Italian companies and ageing workforce. Findings from two INAPP survey

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THE CURRENT SITUATION ON THE ITALIAN LABOUR MARKET

Employment rate young vs old

- 15 - 29
- 55 - 64
How this evolution impacted on organizations?

- In 2004-2016 employees grew only in 45-54 and 55-64 classes (+ 1,600,000 and + 1,780,000 respectively)

- The other age classes lost almost 3 millions of employees

- The average age of Italian employees is now around 44 years

- There is still a large gender gap: employment rate of men 55-64 is 62.1%, while it is nearly 40% among women.
Ageing work force in SMEs

Investigating solutions adopted for the maintenance, the professional exploitation and the possible reintegration of older workers

Sample survey on 2,000 private SMEs (except agriculture); 10-249 employees

Sectors involved: industry, building, services with low added-value and services with high added-value

Age management in large companies

Analyze meaningful age management experiences, for facing the ageing of workers and skill obsolescence

152 large companies (telephone interview); 8 case-studies (in-depth interviews/focus groups).

Sectors involved: manufacturing, building, electricity, gas, water and waste management, telecommunications, publishing, information technology, financial services
Ageing work force in SMEs

SMEs SURVEY – DESCRIPTIVE ANALYSIS (1)

Out of a total of 5,465,791 employees, 1,261,177 are 50+ (22.3%) 

Their distribution by gender shows a significant prevalence of men over women for all age classes, in particular for 50+ (women are only 28.4%)
Ageing work force in SMEs

SMEs SURVEY – DESCRIPTIVE ANALYSIS (2)

The share of 50+ is larger for medium enterprises where about one worker out of 4 is over 50 (24.3%). This share is 20.6% in small companies and 21.3% in the smallest enterprises.

The share of 50+ is different within economic sectors: it goes from 20.8% in high added-value services to 23.8% in industry.
THE IMAGE OF OLDER WORKERS WITHIN SMESs (1)

Only 35% of the companies observed an increasing of the average age of employees during last years

Older workers can be considered....

<table>
<thead>
<tr>
<th></th>
<th>mainly a disadvantage</th>
<th>neither one nor the other</th>
<th>mainly and advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>10,4</td>
<td>68,0</td>
<td>21,6</td>
</tr>
<tr>
<td>10-19</td>
<td>8,1</td>
<td>69,1</td>
<td>22,8</td>
</tr>
<tr>
<td>20-49</td>
<td>11,8</td>
<td>68,1</td>
<td>20,1</td>
</tr>
<tr>
<td>50-249</td>
<td>18,0</td>
<td>62,4</td>
<td>19,6</td>
</tr>
<tr>
<td>Industry</td>
<td>10,1</td>
<td>65,8</td>
<td>24,1</td>
</tr>
<tr>
<td>Building</td>
<td>13,8</td>
<td>66,6</td>
<td>19,6</td>
</tr>
<tr>
<td>Services (low added value)</td>
<td>10,7</td>
<td>69,8</td>
<td>19,5</td>
</tr>
<tr>
<td>Services (high added value)</td>
<td>7,8</td>
<td>71,1</td>
<td>21,1</td>
</tr>
</tbody>
</table>
Ageing work force in SMEs

THE IMAGE OF OLDER WORKERS WITHIN SMESs (2)

- older workers tend to be considered as a resource for the "continuity" of the business and its core know-how;
- they are respected according to their reliability and experience, but they don't seem to be perceived as really different from the other workers;
- the organizational context and the working conditions can sometimes make it difficult to exploit their full potential.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Little or strongly disagree</th>
<th>Somewhat agree</th>
<th>Very or totally agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>he/she is important to preserve and transmit the distinctive know-how...</td>
<td>11,9%</td>
<td>31,3%</td>
<td>56,9%</td>
</tr>
<tr>
<td>he/she is able to manage crisis and emergency situations that occur in...</td>
<td>5,9%</td>
<td>19,8%</td>
<td>74,3%</td>
</tr>
<tr>
<td>he/she is a worker like the others</td>
<td>7,5%</td>
<td>18,8%</td>
<td>73,7%</td>
</tr>
<tr>
<td>he/she is a resource for the company's competitiveness</td>
<td>8,1%</td>
<td>20,7%</td>
<td>71,1%</td>
</tr>
<tr>
<td>he/she understands better the purposes and objectives of the...</td>
<td>11,9%</td>
<td>31,3%</td>
<td>56,9%</td>
</tr>
<tr>
<td>he/she is able to learn new skills and new roles</td>
<td>13,7%</td>
<td>37,5%</td>
<td>48,9%</td>
</tr>
<tr>
<td>he/she is most affected by the pace of production and workload</td>
<td>46,3%</td>
<td>28,1%</td>
<td>25,6%</td>
</tr>
<tr>
<td>he/she finds it difficult to manage work-life balance</td>
<td>74,9%</td>
<td>25,6%</td>
<td>15,8%</td>
</tr>
<tr>
<td>he/she has negative impact on the company's economic balance</td>
<td>79,4%</td>
<td>11,5%</td>
<td>9,1%</td>
</tr>
<tr>
<td>he/she is often absent for health reasons</td>
<td>79,4%</td>
<td>13,6%</td>
<td>6,9%</td>
</tr>
</tbody>
</table>

