managers of what competence should be considered as so strategic and important that it required measures. 40 employees were estimated to possess this kind of competence.

After the initial mapping a plan for the measure was drawn up. The respective roles in the transference situation were defined. A concrete mapping of when
employees 56 years or older could be estimated to leave the company was made. Every resource manager had to ascertain at what age the older employees wanted to retire.

The initiative entered a more detailed phase in 2003. Measures for transference had already, before 2003, been taken in relation to two older employees of the 40 that were selected. The first organised transference of competence began in 2003 as well as another three, which in total involved 4 doyens. During 2004 five cases of transference started, which involved another 5-6 older employees. The remaining cases are planned to start between 2005 and 2008 and will involve the remaining 28-30 doyens.

The measure has not since 2002 gone through any larger changes or modifications. The joint individual plan for transference on doyen/disciple level has however received greater importance since it has come to be considered as the most important instrument in the measure and as a decisive factor for success.

The resource managers have a central role in the program because of their power to select competence as well as doyen and disciples. They can therefore be seen as gatekeepers.

The resource managers regularly make follow-up of the program by individual development discussions and special follow-up discussions with doyens and disciples, where modifications and update of the original plan might be done. A comprehensive evaluation of the program has not yet been done.

The main positive effect that has been identified is that the company believe that they have secured strategic and important competence. Because of the concrete work of estimating when older employees were supposed to leave the company a dialogue of pensioning have developed between managers and employees. Employees that want to work longer than the regular retirement age of 65 years has through this dialogue been able to receive support.

Specific effects for older employees are that they feel great pride in their competence and achievement in the company. They have also experienced it as very positive to end their professional life in this way. Younger employees also bene-
fit from this initiative through increased knowledge. They have also experienced it as very positive and motivating to be selected as disciples.

To select what competence that should be considered as so strategic and important that it required measures was identified as a difficulty. The resource managers were requested to consider the spread of the competence within the organisation, which make it less vulnerable, in facilitating these judgements. The company also faced another difficulty in the implementation process in knowing through which forms the transference should be done. The risk of the loss of silent knowledge was in particular put forward.

That the resource managers, who perform the strategic selection, have difficulties in assuming an overall perspective and instead foremost see to the best of the unit have been identified as a risk by OKG. Employees with important knowledge in one area might presently work in another department.

OKG is presently facing a problem in finding forms for a comprehensive evaluation and follow-up of the program. To estimate if and how much of the competence that have been transferred to the disciples is considered as a difficult task.

Some of the main learning are that the work should be performed in organised forms, have support from the management and that the roles with their respective requirements shall be clearly defined. The importance of that economic and time resources are allocated is particularly emphasised by the company. How much of the post that doyen and disciple should devote for this work shall be specified in advance. It has in some cases been necessary to recruit new employees that can cover the working time that doyen and disciple devote for transfer in providing necessary prerequisites for the measure.

D. Good practice today

In the overall personnel policy OKG aims at diversity among the employees in terms of age, sex and nationality. The company has applied active strategies in achieving an age balanced workforce and has both recruited and plan to recruit younger employees. The work of the HR is today to a great extent focused on handling the effects of the phase of alternations of generations and an ageing workforce. Because of their unique and profound knowledge within the nuclear power area older employees are highly appreciated by the company.
Because of an ageing workforce OKG is since 2002 carrying on a long-term and organised work for transference of competence between employees. A large proportion of the employees will be pensioned off within the coming decade. Because of the unique and profound knowledge, within the nuclear power area, that these older employees possess this is seen as a threat.

The program is directed towards a selection of employees aged 56 years or older and aims at securing competence within important and strategic areas. It also has a long-term purpose in creating a work environment where competence development is a natural part of everyday work.

OKG has identified two different roles in the transference situation, which are called *doyen* and *disciple*.

The program consists of a special plan for the transference of competence on two levels.

- **Plan for transference of competence on unit level**
  The resource managers, who are responsible for personnel and competence matters within the respective unit and have liability for 10 to 25 employees, have a central role in the implementation of the program. They decide which competence that shall be considered as so strategically important that transference or other measures should follow and who shall be doyen and disciple. The resource managers also have the overall responsibility for analysing the need of competence on unit level. This need is described in a specific plan a long with the number of employees who are or might be of importance for any measures of transference within the coming five years (both doyen and disciples) and the time, in percentage of the post that doyen/disciple shall allocate for transference.

