The role of the policies for the quality of labour to tackle the expulsion of older workers

Maria Luisa Aversa, Pietro Checcucci, Luisa D'Agostino, Roberta Fefè, Giuliana Scarpetti
Demographics of the Italian labour market and labour market policies

Employers’ perception of the ageing of the workforce

Training participation of older workers

Caregiving and employment among 50+

Labour conditions and work-related stress

Conclusions
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Demographics

Italian population 15-64 by condition. Employed by age class. 2000 - 2° Q 2017 (%)

Source: INAPP elaboration on ISTAT data, 2017
Demographics

Italian population 15-64 by condition. Employed by age class. 2000 - 2° Q 2017 (% variation)

Source: INAPP elaboration on ISTAT data, 2017
Labour market policies

AAI Employment shows a good performance for Italy in 2010-2014

Source: Active Ageing Index project, https://statswiki.unece.org/display/AAI/Active+Ageing+Index+Home
Factors influencing older workers labour market participation

✔ **push factors**, related to the economic crisis consequences, the quality of working life and its effects on workers’ health and employability

✔ **jump factors**, which foster a perception of work as less attracting in comparison to other social commitments, potentially related to family bonds (this is often the case of women, also in relation to care responsibilities towards relatives and/or children and grandchildren);

✔ **pull factors**, usually represented by the possibility of choosing early retirement supported by generous schemes.
Labour market policies

✓ Differences among European countries in terms of labour market participation and retirement suggest to focus more on factors affecting individual workers (health, quality of working life etc.) instead of the macro level (labour market rigidity, salaries etc.).

✓ The growing of retirement age which affected the Italian public pension pillar after the Fornero reform, together with the transition to the notionally defined contribution scheme, seemed to have dimished the relevance of pull factors.

✓ The analysis concentrates on push factors which appear to be more important within Italian labour market: employers attitudes to hire older workers; training and skills; quality of working life and stress-related factors; care-giving responsibilities.
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Employers’ perception of the ageing of the workforce

The INAPP survey on the ageing of workforce 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
The company observed an increasing of the average age of employees during last years.

Older workers can be considered...

Source, INAPP, 2014
Employers' perception of the ageing of the workforce

- 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.

### Survey Results

<table>
<thead>
<tr>
<th>Perception</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>4.4%</td>
<td>18.3%</td>
<td>77.3%</td>
</tr>
<tr>
<td>He/she is able to manage crisis and emergency situations that occur in the work</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 enterprise...</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>15.8%</td>
<td>9.3%</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></td>
<td>13.6% 6.9%</td>
</tr>
</tbody>
</table>

Source, INAPP, 2014
**Employers’ perception of the ageing of the workforce**

**What age is critical when looking at professional performance (%)**

<table>
<thead>
<tr>
<th></th>
<th>Age has not any relation with productivity</th>
<th>+50</th>
<th>40 - 49</th>
<th>30 - 39</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director/Manager</td>
<td>80,3</td>
<td>17,9</td>
<td>1,6</td>
<td>0,2</td>
</tr>
<tr>
<td>Office worker</td>
<td>77,1</td>
<td>20,4</td>
<td>2,2</td>
<td>0,3</td>
</tr>
<tr>
<td>Specialized worker</td>
<td>57,5</td>
<td>39,2</td>
<td>2,7</td>
<td>0,6</td>
</tr>
<tr>
<td>Generic worker</td>
<td>56,1</td>
<td>40,4</td>
<td>3</td>
<td>0,5</td>
</tr>
</tbody>
</table>

Source, INAPP, 2014
**Employers' perception of the ageing of the workforce**

- **Organizational welfare (recreational clubs, associations of workers etc.)**: 1,9%
- **Distance working (tele-work etc.)**: 3,4%
- **Adaptation of the work place**: 5,9%
- **Work-family balance**: 8,4%
- **Mixed organizational settings (older-younger) and job rotation**: 16,2%
- **Flexible working time**: 56%

**Human resources strategies for age management – SMEs (%)**

- **Flexible working time**: 10-19 employees (56%)
- **Distance working (tele-work etc.)**: 20-49 employees (38%)
- **Mixed organizational settings (older-younger) and job rotation**: 50-249 employees (27,9%)
- **Organizational welfare (recreational clubs, associations of workers etc.)**: Total (14,5%)
- **Adaptation of the work place**: Total (29,4%)
- **Work-family balance**: Total (14,3%)

**Attention to 50+ issues within Trade unions negotiations - SMEs (%)**

- **50-249 employees**:
  - Within 3 years: 5,7%
  - Currently: 7,7%
- **20-49 employees**:
  - Within 3 years: 4,4%
  - Currently: 1,9%
- **10-19 employees**:
  - Within 3 years: 1,4%
  - Currently: 1%

**Reassessment and perspectives of labour policies – Rome, 14-15 December, 2017**

*Source, INAPP, 2014*
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Training participation of older workers

- Training participation is shows a negative correlation with age in all European Countries (25-34 shows the higher rates)
- Participation decreases among older persons with lower educational attainment and employed in low skilled jobs
- In Italy education/training participation is below the UE average in any age class, but is lower among older persons
- Despite a growth in participation among the 25-74 population, between 2010 and 2015, the 55-74 class shows a lower rate (3.1% vs 6.4 of the total population considered)
- Participation in the class 55-74 is higher among people with secondary (4.5%) or tertiary (9.8%) educational attainment; lower level shows a participation rate of 1.2%
According to OECD Italian performance related both to basic and digital skills are lower in comparison to the other States.