Population Aging: Challenges and Opportunities - International conference February 3-4, 2017
Ageing work force in SMEs

HUMAN RESOURCES STRATEGIES FOR AGE MANAGEMENT

- Organizational welfare (recreational clubs, associations of workers etc.)
- Distance working (tele-work etc.)
- Adaptation of the work place
- Work-family balance
- Mixed organizational settings (older-younger) and job rotation
- Flexible working time

Bar chart showing the percentage of strategies:
- Flexible working time: 56%
- Mixed organizational settings (older-younger) and job rotation: 16.2%
- Work-family balance: 8.4%
- Adaptation of the work place: 5.9%
- Distance working (tele-work etc.): 3.4%
- Organizational welfare (recreational clubs, associations of workers etc.): 1.9%
AGE MANAGEMENT IN LARGE ENTERPRISES: DIMENSIONS INVESTIGATED

Business Culture

Recruiting → Training → Career paths → Health and safety → Exit from labour market

Globalization of economy → Economic and social crisis → Technological innovation

Corporate Social Responsibility (CSR)
**Age management in large companies**

Promising practices were mainly addressed to:

- selection and hiring of personnel
- training
- health and safety
- career management
- retirement

Promising Practices

Actions which involved some dimensions, but not recognised yet as age management strategies

Practices focused primarily on career path

Training as a tool for connecting the various dimensions
Age management in large companies

INTEGRATED APPROACH

Actions on 5 dimensions: 11

Actions on 3 dimensions: 65

Actions on 4 dimensions: 39

Only a few companies provide the entire range of age management practices, but an integrated approach is quite widespread.

- Actions usually not related to ageing workers: life cycle management
- Predominant presence of over 50: actions improving the quality of their working life and supporting the exit
- Young staff: professional training, task redesigning and research of experienced staff during the recruiting phase.
AGE MANAGEMENT BEST PRACTICES

15 large companies have implemented good practices

Common features:

✓ Very large enterprises
✓ More than 30% of workers +50
✓ Northern part of Italy
✓ Part of larger corporates
✓ Mainly in the service sector (e.g. financial brokerage)
✓ Mission and organization not so much hit by the crisis
✓ CSR culture
✓ Innovative
✓ Skills oriented (training is considered strategic)
Age management in large companies

BEST PRACTICES OF AGE MANAGEMENT: THE STANDARD PATH IN LARGE COMPANIES

1. awareness of the problem
2. analysis of the demographic structure of the company
3. scouting of the mature staff needs
4. design and launching of pilot projects
5. results confirmed and evaluated for proper corrective actions implementation.

General aim: maintaining the overall company profitability by improving worker’s productivity

Three primary action's areas:
- training
- experience enhancing
- intergenerational dialogue
# BEST PRACTICES SWOT ANALYSIS

## Strengths
- Project coherent with culture and business mission
- Project part of a diversity and lifecycle business plan of action
- Positive approach to add value ageing
- Intergenerational strategic approach
- Convenient project for both, the company and the worker
- Continuous, clear and efficacious communication
- Managers, workers and trade union delegates involved in every phase of the project
- Project assimilated in plant-level bargaining
- Starting by testing a pilot project
- Economic sustainability (sustainable by the company costs, positive cost/benefit ratio)

## Weaknesses
- Not detailed planning in every phase of the project and not enough clear aims
- Planning una tantum projects instead of recurring or ongoing actions
- Uncooperative managers
- Difficulty in identifying the subjects to involve
- Suspicious and reluctant subjects
- Periodic results verification and final evaluation not well-framed
- Economic sustainability dependent on public funds

## Opportunities
- National information and awareness campaign about the population ageing
- CSR culture diffusion
- Systematic and vocational support by specialized authority (university, research institute, consultant)
- Comparing to other enterprises and being involved in business network
- Good communication with the outside world
- Public funding *ad hoc*

## Threats
- Social context trivializes creating clichés and stereotypes
- Political and legal framework does not facilitate the implementation of procedures or innovative tools
- Age management culture not quite widespread in the business world
- Limited cooperation (or network) between companies
- Inefficient communication with the outside
- Difficulties in measuring the results in terms of profitability
Final Remarks

✓ Demographic ageing is still nearly unexplored by Italian companies
✓ Attention on workforce ageing grows by increasing company size
✓ Age management stabilized strategies only found in largest companies
✓ Largest companies have used human resources development to face the crisis
✓ Age doesn’t represent a parameter to determine the worker efficiency
✓ Training and skill upgrading play a key-role
✓ In a long-term perspective the development of a working-life cycle and a diversity management approach are envisaged

✓ Companies need tools for demographic checking, age structure analysis, project monitoring and evaluation
✓ Older workers employability requires multidimensional actions both within enterprises organizational settings and in welfare policies
✓ The right answer to the workforce ageing is intergenerational cooperation rather than generational turnover in labour market