



**2010-2012**



**2013-2014**

# Project Results and Ideas Worth Revisiting

CBSS/BSLF Project „Sustainable Working Life“ Meeting, 19 March 2019

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**Baltic Sea Region**  
Programme 2007-2013

“How old *I* am”, said Karlsson. “I am a man in his best ages, that’s all I can say”.

Little brother didn’t quite know what it meant, to be a man in his best ages... So he asked cautiously:

“Which years are the best?”

“All”, said Karlsson with satisfaction.

Astrid Lindgren, *Karlsson-on-the-Roof*



## Quick Facts about the Projects

- Original project: “Best Agers” (2010-2012, 18 partners)
- Extension project: “Best Agers Lighthouses” (2013-2014, 12 partners)
- Partners: further education institutions, chambers of commerce, business development agencies, public authorities, universities
- Cooperation with BSLN/BSLF, e.g. Joint Conference in Riga 2014



## WHAT CAN BEST AGERS DO?

**work longer**

**be mentors  
for students**



**start their  
own business**

**assist SME as  
experts**



Hans-Georg Billmann

Country: Germany

Age: 64

Has started his own  
consulting firm at age  
63

Supports mainly SME and  
business founders





Karen Marie Ravn

Country: Denmark

Age: 65

Works in a museum

Is a mentor for fragile  
employees

Who will replace her  
when she retires?



Miervaldis Rozenbergs

Country: Latvia

Age: 68

Works on his inventions  
since reaching  
retirement

Supports other (young)  
inventors



Kerstin Sofia Andersson

Country: Sweden

Age: 70

Built up a Tourism &  
Conference centre

Consults other founders  
and business owners,  
especially women



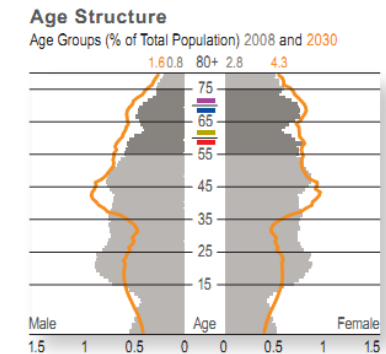
## Points of Departure

- Demographic data shows that working age population will be shrinking throughout (even in growing regions)
- Considerable differences in the Baltic Sea Region (e.g. employment rates of 55-64-old)
- Study among employers in DE, SE, LT, LV:







<ul style="list-style-type: none"> <li>• Awareness of demographic change exists</li> </ul>	<ul style="list-style-type: none"> <li>• no long-term personnel planning: 73% of employers plan only next 1-2 years</li> </ul>
<ul style="list-style-type: none"> <li>• Positive attitudes towards older employees' skills</li> </ul>	<ul style="list-style-type: none"> <li>• very few companies use age management practices</li> </ul>