- **Plan for transference of competence on the level of doyen/disciple**
  A specification of each case of transference is made in a joint plan for doyen and disciple/s. The resource manager has the utmost responsibility for the realization of this plan. The plan shall consist of the following areas: doyen and disciple, plan for time and resources, competence that shall be transferred, methods and way of working, plan for activities and follow-up. The length of a transfer period shall be at least three years.
Usual forms for transference are parallel duty and role takeover. Parallel duty means that doyen and disciple work side by side and thereby transfer important knowledge. The other form of transference means that the disciple steps into the role of the doyen during his/her supervision.

12 cases of transference are presently being carried on within the organisation in which 20 employees are involved as doyens and disciples. Several disciples can be connected to one doyen but are usually focusing on different areas in the transference.

The resource managers have a central role in the program because of their power to select competence as well as doyen and disciples. They can therefore be seen as gatekeepers. The responsibility to make a compilation of all cases of transference is placed on the HR department that also has the overall responsibility to keep the work together. The trade unions have received regular information of the initiative. They have however had a limited influence on the design of the measure.

The main positive effect is that the company believe that they have secured strategic and important competence. The issue of retirement has been made topical within the company. Because of the concrete work of estimating when older employees were supposed to leave the company a dialogue of retirement have developed between managers and employees.

Employees that want to work longer than the regular retirement age of 65 years have through this dialogue been able to receive support. Specific effects for older employees are that they feel great pride in their competence and achievement in the company. They have experienced it as very positive to end their professional life in this way. Younger employees also benefit from this initiative through increased knowledge. They have also experienced it as very positive and motivating to be selected as disciples.
Case Study no. 7: Health and well-being, ergonomics – Rapid Granulator AB, Sweden

A. Organisational background

Rapid Granulator AB\(^2\) is a medium sized PLC within the manufacturing-industry situated in Bredaryd, a small community in the countryside of southern Sweden. Rapid develops, manufactures and markets granulators that are mainly used by the plastic-industry to convert different types of plastic waste to granulate, suitable for recycling.

Rapid is owned by Ipeg Ltd. which is a subsidiary to Sewickley Capital Inc. Rapid is controlled by a board of directors and a company management divided in three: sales and marketing, production and finance and administration with one manager for each.

Rapid has 136 employees of which 87 percent are men and nearly two thirds are manual workers. Nearly all women are found in white-collar professions. In 1992 the number of employees reached 131. After that there was a steady increase in the number of employees until 1998 when the number of employees exceeded 200. After 1998 Rapid on the contrary has had a steady decrease in the number of employees. Today the labour force again has reached 1993 years level with 136 employees.

Over half of Rapid’s employees are over 46 years old and nearly 20 percent are between 56 and 65 years old. 34 percent are between 36 and 45 years of age and employees younger than 36 years represent 15.5 percent of the labour force. Rapid has an old workforce and the frequency of staff turnover is low. The company sees this as a problem and Rapid intends to employ younger workers to balance the current age profile.

Rapid’s general personnel policy is to make the employees feel well taken care of and to counteract absence due to sickness. Rapid also aims to provide the employees greater influence over their own work situation. The company has instituted a number of comprehensive measures that involve all employees in the fields of health and well-being and ergonomics.

\(^2\) From now on referred to as Rapid
There are two major trade unions active in the company, one for manual and one for collar workers. The trade union for manual workers is seen as quite influential. The social dialogue is described as well working and the relation between the employer and trade unions is characterized by co-determination.

B. Description of the original initiative

As a result of an economic upswing during the mid 1990s Rapid expanded and a need to employ new workers arose. Between 1994 and 1995 the company recruited a small number of workers over 55 years. Seven of them were over 50 years and some even close to 60 years.

According to the former personnel manager there were mainly two reasons to employ a number of persons over 50 years.

(1) The initiative was a part of fulfilling the aim of the company to have a mix of age-groups, qualifications, cultures and competences. When recruiting, qualifications and experience, rather than age, were the main criteria in the selection process.

(2) The recruitment of older workers was also a response to shortage of skilled labour. The machine operators that Rapid needed were hard to get hold of in the community. A problem that always has been present in the community. However the recession of the early 1990s forced a couple of local firms to close down and therefore there were a number of unemployed, fully trained and experienced machine operators in the community. Some of them were over 50 years old. Rapid identified this supply of labour as an important resource and an opportunity to employ qualified and fully trained labour that immediately could be put into production without any delays that training of inexperienced personnel would mean. Age was not used as a negative selection criterion. On the contrary age was seen as a positive factor in terms of reaching age balance in the company.