Also considering the so called high-performance work practices kills Italy scores a low level.
Training participation of older workers

✓ According to PIAAC-OECD findings, cognitive performance level decreases with ageing

✓ The correlation among literacy, numeracy, problem solving and basic skills in reading and comprehension can positively influence development and maintenance of competencies in adult persons

✓ A skilled work force/society foster knowledge production which can be used to generate innovation

✓ The relationship among training, work and innovation is tightly tied to the ageing of population, in particular considering potential labour shortages, notably in economic sectors characterized by massive input from science and advanced technology

✓ Great importance should be devoted at supporting training provision by companies (notably SMEs) and Life-long learning programs in general.
Skills and competences useful in the perspective of a longer working life

Specific task related skill
- Reading, comprehension and basic math skills: 39.5%
- Basic ICT: 25.6%
- Relational skills: 22.8%
- Foreign languages: 21.2%
- Team-working skills: 18.6%
- Specialized ICT skills: 16.9%
- Managerial skills: 16.3%
- Administration: 9.9%
- Oral and written communication: 7.9%
- Problem solving: 4.9%

Source, INAPP, 2014
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50 + reporting care responsibilities, by typology and condition (%)
Caregiving and employment among 50+:

Reasons of inactivity among 50+, by gender (%)

- Health conditions: Women 50+ 3.2%, Men 50+ 27.6%
- Care-giving responsibilities (children/relatives or other persons with disabilities): Women 50+ 66.1%, Men 50+ 24.8%
- Other: Women 50+ 6.4%, Men 50+ 18.5%
- No job available: Women 50+ 9.7%, Men 50+ 17.0%
- I don't need to work: Women 50+ 3.7%, Men 50+ 4.6%
- Spouse/family of origine don't want that I work: Women 50+ 8.0%, Men 50+ 4.4%
- I have not the requested employability: Women 50+ 1.2%, Men 50+ 1.7%
- Lack/expensiveness of child care services: Women 50+ 1.6%, Men 50+ 1.3%
- In Education/training: Women 50+ 0.0%, Men 50+ 0.0%

Source: ISFOL Plus, 2016
50+, reasons for having left the last job, by gender (%)

- **Retired**: 73.5% (Women 50+), 44.2% (Men 50+)
- **Care-giving responsibilities (children/relatives etc.)**: 18.4% (Women 50+), 11.0% (Men 50+)
- **End of contract/hired/temporary work**: 11.0% (Women 50+), 8.4% (Men 50+)
- **Company/self employment closure**: 10.1% (Women 50+), 8.5% (Men 50+)
- **Unsatisfying job/job conditions**: 6.3% (Women 50+), 3.5% (Men 50+)
- **Personal reasons (more time for him/herself, relocation)**: 5.6% (Women 50+), 1.6% (Men 50+)
- **Health conditions**: 5.0% (Women 50+), 4.0% (Men 50+)
- **Married/I don’t need a second income**: 0.0% (Women 50+), 3.2% (Men 50+)

Source: ISFOL Plus, 2016
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Labour conditions and work-related stress

Older workers are more exposed to work-relate stress for two set of reasons

They more frequently undergo negative effects of firm restructuring

Sustainable work = Sustainable working conditions = Possibility of working longer until retirement

Arduous work and bad working conditions may determine early exit from the labour market
Labour conditions and work-related stress

They more frequently undergo negative effects of firm restructuring

- In Italy reorganisation processes are more likely to cause work-related stress
- The fear of being fired prevails under 35, but the relative stress is higher among 50+, due to long-term unemployment risk

Arduous work and bad working conditions may determine early exit form the labour market

- Lack of career opportunities (71%)
- No training during last 12 months (62%)
- No opportunity of learning new things (33%)
- Painful/tiring positions (43%)
- Hard rhythm of work (28%)

ISFOL PLUS:

- Dissatisfaction for career opportunities
- Higher skills in comparison to current job
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✓ Despite demographic situation, Italy do not yet provide a national age management strategy

✓ Public pension reforms and labour market reforms mainly addressed financial sustainability, especially after the crisis which jeopardized resources for development and growth

✓ Demographic ageing and longer working life made the linkages between labour market participation and the quality of labour more and more tight

✓ Work sustainability means giving older workers the resources they need to perform their tasks, favouring sound working environments, safeguarding them from vulnerability and takong stock from their experience, knowledge and skills

✓ This calls for promoting a cultural change at organization level, in favour of an age diversity management approach, avoiding substitution dynamics, as already experimented in the past (young in – old out and viceversa)

✓ Such change should promote diversities among generations, genders and social relations as resources for innovative sustainable competitive strategies
Conclusions

✓ The current development model looks at excellence specialization as the main strategic market feature, using training to grow productivity and (non always) quality, instead of taking into consideration career development, motivation and sense of organization identity of workers.

✓ This speed up the emergence of work-related stress among older, while care-giving responsibilities put pressure on them with new requests.

✓ Attention on workforce ageing grows by increasing company size and age management and welfare strategies are mainly found in largest companies which used human resources development to face the crisis, also taking stock from their CSR approaches.

✓ Among SMEs, synergies with local authorities and civil society organizations could suggest district level strategies to face both population and work force ageing, even if they shows that age doesn’t yet represent a parameter to determine the worker’s efficiency.
Thank you for attention!

Pietro Checcucci – p.checcucci@inapp.org