- Lack of useful examples from SME

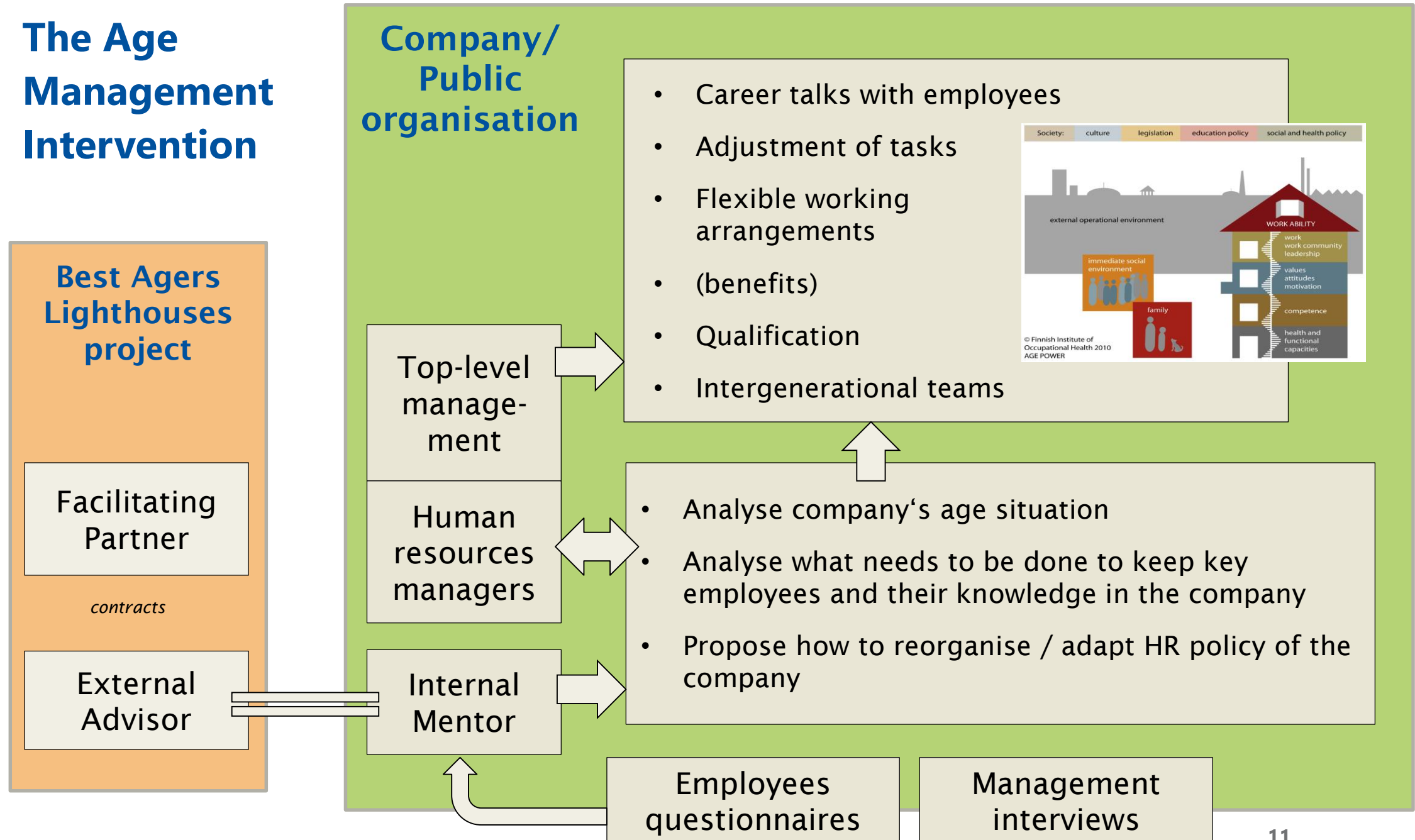
**LV00 Latvia: Demographic Profile**



## THE IDEA OF LOCAL AGE MANAGEMENT PARTNERSHIPS = LAMPs

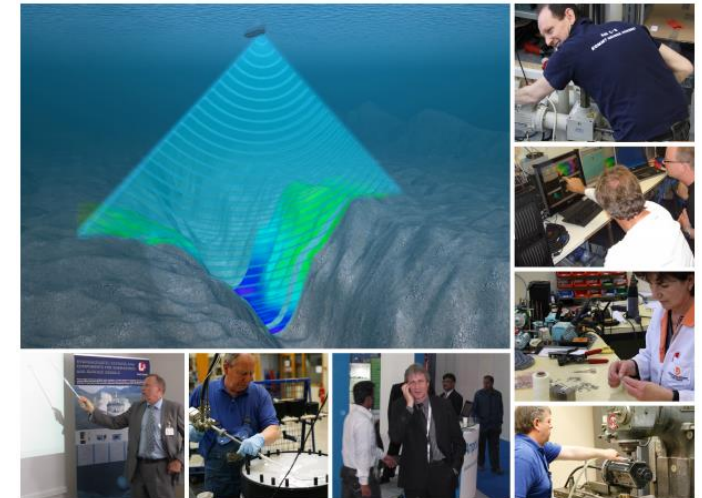
Scientific Evaluation and Transnational Exchange					
	Project Partner	External Advisor	Internal Mentor	Employer	
	Project Partner	External Advisor	Internal Mentor	Employer	
	Project Partner	External Advisor	Internal Mentor	Employer	
	Project Partner	External Advisor	Internal Mentor	Employer	
	Project Partner	External Advisor	Internal Mentor	Employer	
Promotion of Benefits and Success Factors					

# The Age Management Intervention



## Intervention example 1 – L3 Elac Nautik, Kiel, Germany

- Medium-sized company with 150 employees in marine electronics and communication
- Age management measures were embedded into a longer-term change programme
- Implemented measures in the fields of
  - Leadership culture and corporate values
  - Know-how transfer from old to young (yearly programmes with inhouse training)
  - Healthcare measures (e.g. short timeouts in stressful situations)
  - Age-adjusted job design, yearly assessment talks from at age 55+