The initiative to recruit a number of older workers was a result of a dialogue between company management and trade union representatives at Rapid.
C. Development of the initiative

The initiative to recruit a number of older workers was carried out during the years 1994 to 1995. The initiative was surrounded by a number of specific circumstances described in previous chapter. The company continued to expand until 1998 but was after that forced to cut down the labour force. The initiative to recruit older workers has not continued since 1994-1995 and no one over 50 years old has since then been recruited.

The immediate effects of the initiative are overall seen as positive by the company. The initiative meant that the company could cover the requirement of a specific competence that was quite difficult to recruit at the time. The competence that the older workers provided the company with is the most positive effect of the initiative. This transfer of knowledge was carried through in a spontaneous, non-structured way. The recruitment also contributed to a more balanced age profile.

Since 1994 to 1995, when the initiative to recruit older workers was carried out, Rapid has reduced their labour force. While the laws concerning dismissals especially protects older employees a number of younger, both white collar and blue collar, workers have been laid off since 1998. This has affected the company’s age profile. Today the age profile is unbalanced and the average age is high. This is considered as a problem and a negative consequence of the original initiative. The staff department also notices that this consequence of an unbalanced workforce has affected the company’s attitude to recruit older persons in a negative way. Today there are only two employees between 15-25 years of age while there were up to 30 employees in this age group in 1994 to 1995. This is not only caused by the initiative to recruit older workers but should be seen as a contributory to an ageing labour force.

One of the reasons to recruit older workers was the aim of the company to have a mix of age groups. The present staff department also notices that an ideal situation is a mix of age groups among the employees with younger and older workers together. Older workers will together with younger employees be more motivated while older workers on the other hand radiate more certainty, which affect the younger employee in a positive way. The company’s aim to have a mix of age groups can therefore be regarded as still existing but due to the high aver-
age age Rapid rather wants to recruit younger workers to fulfil this aim. The company intends to employ more workers between respectively 15 to 25 and 26 to 35 years of age in order to balance its age profile.

One external circumstance that has changed since 1994-1995 is the labour supply. The staff department estimates that the qualification that the company needs today is covered. To vacancies on sales and development and construction there are many qualified persons applying. The company has not recruited in manufacturing recent years and can therefore not estimate the supply of labour. But according to the staff department the company does not expect any particular difficulties concerning future personnel supply. From the year 2000 and forward the employment rate does not comply with the business cycle in the same way as in 1994-1995 when the original initiative was carried out. There are also an increasingly focus on productivity as well as outsourcing of the production and therefore the company does not expect that the levels of employment will come back to the industry as it used to be.

Because of the unbalanced age profile the company intends to employ younger workers to balance it. In addition to this there is a supply of younger qualified employees. Therefore the original initiative to recruit older workers has not continued. The recruitment of older workers can rather be described as a temporary initiative.

D. Good practice today

Rapid’s general personnel policy is to make the employees feel well taken care of and to counteract absence due to sickness. Rapid also aims to provide the employees greater influence over their own work situation. There are for the time being no measures or initiatives specifically directed to older employees at Rapid. However there are a number of measures that involve all employees at the company.

To promote good health Rapid is working with keep-fit measures and the company is connected to the local occupational health group. Rapid also offers all employees ergonomic visits where a physiotherapist inspects each work place.
The main reason for these personnel practices is that the company aims to make their employees feel well taken care of. The company also wants to provide the employees greater influence over their work situation.

The effect of the personnel practice is most evident since the absence due to sickness is relatively low at 3.9 percent. The effect is also noticeable for the company in terms of increased productivity since the employees have become more motivated and engaged.

For the time being there are no planned measures or initiative for older employees at Rapid.
Case Study no. 8: Flexible working practices – Volvo cars
Torslanda, Sweden

A. Organisational background

Volvo cars Torslanda (VCT) in Gothenburg is a plant within the car manufacturing industry and a part of Volvo Cars Company (VCC). VCC develops and manufactures vehicles and VCT is responsible for manufacturing almost 38 percent of VCC totally yearly production of cars. Since 1999 Ford Motor Company owns VCC.

VCT is divided in three production areas: body shop, painting and assembly. There is also a service unit: Special Vehicle & Services (SVS) and support functions responsible for quality, logistics, economy, personnel, technique, operating security and information.

VCT has total around 5520 employees of which 74 percent are men and 26 percent are women. At present, the average age in production is 38 years. 17.5 percent of the employees in production are over 50 years and 19.3 percent are between 40 to 49 years. 32.9 percent of the employees are between 30 to 39 years and 30.3 percent of the work force is 29 years or younger.

Because VCT is aiming to be an employee for all age groups a comprehensive personnel work with various types of measures in the fields of flexible work, ergonomics, health and well-being and competence development is carried out. The company’s more specific policy is to take care of their older employees whom are not coping with the trying work in production.

Around 8000 of the employees in the production are affiliated to a trade union. There is to a great extent consensus between the company and trade union regarding issues in work environment and different measures.

B. Description of the original initiative

In the beginning of the 90s the work organization and work environment was changed at VCT. The production work was characterized by increasingly indus-
trial and automatized work environment with self-managed working groups and
great demands of efficiency. Additional and greater demands of competence re-
sulted in a number of older workers that did not suit the changed work organiz-
ation. As a consequence of a recession the company also was in a difficult eco-
nomic situation. Additional the company built a new and more effective painting
fabric. In painting, where most of the older employees worked, therefore cut
down their labor force from approximately 1000 to 500 employees. The reason
why the company did not dismiss these employees was that the company man-
agement considered that through different measures they would be able to han-
dle the situation without dismissals to an equal or a lesser cost that dismissals
would mean. This turned out to be a correct analysis of the situation. Further-
more the company saw a chance to avoid the human suffering that dismissals
always result in. The company did not handle the redundancy only through the
start of senior working places but also through different activities that resulted in
a reduction of the labour force, for example support for studies etc.

As a result of these above mentioned circumstances the company started to plan
for the initiative of “senior working places”. The aim of the initiative was to take
care of the older employees with a long period of employment in the company
that did not handle the changed conditions within the production. The initiative
focused on offering the older workers alternative work tasks. An important fea-
ture of the initiative was that these alternative tasks and new area of work also
should contribute to the company’s profitability. The older employees were of-
fered to work at a unit that aimed working with services that earlier had been
bought in from outside the company.

The initiative was introduced by the management and the HR-department and
started in 1992. The design and implementation of the initiative with senior
work places were carried through in co-operation with the trade unions. The
trade union representatives were active in the whole process and involved in
every step towards the realization of the initiative. All concerned employees
were interviewed with a representative of the trade union present. The employ-
ees were able to give proposals to alternative work tasks. An important part of
the initiative was to listen to the individual desires and thereafter try to find suit-
able solutions.
The formal demands of access to a senior work place refer to age and/or job tenure. The employee must be 50 years old with job tenure of at least 15 years or must have been employed for at least 25 years in the company irrespective of age. Further demand was that the employee did not handle the output demands at their present work. In 1992 totally 120 employees worked in a senior work place. There was no explicit gender dimension included in the policy.

VCT added extra means to launch the initiative. The company also co-operated with the county labour board in order to handle the redundancy of the employees that could not be regarded as older employees. The senior unit, Special Vehicle & Services (SVS), was not managed under the same demands of profitability as the other units and was in the beginning aloud to run at a loss.

C. Development of the initiative

The original initiative has largely remained in place. The scope of the initiative has however increased since more activities have been gathered under SVS. For example in 1997 to 1998 the packing activity was transferred to the unit and around 80 to 100 new employees were added. New niches have also been added. I.e. the busses for intern transportation were not part of the SVS from start. There has been a steady increase of the unit’s work force until the past three years when the number of employees has remained at the same level. The profitability for the unit has been steadily increasing and the past few years the unit has been profitable.

The employees keep their monthly salary at the same level as before.

The premier success factor is indicated to be that the company from the beginning stressed that the activity at SVS, at the same time as it is a part of the HR-work, should be profitable for the company. The fact that SVS has reached profitability is also one reason for the continuation of the initiative. This has also contributed to the units surviving despite constantly recurring rationalizations.

A constant recurring threat towards SVS has been and still is economic inventories and demands of saving. The weak spot for the SVS is that the activity is not part of the company’s core activity, which makes the unit especially vulnerable for economic savings and outsourcing. SVS has despite that been able to show,
not least with the positive economic development, that the unit is economic sustainable for the company.