## Intervention example 2 – Kaunas University of Technology, LT

- Based on employee survey, external advisors proposed Nordic walking exercises for employees
- Exercises raised employee health, but also facilitated communication between different age groups
  - Debates on perspectives of employees aged 55+
  - Raised awareness about the importance of work ability among employees
  - First steps on the way to age management

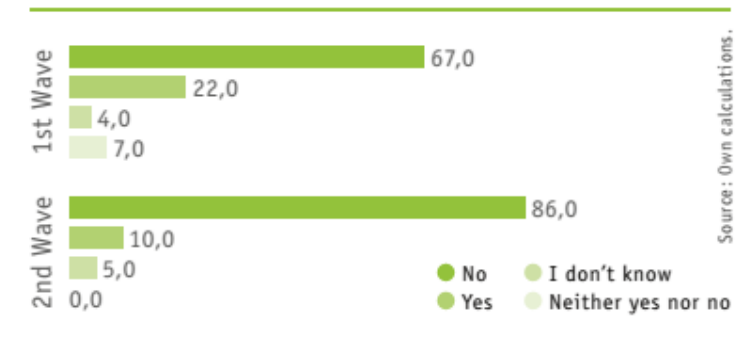




## What we did find out - key findings of the evaluation

- Managers are generally aware of the competences of employees aged 55+, but admit that in their organisations these are not yet used in conscious manner
- Changed attitudes of managers towards age in recruitment and termination of contracts
- Managers see more value in skills of older employees and competence transfer
- Still a large variety of views among managers
- Increased sensitivity of employees for age issues in the company: raised appreciation and raised expectations

The managers' replies to the question "Can age be a factor taken into account in the decision to terminate the employment contract?" – comparison of the 1st and 2nd wave (% of responses in the total number of responses in the survey)



## What we did not find out – methodological limitations

- Short time frame limited effectiveness of interventions and relevance of evaluation results
- Lighthouses were all medium-sized – how to reach *small* enterprises?
- Insufficient results of cost-benefit analysis due to short time-frame, our simplified arguments;
  - Productivity gain needed to offset intervention costs
  - “Bus-driver example”: personnel turnover costs higher than employing older drivers

**RUNNING COSTS OF CONTINUED EMPLOYMENT OF SENIOR EMPLOYEES**

The following calculation of two alternative routes of personnel management practice illustrates the effects of a managerial decision and the monetary advantages and disadvantages of one specific age management measure for an employer. In the first case, five senior employees are further employed, whereas in the second case the five senior employees are replaced by five new employees who need to be recruited first. In the first case an age management measure is introduced: while the work-time of the retained senior employees is reduced to 80 %, they receive 90 % of their salary (a common example often referred to as the Vattenfall 80-90-100 model). The figures used for the calculation are not taken from a specific Lighthouse Organisation example, but are based on data for Schleswig-Holstein (salaries) and can be considered as illustrative amounts based on business experience.

**Assumptions**

Full-time annual salary senior employees	50,000	Recruitment cost (about 20 % of annual salary)	7,700
20 % reduced work-time, 90 % salary	45,000	Induction/training of new recruits (3 monthly salaries)	9,624
Annual salary new recruits	38,500	Drop-out rate: 7 recruitment tries for 5 successes	