The trade union representative also emphasize that one of the reason for the continuation of the initiative is that the older workers whether the initiative or not would imply a cost for the company either as considerable higher number of absence due to sickness in the regular production or the dismissal of older workers.

The fact that the employees involved in the initiative have been motivated has also contributed to the success of the initiative. Agreement between company and trade unions is also seen as one of the most important factor for success.

The implementation process of the initiative was relatively easy and there were no particular barriers to implementation. During the time for the implementation VCT were in a difficult economic situation and was pervaded by a high level of crises awareness. This made the implementation of the initiative easier.

Outcomes and consequences of the senior work places:

- The initiative spread a security among all employees. The employees felt that despite future possible work disability they will keep their work within the company. The employees at the senior unit have also been motivated and the absence due to sickness rate is lower in relation to other units.
- The initiative also entailed positive effects in terms of good will for the company. At a couple of substantial rationalizations during the years, with to many employees as a consequence, the company could transfer the employees to the senior unit instead of dismissals.

The scope of the initiative has increased and there has been a steady increase of the unit’s work force until the past three years when the number of employees has remained at the same level. The profitability for the unit has been steadily increasing and the past few years the unit has been profitable. The premier success factors are indicated to be that the company from the beginning stressed the profitability of the activity at SVS, motivated participants of the initiative, agreement between company and trade unions and the fact that SVS has reached profitably.
D. Good practice today

VCT is aiming to be an employee for all age groups. This aim is fulfilled with a comprehensive HR work with a number of measures. VCT is aiming for increased diversity. Furthermore the company is working to improve ergonomics and to promote teamwork. A program for increasing competence is also carried out. All employees are offered to take courses to achieve compulsory school degree during working hours. The employees can also take courses to achieve upper secondary school degree during their spare time but with economic support for i.e. textbooks. The company furthermore subsidizes costs for keep-fit activities.

The car manufacturing industry is a quite exposed industry with highly demands of efficiency and productivity. VCT tries to take care of the older employees with a long period of employment in the company that do not handle the physical workload within the production. VCT is therefore offering their employees either transfer within the regular production or substitution of tasks in senior work places. The senior work places are earmarked and gathered under the service unit Special Vehicle Services (SVS).

Totally around 370 employees work at a senior work place and for the time being there is a queue and about 20 to 30 employees are aiming for a senior work place. An important feature of the initiative is that the SVS unit also should contribute to the company’s profitability.

Management together with the HR department decides who is going to be offered a senior work place. The formal demands of access to a senior work place refer to age and/or job tenure. The employee must be 50 years old with job tenure of at least 15 years or must have been employed for at least 25 years in the company irrespective of age.

Decision is made and if the employee is not fulfilling the demands for a senior place the company tries to find an alternative suitable work in the regular production. This is done through working tests or work ability assessments. If the employee is fulfilling the demands for a senior work the possible work tasks are matched to the employee. In most cases the employee receives an education for the special work area. Contributory actors are employee, the local occupational health group, management and trade unions.
The SVS unit’s areas of operation are:

- production
- packing
- cleaning of local/processes/plant
- intern bussing, personnel services and fire guard
- environment and waste handling
- building and repairing
- adjustments of production material.

At present the senior unit is run by itself and incorporated in the other activity. The senior unit is run with the same demands of budget and profitability as other units.

The background for the introduction of the initiative was that the work organization and work environment changed at VCT in the beginning of the 90s. The production work was characterized by increasingly industrial and automatized work environment with self-managed working groups and great demands of efficiency. Additional and greater demands of competence resulted in a number of older workers that did not suit the changed work organization. Instead of dismissals the company started to plan for the initiative with senior work places.

The initiative was introduced by the management and the HR-department and started in 1992. The design and implementation of the initiative were carried through in co-operation with the trade unions. Trade union representatives were active in the whole process and involved in every step towards the realization of the initiative. All concerned employees were interviewed with a representative of the trade union present. The employees were also able to give proposals to alternative work tasks. An important part of the initiative was to listen to the individual desires and thereafter try to find suitable solutions.

Outcomes and consequences of the senior work places:

- The initiative is spreading a security among all employees. The employees feel that despite future possible work disability they will keep their work within the company. The employees at the senior unit also are moti-
vated and the absence due to sickness rate is lower in relation to other units.

- The initiative also entails positive effects in terms of good will for the company. At a couple of substantial rationalizations during the years, with many employees as a consequence, the company could transfer the employees to the senior unit instead of dismissals.

A constant recurring threat towards SVS has been and still is economic inventories and demands of saving. The weak spot for the SVS is that the activity is not part of the company’s core activity, which makes the unit especially vulnerable for economic savings and outsourcing.
National Overview Report – Eight Company Case Studies from Sweden

1. Main characteristics of the evolution of the company case studies

Only one of the finished Swedish case studies is part of the originally listed case studies. The company, Rapid Granulator, has however abandoned the initiative to recruit older worker. Their recruitment of older workers can rather be described as a temporary initiative in response to a shortage of skilled labour.

At VCT, which is one of the most longstanding case studies, the focus of the initiative has largely remained in place. The scope has however increased and the evolution of the case study can therefore be characterized by a steadily expansion up to three years ago. The case study of Malmö has also had an expansion. The number of participants in the project has increased up to the recent year of reduction of target group and narrowing of initiative.

2. Main impacts of measures at the company level

There are a number of positive effects of the measures introduced in the seven case studies from Sweden. From the perspective of the older employees there is an improved sense of well-being resulting from the companies' recognition and appreciation of the older employees’ competence. For example in the city of Malmö teachers involved in the initiative, that have been offered to work with alternative tasks where their competence has been made use of, have become healthier and to a higher degree been able to work until retirement age. At OKG the older employees’ unique and profound competence within the nuclear power area is highly valued and the older employees feel great pride in their competence and achievements in the company. By recruiting older workers with professional experience at Elmhults Constructions older workers competence is made use of. This is influencing the employability of older workers in a positive way and improving older workers status in the labour market.

At both the city of Malmö and VCT the measures resulted in a greater feeling of employment security among all employees. Despite future work disabilities the employees feel that they will keep their work within the organisation/company and can be able to work until retirement age. The measures also benefited the
older workers since the conditions to work until regular retirement age were improved.

From the perspective of the employer the case-studies show a number of positive effects. For both the city of Malmö and OKG the measures meant that important competence has been secured and kept within the organisation/company. The city of Malmö has also overcome problems with labour shortages among teachers. OKG has been able to transfer strategic competence for the company and thereby secured that no important competence leave the company. Elmhult Constructions has by recruiting older experienced workers gained valuable competence and reduced costs for training and acclimatization. At VCT the initiative also entailed positive effects in terms of good will for the company. At a couple of substantial rationalizations during the years, with too many employees as a consequence, the company could transfer the employees to the senior unit instead of dismissals.

Some of the identified impacts of the initiative are unintended consequences from the main purpose of the initiative. At company level one main impact of the measures is positive PR for the companies or organizations. The bank Färs and Frosta for example received a lot of positive PR though the pronounced personnel policy and as a result of the publicity the bank also gained new customers. In the city of Malmö the measure has affected the organizations' negative reputation as an employer in a positive direction. Also Elmhults Constructions has due to their initiative received a good reputation as an employer and this has contributed to a constant supply of labour applying to the company.

3. Driving forces for implementing good practice at the company level

The driving force for implementing good practice at the company level varies between the seven cases. The driving force for the two initiatives taken by organizations in the public sector, the city of Malmö and the county council of Kronoberg, was developed in response to labour shortages and identified future problems of personnel supply. During the latter part of the 90s Malmö for example had some problems with recruiting qualified teachers which was the main driving force to develop measures aimed to reduce the number of teachers that had early retirement and to create conditions for the teachers to work until retirement age. The county council of Kronoberg is with its ageing workforce fac-
ing large retirements within the nearest future. In addition to this the council has problems with increasingly absenteeism rates and early retirements.

In contrast other initiatives such as that developed by VCT, were encouraged by *labour surplus*. The company management at VCT considered that through different measures they would be able to handle the surplus of labour without dismissals to an equal or lesser cost. The driving force for implementing good practice was the aim to take care of older employees with a long period of employment in the company.

The driving force for OKG also originates in an ageing labour force with large proportions of the employees approaching retirement and the recognition that *unique competence* is about to leave the company. The company therefore aims to secure competence within important and strategic areas through strategic transferring schemes. This resembles the driving force for Fårs and Frosta Sparbank where the competence of older employees is recognized and highly valued. The bank is therefore trying to through transferring safeguard competence and special program for employees over 55 to stimulate older employees to stay until the regular retirement age and thereby retain valuable competence. Elmults Constructions good practice originates in response to the company’s need for experienced, already trained, personnel.