**Example calculation:**

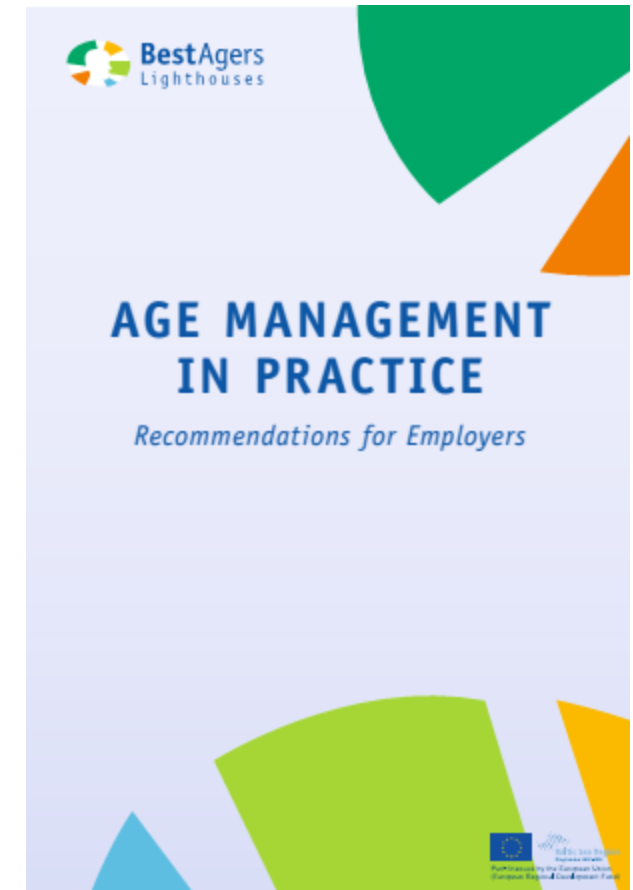
Continued employment of 5 senior employees				Recruitment and training of 5 new hires					
Annual salary	5	90 %	50,000	225,000	Annual salary <sup>1</sup>	5	2	38,500	231,000
New hires <sup>2</sup>	1	-	38,500	38,500	-	-	-	-	-
Recruitment costs	20 %	-	7,700	7,700	Recruitment costs	20 %	-	-	46,200
Training <sup>3</sup>	-	-	3,208	9,624	Training <sup>4</sup>	3	-	3,208	67,368
<b>Total cost</b>			<b>280,824</b>		<b>Total cost</b>				<b>344,568</b>
<small>1 1 new recruit to compensate for reduced work-time of senior employees. 2 1 new recruit/employee calculated for full year (probationary period). 3 Training costs for one new recruit, three months. 4 Training costs for seven new recruits, three months.</small>				<b>Additional costs</b> 63,744					

Thus, although in the first case one new recruit has to compensate for 20 % reduced work-time of the senior employees, the continued employment of five senior employees is beneficial when compared to the recruitment and training of five new recruits. This is mainly caused by the higher recruitment and training costs, as well as the drop-out rate, which is verified by experience in the field of HR and recruitment.

## Success factors

- Combining a holistic approach with “quick wins”
- Crucial role of the external advisor:
  - Managers often lack awareness, tools or resources
  - no one-size-fits-all solution, but individual approaches that take into account the company’s socio-economic environment
- Crucial role of the internal mentor: building trust and long-term support for an adjusted HR policy among employees, works councils/unions and middle management
- Crucial role of top-level management and HR managers: Commitment and willingness to make changes, communication to peers -> showcase examples!

## Further reading:



[www.best-agers-lighthouses.eu](http://www.best-agers-lighthouses.eu)

## **The long-term view: Successes and failures**

- 17-point programme for sustained employability (BeA)
- Recommendations for Policy-Makers and Social Partners (BeAL)
- Intervention concept: Inquiries from companies after project
- Awareness raising (e.g. in Pomerania)
- Documentary film clips
  
- Baltic-sea wide database of senior experts
- Age management network of regions
- Workshop concept and material on age management for trade unions



## Ideas never realised:

- Follow-up evaluation: What remains of the age management interventions? Was the change sustainable?
- Promoting the “lighthouse companies” - spreading the concept of age management interventions to more employers
- Introducing age management in training of HR personnel (university education / further education)
- A project on senior entrepreneurship

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## Appendix: List of lighthouse organisations

Partner	Location	LAMP organisation	Participating unit	Employees	Branch
01 WAK	Kiel, Germany	<b>City of Kiel (public)</b>	2 Departments (1. technical department, 2. tbd)	n.a.	Public administration
01 WAK	Kiel, Germany	<b>L3-ELAC Nautik (private)</b>	Whole Company	150	Electronics & Communication
03 BWH	Hamburg, Germany	<b>Claudius Peters (private)</b>	Whole Company	400	Metal and Electronics
06 Prizztech	Pori, Finland	<b>Pori Energia (private)</b>	Whole Company	300	Energy
08 SSE Riga	Riga, Latvia	<b>Latvenergo (private/public)</b>	Department	200	Energy
09 SCCIC	Siauliai, Lithuania	<b>Siauliai State College (public)</b>	Whole college	230	Higher Education
10 NRDA	Siauliai, Lithuania	<b>University of Siauliai, Social Sciences Faculty (public)</b>	Social Sciences Faculty	99	Higher Education
11 KTC	Kaunas, Lithuania	<b>KTU University (public), faculty of economics and management</b>	Department	100	Higher Education
12 NLL	Norrbottn, Sweden	<b>NLL dentistry service (public)</b>	Department	94	Health Care