4. Characteristics of particularly successful measures

*The city of Malmö – mitigate the workload at the end of work life*

The city of Malmö was in the later part of the 90s facing problems in recruiting teachers. One of the measures to deal with this problem was the initiative for older teachers. The aim of the initiative was to make use of the older teachers’ competence and to support older employees to stay until the regular retirement age. Focus was to create roles at the school suitable for older teachers and more concrete to bring the tasks into line with the older teachers needs. This aim was fulfilled with the following measures:

- Reduce the part of teacher work that often stresses and tire the teachers i.e. the meeting with the pupils, teaching and the situation in the classroom.
- Compensate the reduced part of work with other real, asked for and qualified tasks.
VCT – specific work related reorganizations within the company

VCT aims to take care of the older employees with a long period of employment in the company that does not handle the physical workload within the production. VCT is therefore offering their employees either transfer within the regular production or substitution of tasks in senior work places. The senior work places are earmarked and gathered under the service unit Special Vehicle Services (SVS). Totally around 370 employees work at a senior work place. The formal demands of access to a senior work place refer to age and/or job tenure. The employee must be 50 years old with job tenure of at least 15 years or must have been employed for at least 25 years in the company irrespective of age.

OKG – program for transferring competence

OKG is since 2002 carrying on an organized long-term program for transference of competence between employees. One of the reasons is that a large number of the employees are starting to approach the retirement age, which is viewed as a threat since many of the older employees possess unique competence within the nuclear power industry. The program aims at securing competence within important and strategic areas. It also has a long-term purpose in creating a work environment where competence development shall be a natural part of everyday work. OKG has established structural forms for the transference of competence.

5. Key lessons from implementing measures

One of the key lesson from implementing the measure for older teacher in the city of Malmö were the co-operation during the implementation process that were characterized by an open and creative climate. The traditional more or less conflictual relationship between the trade union representatives and the employer was abandoned and the proposals were for example always introduced as common. One other important factor that affected the measure in the city of Malmö and a condition for success were the allocated and directed means for the initiative and also the political and trade unions support for the initiative.

In the case of OKG the main lesson learnt from the implementation process were that the work should be performed in organised forms, have support from
the management and that the roles with their respective requirements shall be clearly defined. Further the importance of allocated economic means and time resources is particularly emphasised by the company.

The premier success factor for the initiative at VCT is indicated to be that the company from the beginning stressed that the initiative/activity at SVS, at the same time as it is a part of the HR-work, should be profitable for the company. The fact that SVS has reached profitability is also one reason for the continuation of the initiative. This has also contributed to the units surviving despite constant recurring rationalizations. Other important reasons for success at VCT are the fact that the employees involved in the initiative have been motivated and there has been agreement between company and trade unions. One other stated reason for the continuation of the initiative at VCT is that the older workers whether the initiative or not would imply a cost for the company either as considerable higher number of absence due to sickness in the regular production or the dismissal of older workers.

The initiative developed by the county council of Kronoberg show that problems can occur in the implementation process. One problem that affected the project in a negative way is criticism against a top-down implementation strategy. The managers that participated in the project states that their knowledge about personnel work was not utilized. The project was initiated highly in the organization and the managers were not given the opportunity to participate in the design of the project. This was regarded as the organization’s lack of confidence for the managers and it contributed to a pending attitude to the project. The evaluation also shows that the managers involved in the project noticed a contradiction between the aim of the initiative and the county council’s other personnel policy. The fact that the county council is forced to decrease costs and for example reduce access to the local occupational health group is a direct contradiction to the aim of the original initiative. These internal circumstances created difficulties to implement a personnel-promoting initiative like this.

6. Future issues concerning age-management raised at the company level

The above key lessons can be used as concluding points regarding future issues of age management. The first identified success factor for implementing good practice at company level is that the initiative is a result of an agreement be-
tween trade unions and company management. To present the measure as com-
mon at an early point seems to be an important factor for the development of the
initiative. Secondary the companies emphasize the importance that the initiative
is embedded in a unified policy within the whole company with allocated and
directed means as important features. The third point raised at company level is
that the initiative tends to develop in a positive direction if the initiative, at the
same time as it is a part of the HR-work, also contributes to the profitability for
the company. This is one challenge that for example VCT is facing since a con-
stant recurring threat towards the initiative has been and still is accounting de-
mands of cost saving. The weak spot for the initiative is that the activity is not
part of the company’s core activity, which makes it especially vulnerable for
economic savings and outsourcing. So one of the future challenges at VCT is
likely to be the management’s ability to show that the initiative is continuing to
be economic sustainable for the company.
Appendix 1.
Structure of National Overview Report

“Employment and labour market policies for an ageing workforce and initiatives at the workplace”

Part I

Key emerging themes from company case-studies (4 pages, 2,000 words)

1. Main characteristics of the evolution of the company case studies over the last decade (expansion, narrowing, extension, abonnement)

2. What are the main impacts of measures/initiatives at the company level (e.g. benefits to older workers and benefits to employers, any unintended consequences)?

3. Driving forces for implementing good practice at the company level (Please make special reference to the influence of public policy, e.g. legislation or financial incentives, and collective agreements – at national, sectoral or company level - if applicable)

4. Which characteristics of particularly successful measures/policies can you provide? (Please provide short exemplary description of individual cases)

5. Which key lessons can be drawn from implementing measures and initiatives cases (e.g. role of actors, main reasons for success or failure, innovative features)

6. What are future issues concerning age-management raised at company level? (Problems not resolved in individual companies so far, challenges faced etc.)

Part II

I. Perception of demographic/labour market issues in national policy over the last decade and development of national policy concerning an ageing workforce (employment policies incl. legislation, pension reform etc. and influences of EU-policies/programmes) (2 to 3 pages, 1,000 to 1,500 words)

II. Relevant actions of social partners and other key actors: Policies and practices (1 page, 500 words)

III. Status of the issue of older workers in current policy and public debates – identification of future issues (assessment by researchers, 1 page, 500 words)
Annex 1: List of interviews per case study

<table>
<thead>
<tr>
<th>Number and name of case</th>
<th>Quantity of Interviews</th>
<th>Function of interview partner</th>
</tr>
</thead>
</table>
| Färts and Frosta Sparbank                | 3                      | 1. Head of Marketing & Information  
                           |                         | 2. Personnel Director  
                           |                         | 3. Representative of the employees |
| Rapid Granulator AB                     | 3                      | 1. Personnel manager  
                           |                         | 2. Trade union representative  
                           |                         | 3. Trade union representative  |
| Elmhult Konstruktion AB                 | 2                      | 1. Personnel manager  
                           |                         | 2. Trade union representative  |
| County council of Kronoberg             | 4                      | 1. Project leader Age Management  
                           |                         | 2. Personnel manager  
                           |                         | 3. Personnel manager  
                           |                         | 4. Trade union representative  |
| OKG AB                                   | 2                      | 1. Human resource  
                           |                         | 2. Trade union representative  |
| The education department in the city of Malmö | 2              | 1. Personnel manager The education department in the city of Malmö  
                           |                         | 2. Trade union representative  |
| Volvo cars Torslanda                    | 3                      | 1. Manager Personal Support  
                           |                         | 2. Personnel manager Special Vehicles and Services (SVS)  
                           |                         | 3. Trade union representative  |

This information will be used to understand if the case has been discussed with all parties potentially involved or not (management, unions and workers)
Annex 2: List of European Foundation cases originally listed but not included in field work: reasons of refusal/rejection

<table>
<thead>
<tr>
<th>Name of company</th>
<th>Reasons for refusal/rejection (please indicate from section below)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No contact because....</td>
</tr>
<tr>
<td>Volvo Penta</td>
<td>No time/interest for research/other business to do</td>
</tr>
<tr>
<td>Child care service the city of Sundsvall</td>
<td>No contact person available</td>
</tr>
</tbody>
</table>

No contact possible:

Name of company not to be identified
Company not to be located
Company ceased to exist
Others

General reason:

No contact person available
No time/interest for research/other business to do
Other

Measure related reasons:

Age issues not relevant anymore
Measure not judged as been good practice at all/substantial enough
No good practice today
Measure to long ago to give information about
No person to give information available
Information gathered not substantial enough
Measure disputed between trade unions/employers

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4 This information will be used to assess, if the access was not possible for general reasons or if mainly failure of the initiative as such was responsible